

Petro-Canada

It cannot ensure low energy prices for Canadians. Provincial electric power corporations have been unable to keep power rates down, even with 100 per cent ownership of the industry. A national petroleum company will not even be able to institute a two-price system shielding Canadians from world energy price pressures. If continuation of such a system is desirable, government policies beyond the establishment of a national petroleum corporation will be necessary.

Finally, a national petroleum corporation, unless it makes up the major part of the petroleum industry, cannot equalize oil prices in all regions of Canada.

In short, there are few tangible policy objectives which a national petroleum corporation could achieve in the absence of support from additional government policies, and few tangible policy objectives which could not be obtained without establishing a national petroleum corporation.

What arguments can be advanced against the creation of a national petroleum corporation? First, I suggest it cannot be demonstrated that such a company would provide Canadians with either more oil or cheaper oil than will be provided by the existing private industry. Second, it is estimated that the cost to Canadian taxpayers of creating a national petroleum corporation which would be a significant force in the industry would amount to between \$3 billion and \$6 billion, and that the task would take from 15 to 20 years to accomplish, even assuming a high degree of exploration success. Such an assumption cannot be made in absolute terms. Moreover I would point out that, within the 15 to 20 year time frame I have mentioned, alternative energy systems will likely emerge, and in the result Canadian taxpayers may well have created an obsolete industrial entity.

The federal government, through its participation in Panarctic, its ownership of frontier reserves, and its fiscal jurisdiction, already possesses the capacity to ensure adequate participation for all Canadians in the possible economic benefits to be created by the petroleum industry without putting at risk the hard-earned tax dollars of Canadian citizens in massive amounts.

Finally, in a period of our economic history when Canada is experiencing a horrendous rate of inflation, it is singularly inappropriate for its government to pre-occupy itself in an empire-building oil exploration venture which will exacerbate rather than modify the inflationary pressures at work in our economy, and will render more scarce already scarce materials, personnel and hardware which would otherwise be deployed by the private sector.

Let me make this clear, Mr. Speaker—our party supports the government's initiative in Syncrude. Indeed, that initiative meets squarely the criterion referred to earlier in my remarks, namely, that the private sector was clearly unable to meet a demonstrable economic need in the tar sands development project. Without the initiatives taken by the Minister of Energy, Mines and Resources (Mr. Macdonald) on behalf of the Government of Canada and, as well, by the governments of Alberta and Ontario, Syncrude would have floundered, and Canada's ability to utilize on a long term basis what really constitutes our energy ace-in-the-hole would have been jeopardized—a risk we simply could not undertake.

[Mr. Balfour.]

● (1710)

I have no problem either with respect to Petro-Canada assuming ownership of the government's interest in Panarctic, nor with it assuming responsibility for acquiring offshore gas or oil. If amendments to the bill were introduced limiting its scope to these activities, namely, tar sand development, Panarctic, offshore crude purchases, and research and development into alternative energy sources, they would enable easy passage at second reading of the bill so far as this party is concerned. However, so long as the bill remains in its present form, enabling the minister and the government to embark on a high risk entrepreneurial adventure bankrolled by the taxpayers of Canada, we of the Conservative party will remain opposed to its passage.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, Bill C-8 is a reintroduction into the House of the old bill C-32. By a queer coincidence bill C-32 was moved in the last parliament just a few days before the government knew it was going down to defeat on the budget of May 6. It was introduced on May 2.

To put the position into perspective, it will be recalled that at that time the government in power was engaged upon a political exercise to try to divide Canadians as between west and east. The government in power at that time wanted a villain; it wanted the people of Alberta and Saskatchewan to be painted in the minds of the people of Ontario and Quebec as the blue eyed Arabs of this country. That was the fundamental political pressure that brought that bill into the House on May 2, 1974, and it was nothing less than pure political posturing.

As the hon. member for Regina East (Mr. Balfour) has just pointed out, the government knew that the bill would not produce one extra barrel of oil in the next 20 years, and certainly there was no indication that the oil would be produced more cheaply. It was, as I say, political posturing, and I think this bill has been seen in the same light.

It has always been the tradition of the Conservative party to act in the interests of Canada as a nation. If the record of all political parties in Canada were placed on a chart showing which party had moved into the field of enterprise, or business if you like, the Conservative party would rank first. This does not mean that we happen to support the nationalization of industry or that the government should be moving into the field of private enterprise as a matter of philosophy. We take this stand primarily because our country comes first, and if something is not being met by private enterprise, which is supposed to be the dominating philosophy in the western world, and action is needed, then we will provide that action through government effort. So there is no question of principle at stake in this debate. What we as Conservatives have to do is to examine what is best for our country.

The question must be asked, is Petro-Can in the best interests of our country at this particular moment in time? I do not think any person would seriously argue that it is not going to take 15 to 20 years to get the corporation to the level of efficiency that it will produce oil. I know how long the lead time is when one moves into this very expensive and dangerous type of enterprise. Certainly the corporation will not produce oil more cheaply. It is really a