

Petroleum Administration Act

Mr. Baker (Nepean-Carleton): You have a lot of mistakes to admit.

Mr. Axworthy: With the Petroleum Administration Act we are simply trying to say that the conditions have changed, and we need to provide for a different regime of government to set prices and to provide a different order of incentives. If they do not work effectively, we are prepared to react, respond, consult, and make changes again if necessary. There is nothing frozen, static or reactionary about this side. I believe that is why we have been here so long and hon. members opposite have been there for so long. Canadian people want a government which is responsive and flexible, not one which is reactionary and rigid.

Some hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): You will never be leader, Lloyd.

Mr. Axworthy: Let me deal with another mythology which has grown up in the House, that somehow the changes under the national energy program will have enormous economic "drags" upon the economy of Alberta. The hon. member for Calgary West (Mr. Hawkes), the hon. member with the Ph.D., and the hon. member for Calgary South (Mr. Thomson) rise in the House and say that the companies are leaving in droves.

An hon. Member: They are.

Mr. Axworthy: I looked at a report in *The Globe and Mail* which indicated that there was a cutback in oil drilling, but I should like to point out that the article appeared three days before the budget. It was based far more on the fact that now there is a surplus of natural gas, and it had nothing to do with the national energy program. If hon. members opposite accuse us of being somewhat loose with the truth, they should read that *Globe and Mail* article which appeared before our budget. It simply pointed out that, because of the surplus, oil rigs had to look for alternative markets.

In the national energy program we are responding to that very problem by setting up a natural gas bank, so that we can buy surplus gas and therefore provide more incentive for the continuation of exploration and development in the market. I have not heard members opposite talk about that good measure. It is an incentive to Canadian companies, it is an incentive to keep them working. I have not heard them talk about that, yet it is part of the national energy program. Nor have I heard them talk about the major incentives given to consumers to convert from oil to natural gas, which is an energy supply that we have in large surplus, in order to ease the burden upon our oil. One of the fallacies of the hon. member for Calgary South is that he assumes that our only energy source is oil. We are saying that we are energy rich as a country. We have oil, gas, coal, biomass, solar, propane, methane and all other kinds of energy sources. Surely the trick to having a proper energy policy is to ensure that we utilize all kinds and forms of energy, particularly those in which we have a major advantage.

So, an underlying and important thrust of our program and policy was to provide for conversion to natural gas. In fact, we can follow the linkage backwards. It would give private companies engaged in the exploration and development of oil and gas a further incentive to go forward and find new sources. So, Mr. Speaker, I must disagree when we are charged with ignoring the interests of the private sector. In fact, we are providing a wide range of incentives in those areas. We do not apologize for the fact that we are giving more incentives to Canadian companies than to the multinationals. We believe in equity and we do believe in balance.

● (2100)

I would like to deal with another topic which has caused me some concern over the last two or three weeks. It is the argument being made that the mistrust of western Canada is all due to the federal government. There is a deliberate, and I would say malicious, attempt to build the case that there would not be grievances or calls for separatism in the west if we did not have the Liberals around. The argument is that the Conservatives would solve all these problems. I take issue with people who say that having a Conservative government on this side would immediately result in an energy agreement with the western provinces. I can recall the former minister of finance, the minister for flabbergab, walking into this House and putting a budget on the table without having an energy agreement with the province of Alberta. He did not have an agreement right up to the end when they were in Edmonton trying to get a bargain out of Mr. Lougheed. What happened at that time was this: Mr. Lougheed kept upping the ante as each hour went by. He was putting more chips on the table. There was no agreement.

Furthermore, I suggest it is wrong to start setting region against region, to deliberately set one group of people against their national government. That is a trick the leader of that party must be very careful about. I know what his occupation is. I know what his obsession is. It has nothing to do with an energy policy. It has nothing to do with the constitution. What it does concern is keeping himself in that front seat. He is a politician and, as such, I will grant him the right to do that. But I suggest at times he steps over the margin. There are times when he stretches the point, when he begins to create the self-fulfilling prophecy of "don't believe in Ottawa, your national government, because they are not working in your interests." We are trying to work in the interests of western Canada. Not all western Canadians would agree with that, and maybe not the kind of industrial group the member from Calgary represents. They do not agree with that. There are a great many people in western Canada who are prepared to give us a chance, to see what we are prepared to offer. Members opposite have made light of the western development fund. We are not talking about a fund, Mr. Speaker. We are talking about an economic and industrial strategy for western Canada, taking into account major changes now occurring in the west. There is no doubt that western Canada is setting a political, social and economic agenda for the rest of Canada right now. They are the dynamo driving the economy. It is an area of