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for petroleum supply to Eastern Canada. The Government has acted to reduce this dependence by promoting the construction of pipeline facilities to bring Western Canadian oil to Montreal. It is also taking steps domestically, and in conjunction with other countries, to minimize the risks and consequences of overseas supply dislocation. And it has, of course, cushioned the Eastern Canadian consumer from the effects of recent overseas-oil price increases. The basic element of supply for Eastern Canada -- namely, the importation of foreign crude oil for refining here -- nevertheless remains in the hands of private companies.

It is a striking fact that every one of the dozen countries from which we import significant quantities of crude oil has its own state oil company and is progressively increasing the role of that company in relation to international transactions. If circumstances continue to develop in this direction, it could be that it will be more advantageous for us to import some of our crude oil through a public enterprise rather than entirely by means of private companies. The national corporation will be ready to take part in petroleum-importing activities if it is clearly in the national interest for it to do so. The obvious interest to be served is that of importing at lower cost than the private companies are able to.

It is conceivable, as well, that a national company might be able to enter into arrangements with a foreign state petroleum company which would offer greater assurance of supply continuity than could be provided by arrangements effected by private importers. In a general way, the corporation might well be a most effective vehicle for the implementation of constructive political and trade relations with the oil-exporting countries.

I should like now to turn to the matter of the domestic ownership of Canadian energy resources. Phase I of the energy-policy studies revealed that the extent of foreign ownership or control of the petroleum industry is in excess of 90 per cent. One way in which Canadians can assert their presence in this heavily-dominated sector of our economy is by having a nationally-owned company which could bring together smaller Canadian companies into a larger, more competitive entity through joint ventures and the forming of various consortia. I should emphasize here that the development of the North will require capital of a magnitude not normally available to most Canadian-owned companies. The national corporation can play a decisive role in the formation of joint ventures in an attempt to alleviate this problem. Such partnerships may offer viable alternatives to the small Canadian operators who, in the past, have had to sell out to the internationals when they ran short of risk capital.