

*Government Orders*

What would the government's position be now, I wonder and I ask, if we were back now in 1980 and the figure was 26 per cent? What would the governments position be? What would Canadians think?

**Mr. McDermid:** That's the trouble with the Liberals. They are living back in the eighties. We are in the nineties.

**Mr. Lee:** Tell me where we would be if we only owned 20 per cent to 25 per cent of our oil and gas sector. What would Canadians be thinking? What would they want their government to be doing?

I say shame for abandoning that goal. It does not matter to this government. It does not care. I submit that we want to be and we want to be seen as masters in our own energy house.

A bill in relation to the Hibernia development has just passed through this House. It is a big deal, an offshore development. It is the biggest oil development we have ever undertaken. Newfoundlanders think it is big. Quebecers think it is big. I think it is big; I know it is. A lot of people are very happy about the prospects for Hibernia which we are developing, but who is "we"?

It breaks down as follows, very simply: Mobil Oil and Chevron are participating to the extent of 50 per cent, and Petro-Canada and Gulf Resources are each participating to the extent of 50 per cent, 25 per cent each. Gulf Resources is Canadian controlled and Petro-Canada is Canadian controlled, but where would we be now with Hibernia if Petro-Canada were not there?

Would we be so generous as to offer grants and incentives for a project which was foreign controlled and where every barrel of oil product produced was targeted to go to the U.S.A.? Would we? I submit that we would not.

**Mr. McDermid:** We can regulate that.

**Mr. Lee:** We would be giving away the store.

**Mr. McDermid:** Don't be silly. We can regulate that.

**Mr. Lee:** I do not think we would be, but Petro-Canada is there now because Canadians put it there 15 years ago. That is why Petro-Canada is there now, and thank goodness it is. Until this government generates a national energy policy, I submit that is exactly where Petro-Canada should stay.

I will say a few words about Canadian unity and nation building. Remember those, my friends opposite. We are still building a country here. Sometimes we do take a lot for granted. We have a lot of freedoms. We have a lot of wealth, some of which is being redistributed and some of which is not. We have a lot of food. We have a lot of government. Most of it works well, but not all of it.

**An hon. member:** Too much government.

**Mr. Lee:** I think we do have too much government. I accept that comment, but what we have is a lot more than a lot of others in this world.

Petro-Canada may not be in the category or class of a venerable old institution. I am quite sure it is not but, like many other Canadian creations, we had to get out there and build it. We had to get out there and create it. We paid for it and we developed it.

**Mr. McDermid:** You bought it. You didn't develop it.

**Mr. Lee:** It is a manifestation of this country's presence in that commercial sector. It is a manifestation of our nationhood on Pelee Island and up in the Arctic. Maybe it is not perfect, but it is ours and we want to keep it. We are proud of it too. Maybe the government should be thinking more carefully about selling off our heritage like this. Maybe the government is starting to look a bit too much like a bunch of neo-Conservative carpetbaggers: just sell it because we do not care about it any more, just get rid of it.

Turning to financing, there is some complaint and argument that Petro-Canada is unable to finance itself and is using debt. There are three sources at least of financing commercial ventures. One is the cash flow, and that is why, as I understand it, Petro-Canada acquired its downstream assets 10 years ago and 5 years ago. It acquired a lot. The downstream assets, the marketing and the cash flow, are used in part to finance the other exploration and development aspects of a vertically integrated oil company. That is why it is there. The cash flow is there, and Petro-Canada has been using that cash flow for that purpose. There is no argument there, but it isn't quite enough according to Petro-Canada.

The other two means are equity and debt. At the moment there is a kind of equity in there put in by the government, preferred shares, but Petro-Canada has really done most of its financing with debt. There is a big debt. It is \$1.9 billion. Down on Bay Street that is not a very good mix. There is not a very good mix there at all. I