

ownership and control in the oil and gas industry remains a vital policy goal.

With the buy-up of Texaco Canada by Imperial Esso, there are now just three major integrated oil companies operating across Canada: Imperial, Petro-Canada and Shell. Only Petro-Canada is not foreign controlled.

Under the terms of Bill C-84, Petro-Canada privatization cannot help but result in a further increase in foreign ownership which, after declining in the first half of the 1980s, enjoyed a Tory sanctioned renaissance in the second half. One-quarter of the company will be offered up to foreign ownership.

There is another more chilling factor in this vein. The free trade agreement makes it clear in article 1602 that Canadians could never claw back that 25 per cent share of Petro-Canada once it was allowed to fall into foreign hands. That 25 per cent ceiling on foreign ownership can never, ever be lowered. It can, however, be raised. So, in effect, the ceiling would become a floor and Petro-Canada could never again be made a 100 per cent,—or even 90 per cent or 80 per cent—Canadian-owned energy company.

The second major public policy role which Petro-Canada ought to play is to ensure that energy industry profits are reinvested in Canada. This is no small consideration when you recall that the 1980s saw away over \$7 billion shipped out of Canada by the petroleum industry in dividend payments alone. This is Canadian money, the equivalent of more than half of Alberta's heritage savings trust fund, that will never be used to contribute to energy security in Canada.

Remember, Petro-Canada consistently earns a profit. 1988 was a comparatively bad year and the company still pulled in earnings, revenues less expenses, of \$30 million. In 1987 it earned over \$314 million. In 1989 it earned \$169 million. That money stays in Canada.

Third, and most important, Petro-Canada should be used to actively promote Canada's transition to a more environmentally sustainable future.

There is a revolution of sorts under way in the energy industry. Energy development is beginning to be judged by the impact it has on the environment. People all across Canada and around the world are coming to the

realization that, as the by now much abused but still to the point Brundtland commission report put it "choosing an energy strategy inevitably means choosing, an environmental strategy".

During its short history, Petro-Canada has pursued energy security by discovering and developing new oil and gas supplies in Canada's frontiers. The focus of the future will doubtless shift from these geographical frontiers to the frontiers of creative responses to the earth's environmental imperative.

Petro-Canada is a superb, ready-made vehicle available now for the purpose of leading the energy industry toward greener pastures, a place the industry seems in no hurry to get to on its own. This will be absolutely essential if, as we in the New Democratic Party hope, the government accepts the proposal of the Standing Committee on Environment for significant environmental action.

For starters, operating under public mandate, Petro-Canada can lead the way in recycling ozone-depleting chlorofluorocarbons from automobile air conditioning units by setting up reclamation facilities at many of its service stations.

Similarly, Petro-Canada can take the lead in recycling used engine oil. After contaminants are removed and new additives included, this re-refined oil is indistinguishable from the new lubricants it replaces. Recycling this non-renewable resource provides jobs and keeps millions of litres of it from fouling our biosphere. A green marketing strategy, together with a commitment that all Petro-Canada oil products include re-refined oil would, result in the creation of a major new environmentally salubrious market.

Petro-Canada can also move into the forefront of promoting alternative energy sources. Following Mohawk Oil's commendable lead, Petro-Canada should move decisively into the provision of fuel ethanol blends at the gas pump. Ethanol, distilled from grain and other agricultural crops, is blended in a 10 per cent solution with gasoline. It has been used for many years in the United States and western Canada as an octane enhancing replacement for hazardous lead. Since ethanol is produced from plants that absorb CO<sub>2</sub> from the atmosphere, thereby recycling existing carbon and thus replacing fossil fuel carbon dredged up from the