

The Address—Mr. Kilgour

storage and transportation has decayed to the point where it no longer works.

As western farmers and businessmen know, the problem is not just with railway cars. There are the farmers, and the railways, and the grain elevators, and the port terminals, and the ships—and they all have to mesh together.

To relieve the backlog of grain in western Canada, a proposal was put forward by the Clark government to build a terminal and port facilities at Prince Rupert. Since the election, the present government has seemingly hesitated to commit funds for the Prince Rupert project. Does this show concern for one of the west's most pressing problems? I think not.

Last month, when the trade ministers of the four western provinces met in Calgary, the conclusion was unanimously arrived at that the west's trading future lay not in eastern Canada but around the Pacific rim and towards the south. I understand that an American trade negotiator told the ministers that their interests had been neglected in the trade talks between Canada and the U.S. because Canadian federal negotiators put forward eastern trade objectives that fundamentally conflicted with those of the west.

As Canada goes through a period of political uncertainty and economic difficulty, will the west be lured towards ever-closer trading ties with the U.S.? Not if there are positive attitudes in Ottawa and central Canada regarding western concerns like tariffs and freight rates. The key word is "if".

Things, including opinion, are changing very fast in the west. Western oil has even attracted the attention of Canada's five major banks, which traditionally have not stirred to invest heavily in western energy development. Why is this so? The west has what the rest of Canada, and much of the world, want. That, of course, means oil and gas, and eventually more petrochemical derivatives. It means forest products and beef and grains. It includes metals and potash, hydroelectric power, and access to the north and the Pacific rim.

The west wants to use the new value of its commodities to pay the ticket for an old western dream—a more stable, more diversified and prosperous economy, and more say in national policymaking. Much will depend on the tenor of future federal-provincial negotiations. The increasing importance of western Canada in the economy of the nation requires national policies framed to support the growth and diversification of the regional economy. Nowhere is this more true, of course, than in the matter of energy. Energy is not an economic portfolio of government any more. It is a political portfolio. As we all know, it was one of the major issues in the election. As we all have witnessed, central Canada still fields the big political battalions.

If a new Canadian price for oil is to be established, it must be negotiated with the government of Alberta which, over the past six years, has forgone production revenues of about \$17 billion by selling its oil and gas to Canadians instead of on the world market.

The chairman of the Canadian Petroleum Association, in a Toronto speech last month, reiterated the industry estimate that \$200 billion will be required to attain energy self-sufficiency by 1990. A blended price, meaning a low price for current oil stocks, is not going to help raise that amount of capital. Apparently this government is not very interested in attaining the goal of energy self-sufficiency, judging by the lack of any serious reference to it in the throne speech.

Under the present regime, the gap between Canadian and world prices keeps getting wider. Ottawa will continue to subsidize more and more expensive imported oil. Canada will remain the only industrialized country to use national taxes to subsidize gasoline for automobiles. In fact the government currently pays more per barrel in taxpayer subsidy to multinationals which import oil into Canada than for the full price per barrel we pay for oil produced in Canada. This is absolutely incredible.

The British journal, *The Economist*, notes that Canada has "the most distorted cheap energy policies in the developed world". It labels Canada "internationally immature" in this regard.

The government's energy policy, and the process by which it implements it, poses the greatest test of its claim to being a national government. Let the government stand warned; there is no room in Canada today for confrontation politics and crude majority rule. We must live together by agreement, by consensus, or we will not live together at all.

The west believes it has borne the burden of unity for a long time. This burden will only lighten if the region can secure policies more favourable to itself. If the government refused to accommodate the west's interest, the region may lay claim, on its own behalf, to a broader range of powers and control.

In short, the west today is in a state of latent rebellion. In some ways westerners and Quebeckers have had similar experiences with central Canada. We should note John Calhoun's insight into the weakness of federative states which delegate powers to a central authority, namely, that the regions must then have institutional safeguards against the unfair exercise of the central power. As we are all aware at this particular time in Canada's history, there must be a balancing and compromising of interests, especially regional interests, leading to a conviction in all parts of Canada that the rights of people in each region have been respected.

There is a need in the rest of the country to see western goals in proper perspective. It should be remembered that development of the western provinces will first benefit the people who live there but that this benefit will spread to other parts of the country. Central Canada should take stock of its own resources, expertise, and, most important, its traditional complacency at being the hub of the nation's financial and industrial activity. It should keep in mind—and no one should know this better than hon. members from the maritime provinces—that these laurels were not so much earned as they were an accident of colonization, geography, and proximity to a similar series of historical events and industrialization in the northeastern United States. For their part, westerners should