

*Government Orders*

I would like to respond to these concerns by briefly reviewing the original mandate of the company. In simple terms, Petro-Canada was to pursue the following objectives: to increase petroleum supplies and Canadian presence in the industry; to act as the agent in any state-to-state training; and finally, to serve as the government's "window on the energy industry".

This government's decision to proceed with the privatization of Petro-Canada should be viewed in light of these original objectives.

Clearly Petro-Canada has established itself as a major integrated energy producer in Canada. Between 1975 and 1984 the company expanded its presence in both upstream and downstream activities. Today it represents 6 per cent of the exploration and development side of the industry and 19 per cent of the refining and marketing business in Canada.

But Petro-Canada is not the only thing that has changed in the energy industry in the last 15 years. The world energy markets have changed and Canada's energy policy has moved from an interventionist approach to one that relies on market forces, one that applies to all of the industry participants and not simply to one player.

The focus of that policy is to establish the conditions in which economic development of our energy reserves can occur. In Petro-Canada's case, getting on with this important work will be greatly assisted by the capital infusion made possible by privatization. That is what this bill is about; letting Petro-Canada get on with the business of doing what it does best.

The September 14 signing of the Hibernia agreement should help bring this point into sharp focus for the members of this House. As a partner in the Hibernia project, Petro-Canada will be expected to carry its fair share of the development costs. Considerable financial resources will be required by the company to take advantage of the opportunities for developing its interests in projects like Hibernia, Terra Nova and the oil sands.

This bill will give Petro-Canada a way to raise equity without placing the burden on the Canadian taxpayer.

• (1540)

Let me turn briefly to the company's state to state trading function. It is worth noting that Petro-Canada only entered into one such agreement in the past 14 years. As it turned out, this particular transaction proved to be an awkward arrangement for Petro-Canada to manage. Eventually, it was allowed to lapse.

Finally, we come to Petro-Canada's best known but perhaps least understood objective, to be a window on the energy industry.

I believe that it is important that Canadians realize that today we have a direct line of sight into what is going on in the oil business in Canada. We now have at our disposal the accumulated expertise and knowledge of government agencies such as the Petroleum Monitoring Agency, Canada Oil and Gas Lands Administration and the National Energy Board.

Whatever vacuum may have existed in the early 1970s has been more than filled by these agencies.

Through these and other means, the government is able to maintain a broad perspective on the workings of the Canadian oil and gas industry. Petro-Canada is one of over 2,500 companies involved in the business here in Canada. What possible benefit can be gained by tying up billions of dollars of taxpayers' resources in the ownership of Petro-Canada to get the narrow view offered by this one oil company?

We are not here to debate the validity of Petro-Canada's original mandate. This bill is not about the past. This bill is about the future, Petro-Canada's future.

Before dealing with this, however, I would like to turn our attention briefly to a matter that is very much in the present.

Many Canadians—I am sure they have expressed this to you, Mr. Speaker—are concerned about the current tensions in the Middle East. The uncertainty caused by this situation is reflected in the international energy markets. The Minister of Energy recently addressed this House on the issue and made it quite clear that existing energy policies on security of supply and emergency preparedness provide the framework for Canada's response to these developments.

There are those opposite who will argue that the government must maintain its ownership of Petro-Canada, one of several oil companies involved in the exploration and development of Canada's energy reserves, in