

Crown agency should not have an operational role in competition with the private sector.

Although the Committee is addressing the issue of energy supply in recommendation #5, Committee members want to emphasize their position that future energy policy-making in Canada must incorporate demand modification and increased efficiency of use as fundamental elements – policy cannot be directed to issues of energy supply alone. A balanced, far-sighted energy policy is crucial to lessening our environmental problems, to enhancing our national energy security, and to improving our economic competitiveness. These will be major themes of the Committee's review of the Energy Options report.

In December of 1973, the Government of Canada announced a decision in principle to create a national petroleum company. The government of that time foresaw that a Crown oil company would engage in the following activities:

- explore for conventional oil and gas in Canada;
- make investments to develop Canada's oil and gas resources and, in particular, to accelerate development in those parts of Western Canada's oil sands not exploitable with existing technology;
- operate as a state purchasing agency for foreign oil; and
- possibly engage in the refining and marketing of petroleum products.

The Petro-Canada Act was introduced into Parliament on 1 October 1974 and received Royal Assent on 25 July 1975. Petro-Canada began operating in January 1976.

The purpose of the Corporation is stated in section 2 of the Act:

2. The purpose of this Act is to establish within the energy industry in Canada a Crown owned company which will, among other things, to explore for hydrocarbon deposits, to negotiate for the purchase and sale of hydrocarbon products from abroad to secure the continuity of supply to the needs of Canada, to develop and exploit deposits of hydrocarbons within and outside Canada in the interests of Canada, to carry out research and development projects in relation to hydrocarbons and other fuels, and to engage in exploration for and the production, distribution, refining and marketing of fuels.

The principal objectives of the Corporation are given in section 3:

3. The objects of the Corporation are

- (a) to engage in exploration for and the development of hydrocarbons and other fuels and energy;