

*Petro-Canada*

there are natural monopolies in the system. The best way to assure a high standard of living is not for the government to move directly into the production and distribution of goods and services. The evidence is all too clear that in those areas where the government moves in directly the efficiency of operation is something less than maximum. One need do no more than to point to the post office and all its difficulties to illustrate this point; but evidence from around the world also demonstrates that those countries with the highest standard of living are basically those that depend upon the private sector to produce and distribute resources.

The government is bringing in a bill dealing with a major area affecting the future of this country, a bill proposing measures that are bound to replace the private sector to a considerable degree. The government clearly demonstrates by this legislation that it no longer has confidence that the private sector can operate effectively in this country.

What we should have in these days of runaway inflation is efficiency and effectiveness in the use of our resources, yet we have staggering statistics coming forward showing that in area after area, and particularly in the government sector, there is no increase in productivity at all. Yet the government wants to move even further into the economy than it has gone in the past. Surely if ever there was a time when we should pause and reflect upon expanding government activities, it is now.

What will the proposed company do? It will explore, develop and exploit our hydrocarbon deposits both within and without the country. It is interesting to note that the company will operate outside as well as within the country. It will carry out research and development, engage in the marketing of fuels, and will negotiate and acquire petroleum products necessary to maintain Canadian supplies from abroad.

Why does the government think that a new corporation to implement these measures is necessary? First of all on the question of exploration, presumably the creation of this company is an indication that the government believes there is inadequate exploration by the oil industry today. I say that the majority of informed people involved in natural resource development in Canada would agree with that. But they would point out that the reason there has been a decline in exploration activity in this country is precisely because the government has interfered. The government has evolved policies that make it impossible for the private sector to operate and explore in the way it has in the past. The oil and petroleum industry has never lived with such uncertainty as it has experienced the past two or three years. We have had a hodge-podge of tax legislation and confrontation making it impossible for the oil industry to operate in the normal way.

Most important, Mr. Speaker, the government has formulated no rules or regulations regarding exploration for oil in the vast northern areas of the country that still need to be explored. There is something very peculiar and paradoxical, about the fact that at a time when we are concerned about supply, about exploration and getting more oil on-stream, there is a whole series of activities on

the part of the government that make it impossible for exploration to go ahead.

To suggest, for even one moment, that by the creation of another government entity we will automatically get more oil is a false assumption. If the government is really concerned about security of oil supply for this country, what it should do—something it could do immediately—is lay down regulations for exploration in the northern territories and set a tax structure that will enable the industry to go ahead and explore.

The problem the industry in this nation has been facing as we have moved from exploration to development is that it has not known just what the government is asking from it. Whenever the government has passed a series of laws or set a tax structure, we have witnessed a positive and effective response from the private sector. But once the government begins to change the tax laws and introduces uncertainty, this response falters.

One really wonders just what is in the back of the government's mind. It enacted a series of proposals that made it impossible for the industry to operate effectively, and now it wants to create a government company to take the place of private industry. Surely the thing to do before taking such a step is to work out a set of regulations and laws making it possible for the industry to operate, and then we will have a reasonable test and time to determine whether or not there is any need for some sort of direct government intervention of the kind proposed in the legislation before us today.

Additional clauses of the bill call for the distribution and refining of fuels. Does anyone really believe that we in the parliament of Canada need legislation today allowing the federal government to get into the business of refining? Does anyone really believe there is a need for the establishment of a corporation to distribute refined gas in this country? So far as refined products are concerned, a visit to any city, town, village or crossroads will indicate that the last thing that the government needs to invest money in at this time, if ever, is the establishment of a distribution system for petroleum products. Obviously the distribution system that we have is operating effectively; the government does not need to take the taxpayers' money to become involved in this kind of operation.

In addition, the bill calls for powers to negotiate and acquire petroleum products from abroad. Again I ask, do we need a new company, paid for by the taxpayers, to do this sort of thing? As some of my colleagues have suggested during the course of the speech of the minister, this is something that could be done by the Department of Supply and Services. This should give us cause to pause, because the one time that the Department of Supply and Services went to the market to acquire oil it acquired it at probably the highest price paid for oil at any time, certainly in the history of Canada.

It is very difficult to find any need for the establishment of such a corporation as is proposed. I am sure we all applaud the development by the government of agencies, institutions and other bodies that help solve the problems facing the country. But there is nothing that suggests that we need this particular corporation to do things the Canadian people want done. It will not produce one extra barrel of oil for Canada.