

National Oil Policy

and that is why I talk of averages. The September 4 average price level will be taken as a base: the amount of \$2.50 will be added to give a new average price in Canada for domestically-produced oil of \$6.50 apart from transportation costs. These increases are substantial. But Canadian prices will remain far below international levels, and below the average level in the United States. The \$6.50 will go entirely to the provinces, to divide with the companies as they see fit subject, of course, to our federal right to use the federal corporation tax responsibly.

Third, the federal government will continue to collect an oil export charge. First call on the resulting revenues will be for a "consumer cushion"—to bring down the price of imported oil from its international level of about \$10.50 to the new Canadian level of \$6.50.

Some hon. Members: Hear, hear!

Mr. Trudeau: Fourth, the effect of new provincial oil revenues on federal equalization payments to the provinces.

Mr. Korchinski: Check it as between Toronto and Ottawa in the meantime.

Mr. Trudeau: I am afraid I did not understand that, Mr. Speaker.

Mr. Korchinski: Check it as between Toronto and Ottawa. Do that.

Mr. Trudeau: The hon. member may have an idea, Mr. Speaker. I think he should speak about it in his caucus and perhaps we will end up having some opinions on energy from the opposition.

Some hon. Members: Hear, hear!

Mr. Wagner: Try some humility.

Mr. Trudeau: The House may wish to note that Saskatchewan intends to place most of its added oil revenues in a capital fund for energy development; Alberta proposes to handle a high proportion of its added revenues in the same manner.

Some hon. Members: Hear, hear!

An hon. Member: We always have.

Mr. Trudeau: While the revenues taken into those capital funds would not be subject to equalization, the federal government will, of course, pay equalization respecting any oil revenues that go into general funds. We calculate our added equalization payments will likely be something over \$100 million for the year.

These, then, are the principal features of the first ministers agreement, on which we now seek the views and the assent of parliament. The government will introduce required legislation forthwith concerning, among other things, first, the Canadian price at which crude oil will move interprovincially, second, the export charge and, third, the "consumer cushion" on imported oil.

The national oil agreement I have just described would surely not have been possible without the good will and

[Mr. Trudeau.]

deep commitment to Canada of the premiers of Alberta and Saskatchewan.

Some hon. Members: Hear, hear!

Mr. Trudeau: Hence I think I could appropriately conclude this statement by noting the federal government's active commitment to these oil-producing provinces: to assuring they obtain a just and reasonable price for their depleting conventional oil resources; to assisting them on a national basis to develop unconventional new oil sources such as the Alberta oil sands; and to helping them ensure alternative economic development so that future growth can be sustained and diversified in western Canada.

Some hon. Members: Hear, hear!

Mr. Trudeau: A fundamental belief of our government, made clear since 1968, is that balanced economic growth in every region is essential to Canadian unity, and essential to the well-being of every Canadian. And this is a paramount aspect of our over-riding duty amidst a troubled world oil situation: that is, our duty to equalize for all Canadians both the benefits and burdens of world change; to manage the national economy in a way that betters the lot of each Canadian, by narrowing the divisions among all Canadians. Such is the direction of yesterday's national oil agreement.

Some hon. Members: Hear, hear!

● (1420)

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I want to touch on three more or less related elements involved in this situation. One element, and one I have always held to be the most important, is the matter of the federal government and the provincial governments coming together, in a spirit of co-operation and good will, to determine how their relationships should be balanced in the interests of all Canadians. It has always been fundamental to any ongoing policy determinations related to price, security of supply, conservation, the environment, or the development of new supplies, to all these areas and more, that a basis for intergovernmental relationships should be sought and should be achieved. In the agreement the Prime Minister (Mr. Trudeau) has announced this basis seems to have been achieved.

I must also say I have always believed that you cannot really make an omelet without cracking some eggs. But I have to say again, and I hope this is the last time I have to say it, that the process of coming together was made much more difficult by the succession of unilateral federal actions which date back to last fall. I think there should be a lesson in this for all governments, present and future, that to go it alone, to proceed in a tone of confrontation, is akin to speeding up a deadend street. At some point you have to turn around. It takes longer to get out of that deadend street when you have sped up it too fast and have gone down it too far. If we are now back on the main road, as I hope we are, the entire country has reason to feel relieved, and I am sure all parties in this House will applaud.

Mr. Trudeau: They did not.