

*Petro-Canada Act*

and is now trying to turn this House into a circus by acting on the basis of false and misleading information.

However, we now have an agreement by this House that all the legislative proposals contained in Bill C-94 will see approval by the end of June. I truly welcome this opportunity to put the past behind us and to put the first of our legislative proposals, these amendments to the Petro-Canada Act, before Your Honour.

During the 1980 election campaign, the Liberal Party promised to strengthen and expand Petro-Canada as an instrument of energy policy. This government is committed to deliver on this promise. Let me cite from our 1980 energy election platform. The Liberal Party program of the 1980 election campaign stated:

The Liberal plan seeks to achieve energy security at a fair price for all Canadians. We would start at once to:

- strengthen and expand Petro-Canada as an instrument of national policy;
- ensure that Canada's energy sector becomes more Canadian-owned and controlled.

**Some hon. Members:** Hear, hear!

**Mr. Lalonde:** That promise was formally repeated in the Speech from the Throne in which we said we will strengthen and expand Petro-Canada. I believe those are the precise words we used in the Speech from the Throne. Of course, the importance of Petro-Canada was ultimately written into the National Energy Program itself.

These commitments were obviously completely at variance with the position of the Conservative Party. Ever since, the Conservative Party has tried to dismantle, to dislocate, to destabilize Petro-Canada by hook or by crook. It has tried to damage Petro-Canada and to hurt this institution.

However, what we have is a number of amendments to the act. Many are merely for the purposes of consolidation and clarification. However, there are three amendments which I do consider express significant initiatives. These include an amendment to expand the authorized common share capital of the corporation, an amendment to permit the allocation of start-up funds for Petro-Canada International Assistance Corporation, and an amendment to provide for the payment of moneys to fund a new subsidiary called Canertech.

Petro-Canada is an important element of the NEP because it allows all Canadians, through their national oil company, an opportunity to participate directly in, and benefit from, the development of our vast energy resources. Through its activities, Petro-Canada continues to play an important role in contributing to the process of Canadianization.

The total additional capital provided by this bill will be \$4.9 billion. The new authorized capital ceiling it authorizes is \$5.5 billion, but because \$500 million has been subscribed under the present act, and since a further \$100 million has been provided with respect to the interest in Panarctic Oils, the total of new capital funds available is \$4.9 billion. This is a large sum, but in this context it should be pointed out that \$4.9 billion is a small share of the roughly \$300 billion which will be spent on Canadian energy projects in this decade.

What are the objectives of Petro-Canada, and how efficiently has this Crown corporation fulfilled that role? I think it is

important that I spend a few minutes discussing these objectives, especially to inform our Conservative friends on the other side of the House about this very important national institution.

First, Petro-Canada is seen as playing a major role in securing Canada's energy future by finding and developing major new sources of oil and gas. To indicate the degree to which the corporation has been successful, I simply have to point out the Sable Islands and Hibernia discoveries where the role of Petro-Canada has been very significant and, as a matter of fact, Petro-Canada has been an active participant in both.

Second, it has the goal of encouraging industry to explore and develop in the risky and expensive, but exciting, frontier lands. Exploration and development activity in the Arctic Islands is testimony to Petro-Canada's achievement in this regard. Petro-Canada has been heavily involved in exploration in the Arctic Islands through Panarctic Oils, in which it has a 52 per cent interest. Panarctic, more than 80 per cent Canadian-owned, is the operator for a consortium of companies which has spent \$600 million over the past ten years, resulting in very significant discoveries of natural gas and promising indications of oil in the Arctic Islands.

One field, Whitefish, which is located west of Lougheed Island, has been estimated to contain 64.5 billion cubic metres of natural gas. Panarctic officials estimate they have located possibly as much as 425 billion cubic metres of natural gas in the Arctic.

The third goal of Petro-Canada is to encourage Canadian oil and gas companies to become more deeply involved in oil and gas development by showing that a Canadian company can work with, and be as successful as, the major multinationals. Petro-Canada's success here is best illustrated by the fact that the company has been particularly active in encouraging other Canadian companies to become involved in eastern offshore drilling. For example, it heads up the Labrador project, a long-term effort involving many companies to thoroughly explore the coast of Labrador for oil and gas.

In 1980, Petro-Canada assigned a share of its participation in Davis Strait exploration to two Canadian companies, Home Oil Company Limited and PanCanadian Petroleum Limited, as part of a broad program to help Canadian companies become involved in frontier exploration.

The fourth objective is to provide Canadians with a significant and direct stake in the development of their oil and gas resources. Petro-Canada has made good progress toward achieving this goal, using the assets publicly acquired in effective and exciting ways. It has been particularly aggressive in exploring in the frontier regions and in encouraging other Canadian companies to do likewise. Approximately 35 per cent of its corporate spending and 60 per cent of its exploration budget goes into frontiers. Since 1976, Petro-Canada has been a prime mover behind 76 of the 128 wells drilled in the frontier. It is currently the only large Canadian landowner in the