

Surely we do not need to have the government enter the refining business. It is obvious we do not need the government in the distribution business. No legislation is required to enable us to deal with other foreign countries; existing departments can carry out this function. So why introduce the legislation at all? Why spend the taxpayers' money on the establishment of such a company, particularly at a time when we should be very much concerned about expanding the economy, and about the inflationary impact of increasing government intervention? Why should we go ahead and pass the legislation proposed by the minister today?

● (1600)

Indeed, if you look at other aspects of the legislation such as those in clause 7(1)(d)(c) and (e) you will see that this company will have almost unlimited power in respect to acquiring and lending money to other companies. This legislation will give power to the government to do anything it wants in so far as the petroleum industry is concerned. I think it is wrong in principle to pass legislation that gives this sort of unlimited power to any government. It may be all very well for the minister and his colleagues to say they do not intend to get into the distribution business or to acquire other companies, and so on and so forth, but the fact is that in this legislation we are giving the power to the government which will allow it, if it so desires, to move in and literally take over the entire petroleum industry in Canada.

The minister has made it clear he is counting on the private sector to be the chief element in the development of resources and for providing for the oil needs of this country in the future. If that is the case why does he need legislation of this sort? If he is going to count on the private sector he does not need clause 7 in order to do some of the things he thinks are essential. Many countries got into trouble by passing legislation allowing for blanket operations on the part of government, when the government itself did not specify why it needed that sort of legislation. We are very opposed to that sort of broad right being given to the government at this particular time. We do not believe it is appropriate that the government be given the power under this legislation to take over the entire petroleum development industry in this country, if it wants to do so. It seems to me far from clear why this legislation is needed.

We cannot see that any of the proposals which have been put forward in the bill will really answer the energy problems facing this country. We do not really believe that the government will have much impact on total pricing in the country through the development of a \$500 million corporation, or that it will have much influence on the industry as a whole. When you realize that Imperial Oil has revenue of \$2.6 billion, and Exxon with much greater sales, it is clear that a \$500 million company will not have much effect.

The argument is made that the government needs this legislation in order that it may have a marginal effect on pricing by the OPEC countries, but it seems to me that this sort of influence will be quite ineffective. I doubt very much whether a government controlled company will have any more opportunity to buy oil cheaper from OPEC countries, or other suppliers, than the people who are

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buying that oil now. Certainly if it happens that the selling countries will not deal with anything except a government agency, we have the opportunity through various departments of the government to meet that particular requirement. As has been often suggested, we do not need a national petroleum company simply to buy oil from suppliers, and to suggest that this would allow us to buy oil cheaper I think is stretching our credibility a long way.

In addition, the minister says it is important to have federal government presence in the energy field. I suggest we already have a presence in that field through Panarctic. I think the government's case is far from made in this respect, because if it feels it should expand its position in this area why cannot it do so through Panarctic? Panarctic has the power to explore in the Arctic, and certainly if there is a need for further expansion of government into the private sector in this area then why not stay with Panarctic? Why is it necessary to start up a totally new corporation? It is this type of duplication that causes the government to grow so rapidly.

It is absolutely wrong for the government to suggest that Canadians cannot be protected in respect to their resources unless we have a national petroleum company. Canadians are protected now through the leasing and ownership arrangements that prevail in respect of all or much of the land where exploration is taking place.

Having regard to the minister's observation about foreign Control of the petroleum industry, one is well aware of this, but surely the suggestion is not seriously made that by establishing a national oil company to the tune of \$500 million we are making an adequate response to this situation. This does nothing about the total question of control. If the government is serious about the proposition that there is too much control of the petroleum industry in Canada in foreign hands, surely the answer is to change the tax laws to make it more attractive to Canadians to invest in the industry, and more attractive for the companies which own the shares to divest them to Canadians.

The suggestion that because we are going to have a \$500 million oil company and a greater national presence in the petroleum industry, this will really solve the problems, seems to me to be rather ludicrous. The argument that we should establish a national oil company in order to get better information about the petroleum industries can only be an indication of the failure on the part of the government to utilize its existing powers. It is suggested that the government cannot get the information it needs, or that the National Energy Board does not have the information. Surely the Department of Energy, Mines and Resources and the National Energy Board can get the information required to make appropriate decisions in respect of the development of our resources and the petroleum industry in general, if they are determined to do so.

Finally, it seems to me that during a period when there is a scarcity of resources, a tight market in respect of labour and a scarcity of trained geologists and other people needed to expand the petroleum industry, this is not the time for the federal government to compete with private industry for those resources, and I am sure the minister knows well the situation in the western prov-