

Reserve (SPR). As this report discusses, Canada will probably revert to being a net oil-importing nation. Japan and Italy are oil-deficient nations that use their state oil companies to manage national petroleum stockpiles. The House of Commons Standing Committee on Energy, Mines and Resources recommended in 1987 that "...the federal government establish a government-owned strategic oil reserve, equal to 90 days of net light crude oil imports, with the cost of filling and maintaining the reserve to be recovered through a tax on oil products at the refinery level" (Canada, House of Commons, Standing Committee on Energy, Mines and Resources, 1987, p. 6). This recommendation acknowledged the fact that Eastern Canada's dependence on offshore oil was returning to a pre-1973 condition. If Canada were to adopt a policy of stockpiling oil as its domestic output of conventional light crude oil continues to fall, then Petro-Canada may be the logical agency to manage the stockpile.

Prior to the passage in 1990 of Bill C-4, *An Act to amend the Energy Supplies Emergency Act and to amend the Access to Information Act in consequence thereof*, one member of Canada's seven-member Energy Supplies Allocation Board was to be a senior official of Petro-Canada, and Petro-Canada was Canada's representative on the IEA's Standing Group on Emergency Questions. This legislation ended the Corporation's direct participation in national and IEA actions in the event of an oil emergency.

(2) Government's Window on the Industry

Petro-Canada, operating as a fully integrated oil company in competition and sometimes in cooperation with other oil companies, unquestionably has an insider's view of the workings of the petroleum industry that cannot be duplicated by the Department of Energy, Mines and Resources or the Petroleum Monitoring Agency, or by a regulatory body such as the National Energy Board. Nor is it a view that can be articulated by an industry association that necessarily reflects the group's collective self-interest. Petro-Canada is a highly effective window on the industry by virtue of its multi-faceted activities and a unique one in its availability to the federal government.

The Committee does not know the extent to which the federal government has availed itself of the opportunity to use Petro-Canada in this fashion. There is no reliable means by which an outsider can judge how well the window on the industry function has worked, or even the degree to which it has been exercised.

(3) The Public's Window on Petro-Canada

The Committee's review of four other national oil companies reveals that Petro-Canada operates with less formal government scrutiny. The other state companies are subject to closer political control and to stricter financial review through auditing and other procedures.