

*Government Orders*

[English]

**Mr. Epp:** Mr. Speaker, I want to point out to my Liberal friends opposite that access to financial markets for a company such as Petro-Canada is of vital importance at this stage. There is only a limited access to those markets.

I was here in 1975 when Petro-Canada was formed. There were two reasons why it was formed, quite apart from the reasons my hon. friend cited in his address this afternoon.

First, there was the fear we had in the western world following what was referred to as the first oil shock of 1973-74. We in Canada did not have the line-ups at gasoline stations as neighbours to the south experienced, and there is a reason for that relating back to security of supply quite apart from Petro-Canada. Americans experienced that reality and Canadians did not, both before Petro-Canada was formed and after Petro-Canada was formed. So, in terms of Petro-Canada resolving or absolving us from that reality, quite frankly, that was not the issue.

The second issue was political. I think my friend and I have been in public life for some time, whether in Ottawa or back in our home communities. There was at that time also the need for the Liberal government, as we were debating Petro-Canada, to survive politically. I remember in 1972 when I came into this House there was a difference of two seats between the Liberal Party and the Conservative Party. In fact, there were 23 votes for two seats. That was the difference at the time.

I remember the meetings that took place behind the curtain between the Liberal minority government of the day and the government in waiting of the day led primarily by my friend and colleague from Winnipeg North, now the honorary clerk sitting at the table, Mr. Knowles. One of the prices for survival at the time was the creation of Petro-Canada. It was born out of that period.

In fact, the controversy with Petro-Canada at that time was not that we needed Petro-Canada. I remember speaking to a couple of my Liberal colleagues at the time who were personally strongly opposed to the creation of Petro-Canada and felt that they were being held hostage by the NDP group in the House at the time who were

holding the balance of power. That is the historical reality of when Petro-Canada was formed.

If one looks at the history of Petro-Canada primarily through the 1970s, Petro-Canada was steeped in controversy, not because of its existence, but because it was often operating in the oil markets. Although it was a public sector company, it operated both in terms of acquisitions and in terms of what was then referred to as state-to-state purchases in a very questionable manner.

• (1550 )

I just raised two for the hon. member's reflection. One was the purchase of Petrofina. To this day this government has paid a political price for the manner in which we handled Petrofina. When we came into office we had said that we would like to release the information on Petrofina only to discover that we could not release that information to the Auditor General because previous government and cabinet confidences could not be released. I regret that to this day because I think it was an unfair blemish on a company for which I now, as Minister of Energy, Mines and Resources, take responsibility. We have not resolved that Petrofina issue in the minds of the public to this day.

I think members opposite, as well as I, feel that our public duty is to give to the people this kind of public information, and we have not been able to do that. I regret that. I wish it could have been different.

Second, Petro-Canada did a state-to-state purchase once with Pemex in Mexico, the Mexican state-owned company. By the way, while they still have Pemex it is interesting to take a look at Mexico to see how that government is changing the role of Pemex in order that it, and Mexico, become more competitive in the oil and gas field. That is for another day.

What happened is that we lost a lot of money when we did that state-to-state purchase with Pemex. That is the oil business. My colleagues around me understand that. We take the highs and we take the lows. That is life, that is business. I understand that and I know my hon. friend opposite understands it. However, because Petro-Canada at that time was in the public arena, where the klieg lights of attention were very clearly focused on it, the question was: "Why did this company make that purchase? Was it because it was so government-directed that in fact it could not respond to the marketplace and