

National Energy Program

being a response to those problems, or whether there is a possibility of some further action by the government to respond to the situation?

Mr. Lalonde: Madam Speaker, the measures announced tonight are of a general nature to help all the industry. As a matter of fact, as I indicated before, the weight of those measures is directed towards the smaller companies, most of which are Canadian owned. The greater benefits of this program are going to go to the small companies which have proven to be the most dynamic and positive elements in the industry, ones with the highest re-investment rate and ones that work in Canada to create jobs for Canadians. Those measures have to be seen in that respect, but they are of a general nature. Some elements in the program I have announced will be of benefit to some of the larger companies, some of which are in the situation referred to by my hon. friend. As far as individual Canadian companies which may have special difficulties at the present time are concerned, that is another issue and I have no comment to make on it.

Mr. Rod Murphy (Churchill): Madam Speaker, my question to the minister has basically to do with what I think is the misleading nature of this document, and I do not mean that in an unparliamentary sense. The title indicates that it is a National Energy Program update. Yet when we look through it, we find that basically it is another statement on the oil and gas industries alone. If I look at page 67, I find only one paragraph on the western power grid. That is a megaproject which will provide hydro from northern Manitoba to Saskatchewan, and even to Alberta, to provide low cost energy. One paragraph out of this huge report is on the western power grid. The paragraph says that the government will give serious consideration to a request for financial support on that project. For a government which said it had ironclad guarantees on the Alaska pipeline, a government which said it was committed to reducing unemployment and interest rates and strengthening FIRA, if those are the hard words they have used for things they have not done, what the hell does "serious consideration" mean?

Mr. Lalonde: Madam Speaker, as my hon. friend may know, there is a new government in Manitoba, and we wish it well. However, there have been some very preliminary discussions between that government and the federal government. There have been telephone conversations between the Premier of Manitoba and the Prime Minister (Mr. Trudeau), discussions between myself and the Manitoba minister of energy, mainly over the telephone, and approaches made to the federal government as to whether it would be ready to consider some form of support to the western grid, particularly through some financial technique, the details of which I would not want to get into at this time. These approaches were of a very general and preliminary nature. The federal government has indicated to Manitoba that it is willing to sit down with them and examine in a very positive way their proposal which, at present, is still very much of a general nature. Therefore, we

are not in a position at the present time to come up with a firm statement on exactly what we could do. Such a statement would be premature for the good reason that we have not yet sat down with the Government of Manitoba in that regard. We have indicated our general positive approach to their request, and this will be pursued over the next little while. I do not know whether it is a matter of weeks or months but we have had discussions in this regard.

My colleague, the Minister of Employment and Immigration (Mr. Axworthy), had discussions with some ministers of the Government of Manitoba as recently as last week, and he is following this file very closely indeed, and with great interest.

• (2150)

Mr. Murphy: Madam Speaker, I have a very short supplementary question. I welcome the good news from the minister. However, there is one thing I would like to check. He has given the impression that this is just a new proposal that has come with the New Democratic Party government in Manitoba. Is it not true that this is something which has been under discussion between the previous Conservative Government of Manitoba and the federal government for a number of years? If that is the case, why are we still at the stage of serious consideration?

Mr. Lalonde: For a very simple and good reason, Madam Speaker. Until quite recently there was no agreement between the two prairie governments—

Mr. Murphy: Three prairie governments.

Mr. Lalonde: Sorry, the three prairie governments, as to whether this particular project would go ahead. There has been nothing precise and formal to consider because the three governments were at odds, and sometimes rather severely at odds, on that particular project. It may have been that some approaches were made over the years of a very general nature, but there was really no project about which people could say it will cost so much and that this will be done this year or next year, etc.

It was not until we had an indication that the three governments were now ready to back the project and go ahead with it that we could start seriously considering the proposal or getting down to the specific points of it. We are quite ready to sit down with the Manitoba government with regard to this.

Mr. John Thomson (Calgary South): Mr. Speaker, I have a few short questions. The minister took great pains this evening, both in his documentation and in his speech, to describe to us what a great success the National Energy Program had been. If it is that successful, why did the minister feel it necessary to offer tax relief to the extent of \$2 billion to the industry?

Mr. Lalonde: Madam Speaker, the success of the program has to be judged on the basis of several elements to which I have referred, namely, security of supply, opportunity for Canadians, and fairness in terms of cost to the consumer.