

### *Energy Supplies*

Is CDC Oil and Gas the same as Petro-Canada? Is it an agent of Her Majesty? No, it is not. I think the minister should do a little homework. When we talk about countries' having national or state-owned oil companies, we are talking about the Third World. I agree that most Third World countries have national oil companies, but if we are going to use international experience as a model, why do we not model ourselves after the winners? Why do we not model ourselves after Germany and Japan in terms of the way we handle our economy? Why do we model ourselves after Indonesia and Pertamina, its national oil company, which went out of business?

● (2050)

The second point raised by the Leader of the New Democratic Party which deserves serious discussion is the suggestion that Petro-Canada should be the sole purchasing agent for crude oil purchased offshore for use in Canada. I do want to deal with that—I think it was a proposal of the Leader of the NDP, sincerely made, but it has serious dangers which I would like to bring to the attention of the House. The first one is the argument about having all your eggs in one basket. It would be a serious mistake to have one, sole national oil buyer purchasing all of Canada's imported oil.

I see the Minister of Indian Affairs and Northern Development (Mr. Faulkner) shaking his head. I will remind him of the last time an agent of Her Majesty, this government, went purchasing oil for Canada. It was in 1974. The government purchased oil in Rotterdam at \$45 a barrel, the highest price ever paid for oil, before or since. To boot, it was bad oil, it had such a high sulphur content it had to be blended with better quality oil before you could burn it. You have to admit there exists at least a possibility that if we had a sole buyer buying for all of Canada, we could end up making that kind of a bad deal, not just for a boat load but for a whole year's supply, and we would end up paying for that. It makes a lot more sense to have five or ten purchasers purchasing off-shore oil for Canada, and they should be Canadian companies. Here I agree with the Leader of the NDP and probably with the government. I think Imperial Oil should be buying its off-shore oil directly and should not be going through a middle man, it should not be going through Exxon, because the corporate purposes of Exxon may not be synonymous with the best interests of Canada. On the other hand, if the purchasers are Canadian companies operating in Canada, we know they will be seeking to maximize their profits, we will understand their motivation, and we can design rules to accommodate them and get the best deal for the country.

The other criticism of having Petro-Canada as our sole oil purchasing agent for off-shore oil needs to be considered, and that is the damage that this could do to our flexibility in pursuing an independent foreign policy. I would ask the minister and the NDP rhetorically, through you, Mr. Speaker, how flexible we would be able to be in our Middle East foreign policy if Petro-Canada were the sole agent of Her Majesty dealing with Saudi Arabia, Kuwait, Qatar, Bahrain, Iran and the other states.

[Mr. Andre.]

**An hon. Member:** Very flexible.

**Mr. Andre:** Would we be able to bring in anti-Arab boycott legislation under those circumstances? What kind of pressure could be put on Canada? Would that not be a greater threat to our sovereignty than the current situation? I ask, without dwelling on it, could Petro-Canada have a Jewish president under those circumstances? The dangers of having Petro-Canada as the sole purchasing agent are simply too large for us to consider that possibility.

The minister alluded in his remarks to the Canadian Commercial Corporation. If he went back to look at the letters patent, the order in council creating the CCC by the Liberal government in 1946, he will see that that corporation was created explicitly, purposely, for government to government commercial deals, including areas like oil. This corporation has just moved into its nice, shiny glass house at 240 Sparks Street. If in fact it is necessary for Canada to have government to government deals, the CCC is there to sign the contract.

The President of the Privy Council, the Deputy Prime Minister (Mr. MacEachen), entered the debate, and again showed that he knows an awful lot more about the rules of the House than he knows about the oil business or any other business. For example, he spoke about all the great things Petro-Canada is doing on the east coast. He said that, for example, Petro-Canada is exploring off the coast of Nova Scotia. That is false, Mr. Speaker. Mobil Oil is exploring off the coast of Nova Scotia—Petro-Canada is giving Mobil Oil the cheques. We do not need a Crown corporation to do that. Even someone with the capabilities of the Minister of Energy, Mines and Resources (Mr. Gillespie) could handle the task of just taking a cheque and handing it to a company.

The Deputy Prime Minister said that Petro-Canada is proposing the Q and M gas pipeline from the west to Halifax. Wrong again, Mr. Speaker. That line was proposed by Alberta Gas Trunk Line, not Petro-Canada. Alberta Gas Trunk Line did the work on it. I wonder if the Minister of Energy, Mines and Resources would be willing to go to Etobicoke and tell his constituents that if the Q and M pipeline is built, the government will probably have to increase their fuel bills by 5 per cent to 10 per cent to pay the pipeline tariff, because that is what will happen, and the minister knows it.

The statement was made that Petro-Canada is exploring in the Arctic islands. Wrong, Mr. Speaker. They are not exploring in the Arctic islands, PanArctic is exploring in the Arctic islands. PanArctic has been in existence for about a decade. The federal government owned a 45 per cent participation, and that again meant sending cheques. So now Petro-Canada picks up the cheque in Ottawa and delivers it to PanArctic. That is the extent of Petro-Canada's participation in drilling in the Arctic.

The minister also said that Petro-Canada is involved in bringing down natural gas from the Arctic islands. A magnificent project, he said; they are being real pioneers, he said. Wrong again, Mr. Speaker. It is the Alberta Gas Trunk Line and Dome Petroleum, two Canadian companies, that are doing