

Petro-Canada

inces. To do so will only make what is a serious situation even more serious.

People have wondered when this proposed company would get under way. The best estimate is that it will be five or ten years, perhaps even longer, before it will have any impact. There is no indication by the minister that the company will produce one extra barrel of oil for the Canadian people. The only thing we know is that it will use more of the taxpayers' money, and will mean an even greater expansion of government into the private sector.

There is every indication that the establishment of this company will cost the taxpayers a lot more money through the expansion of government, at a time of chaotic conditions in the industry, most of which have been created by the government itself. It is impossible to assess really what will be fulfilled by the corporation proposed by the minister. We feel very strongly on this side of the House that there is no need for this institution. We believe that the things the minister thinks have to be done, such as the management of Syncrude, exploration, and other things of that sort, are being appropriately handled without this legislation by the private sector, which is the vehicle in force today, and to that extent it should be allowed to continue. We believe that by granting the broad powers that are proposed for a corporation of this sort we are embarking on a totally new approach in this country to the development of energy and resources, an approach that will not lead to more efficient use or to the quicker development of our resources, and an approach that will not benefit the Canadian people in general. That is the reason why we are going to oppose, as strenuously as we can, the establishment of this corporation and the passage of this bill.

● (1610)

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, Bill C-8 proposes to set up a Crown corporation which will be known as Petro-Canada. It gives wide and sweeping powers to the proposed Crown corporation, operating under a board of directors responsible to a designated minister and subject to the approval of the governor in council.

Clause 3 of the bill sets forth the purpose of the corporation, and that purpose is sufficiently wide to cover any activity in the field of exploration, development, refining or marketing of petroleum products. Let me put on the record Clause 3 of the bill which sets forth the purpose of the legislation. It reads:

The purpose of this act is to establish within the energy industries in Canada a Crown owned company with authority to explore for hydrocarbon deposits, to negotiate for and acquire petroleum products from abroad to assure a continuity of supply for the needs of Canada, to develop and exploit deposits of hydrocarbons within and without Canada in the interests of Canada, to carry out research and development projects in relation to hydrocarbons and other fuels, and to engage in exploration for, and the production, distribution, refining and marketing of, fuels.

In clauses 6 and 7 the powers of the corporation are set forth, and I notice that the hon. member for Don Valley (Mr. Gillies) was expressing some horror about the sweeping nature of these powers. I want to say that so far as the members of this party are concerned, we think that the powers set forth in clauses 6 and 7 are absolutely neces-

[Mr. Gillies.]

sary if Petro-Canada is to play an effective role in an economic area which has too long been occupied and dominated by the multi-national giants.

The powers conferred on the corporation are wide powers and I think they would gladden the heart of any advocate of public ownership, but even if these powers are used, and even if Petro-Canada becomes a very powerful force in the oil industry of this country, it will still be a pigmy compared with the members of the world's oil cartel.

Petro-Canada, under this legislation, will have 100 common shares at a par value of \$5 million each, to be held by the Government of Canada. The corporation will have authority to borrow up to \$1 billion, subject to cabinet approval. It will have authority to set up subsidiaries to carry out economic activities provided they are related to the objectives for which Petro-Canada is being established by parliament.

I want to make it perfectly clear that we in the NDP not only do not object but we welcome the wide powers and the financial investments which are authorized by the passage of this legislation. It should be remembered that the people of Canada have paid billions of dollars to enlarge and enrich foreign oil companies, and only now, belatedly, are we setting up an economic vehicle to develop our petroleum resources for the benefit of Canadians.

There are some changes that we hope might be made when the bill is before the Standing Committee on National Resources and Public Works, and I will not take time to elaborate on them here except to say that one of the matters which I think should be considered by the committee and the House is a defect which we think represents a lack of adequate parliamentary control over the financial operations of the proposed corporation. I think the legislation should at least require that the annual report of this corporation and the appropriation for it should be reviewed each year by a standing committee, and that the report of that committee should be dealt with in the House before the House recesses.

Personally I am appalled at the extent to which Crown corporations and government agencies operate with only a token control by parliament. We do not think for a moment that parliament can interfere on a daily basis with the operation of a Crown corporation, but neither do we think that parliament should be asked to launch a corporation that is not responsible to the people through their elected representatives. After all, it is the people who pay the shot and it is supposedly for their benefit that the corporation is being established.

I want to turn now to ask the House to give some thought to the question of the role of Petro-Canada. As I have said, we welcome the legislation and we agree with the powers and the financial capacity which this legislation will give to Petro-Canada. But this measure can mean a great deal, or it can mean nothing at all.

The words in the bill are very inspiring, but until we hear the music we will not know whether or not we have a song on our hands. I have seen many bills passed with great fanfare, only to turn out to be a terrible disappointment. After all, it is the results that will count and not the