

● (2100)

The second thing which disturbs me is the statement made by the Minister of Finance (Mr. Turner) in his budget, in which he talked about cutting back on the capital expenditures of Crown corporations. I hope the minister will tell us, if not now at least on third reading, how much money is to be made available to the national petroleum company. Is it going to be a substantial amount? Under the act it is allowed \$500 million in common shares, and allowed to borrow up to \$1 billion. If the government is going to reduce the amount of money made available to Petro-Can in this fiscal year, then what useful function will Petro-Can be able to perform?

The third concern I have is in respect of what promising areas are available to this national petroleum company. Certainly south of the 60th parallel all the promising areas are already in the hands of the multinational oil companies. In the Arctic the major oil companies already have permits and leases in respect of the most promising areas, and the same is true in respect of some of the promising areas which are offshore.

I know the minister will say that the national petroleum company will be able to go into joint ventures. That will be a very good move. This will enable some small Canadian companies, by going into joint ventures with the national petroleum company, to expand, grow, and carry out exploration work which they could not otherwise do. But these small companies do not have the most promising areas. They do not have the oil and gas potential areas the large corporations have, and my fear is that the national petroleum company will simply be a bird dog looking on the periphery for oil that someone else is going to develop.

I have no quarrel at all with the bill. It gives to the national petroleum company very wide powers and functions. The company may explore for oil, it may produce oil, it may transport oil, it may refine oil, and it may distribute oil and petroleum products. It has wide powers on paper, but unless it has areas that are potentially promising in oil and gas supplies then it is going to be little more than an empty gesture.

I want to see this national petroleum company succeed because I think it is the only hope Canadians have of getting some control of the petroleum industry in this country, and the only hope of having an opportunity to develop the resources which, in my opinion, belong to the people of Canada and not to any foreign controlled oil company. That will only be done if the government is able to get into areas where there is oil and gas.

I will hazard a guess now for the minister that if he is not prepared to do it in the near future some government will be compelled by the circumstances in a few years to take over one of the major oil companies, thereby getting control in order to buy up and take over from these companies the oil and gas fields, the refineries and the pipelines, so that Canadians for the first time will have some control of their own affairs in respect of exploration, production, and refining of petroleum products.

I am sure the minister is not prepared to go that far now, but I am convinced that, if not this government, some other government will be compelled to go that far, because the Canadian people will not be satisfied to have hundreds

Petro-Canada

of millions of dollars spent merely bird dogging for the large oil companies, merely working on the periphery of the oil exploration picture, and merely going through the gesture of being an oil company when really it will have no economic effect whatsoever as far as the Canadian consumer is concerned. If this petroleum company is to be worth anything at all the government has to get into this all out, not on the periphery, but into the very centre of the oil and gas industry, and to do it under public ownership so the Canadian people will get the benefit of the development of resources which rightfully belong to them.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to say a few words in support of the amendment of the hon. member for Calgary Centre (Mr. Andre). I think the statement by the minister in his budget that he was cutting back on the allocation to Petro-Can signifies the real value the government places on this legislation.

This legislation comes at a time when the industry is highly controlled, and it is doubtful what the government can hope to accomplish that cannot be controlled now through existing legislation. The oil in the ground belongs to the provinces. No matter which company drills for the oil, including I presume Petro-Can, the oil will still belong to the individual province. The province in turn can regulate the industry. It can tell the operator how much oil to take out, and can regulate the flow. The province also sets the royalties and so on in respect of the oil production.

We have just passed a law which allows the federal government to set a price in respect of oil which crosses interprovincial boundaries. The federal government can set the price which it feels is reasonable to the industry as a whole. We all know that as a result of the budget the price of oil at the wellhead has been increased \$1.50 a barrel. Surely that is an indication of the power of the federal government to control the movement of oil interprovincially as well as into export markets. The government can do this through the National Energy Board, and the federal government can certainly decide what profits the oil companies will take. Finally, the provincial government of a consuming province has the right to set the price at the gas pump, or at the commercial outlet for heating oil.

As has been suggested in the budget, the government can set the taxes, including corporation taxes, so that undue profits do not accrue to the oil companies. Therefore, it is hard to see at this time what will be the value of this petroleum company.

The minister has never been very clear about what he envisages this company to be. Should it be another Air Canada taking over 80 per cent or 90 per cent of the activities of the oil industry, leaving only a small fraction for the private companies, or should it be a small company in comparison to the major oil companies? As I understand the structure of this company at the present time, it would be equivalent in size to four or five other companies which already exist in this country.

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So as envisaged at the moment, this is still a long way from a takeover of the industry. What rights will this company have? Will it be able to confiscate oil produced