

gas production in Alberta under the national energy policy with that of the share of Texas or of Victoria state in Australia, each of them receiving less than 20 per cent of revenues.

The natural gas bank is of special concern to the province of Alberta. Many of the natural gas producers in that province are small Canadian firms supported by equally small investors. By providing a customer for their natural gas and by encouraging research for new markets, the natural gas bank will keep many producers in business who might otherwise give up for lack of markets.

An hon. Member: That is a great departmental speech.

Mr. Weatherhead: Some of us in the House can write our speeches without the help of departments. And that is the case with my speech this afternoon.

We are speaking here of dollars to governments. Who speaks for the consumers of Alberta? Ironically, it is we, the Liberal party, long painted as the bogeymen in this scenario. It is worth while for us on this side of the House to point out that higher oil and gas prices affect the people of Alberta quite as much as they affect people in all other regions of the country. Discounting the effect of provincial and local taxes, any increase in the price of oil and gas products would have an impact on the consumer in Alberta, in just the same way as they would affect a car driver in Toronto, Winnipeg or Halifax.

So it is important to point out that far from just benefiting consumers in the non-producing provinces, lower prices for gasoline and natural gas will benefit consumers in all provinces. Expenditures on conservation and the development of new sources of energy will be great in Alberta and in the other producing provinces. The Canadian home insulation program will require more money to be spent in addition to the \$13.8 million spent since 1977 in Alberta.

British Columbia, another of the producing provinces, will receive its share of expenditures under the national energy policy. In addition to the estimated \$3.6 billion in revenues from natural gas and oil production over the next four years, British Columbia will see \$550 million spent on research, industrial incentives and conservation over the same period. Of particular interest to British Columbia will be the improvements to the forest industry renewable energy program. New industrial sectors will be allowed to take advantage of the program, and individual grants will be permitted to exceed \$4 million, thus encouraging the development of new sources of renewable energy. Finding new markets for Alberta's natural gas will be one effect of the conversion grants, to a maximum of \$800 per household. Another effect will be the resulting reduction in heating cost for the home owner. These conversion grants will also have the effect of stimulating the creation of jobs and industrial development in the search for better ways to use energy.

This weekend I listened with interest to a CBC radio program in which one of the principal owners of a furnace manufacturing company spoke of his firm's development of a more efficient gas furnace. While not a consequence of the

Petroleum Administration Act

national energy program, this gentleman also spoke of his company's effort to develop this even further. At present, the new furnace tests out at approximately 90 per cent to 95 per cent efficiency. The incentive to bring natural gas heating to more Canadians will undoubtedly spur more such entrepreneurship.

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The national energy program seeks to make Canada's automobile industry more competitive by introducing more stringent mileage standards. At present, North American cars compare unfavourably with imports on the whole. Rather than allowing foreign manufacturers to fill this void, the government should give encouragement to Canadians to purchase domestically produced cars. Improving efficiency standards will ensure that this is done.

These are just a few highlights of the national energy program. In addition to Canadianization, fair prices, production incentives to discover new sources of oil and gas, incentives to convert from oil to more secure sources of energy, and encouragement to seek out renewable sources of energy, there are a number of other programs designed to ensure Canada's energy self-sufficiency. But all of this misses one thing, and the missing link is a price for oil and gas. What we are seeing, through the proclamation sections of the Petroleum Administration Act, is a government which recognizes that it must seize the political will if Canada is to attain energy self-sufficiency. Members opposite suggest that the pricing regime of the government will harm the future of oil and gas exploration. I say that this is not true, and to illustrate let me quote from the national energy program which indicates that the netback to the producer will increase between now and 1990 by a factor of four times; from the \$6.29 a barrel received by the oil companies today, the netback before taxes will increase to \$24.58 a barrel in 1990. That is hardly a massive grab of oil industry revenues. The immediate response of the oil and gas industry, much of it foreign owned, was predictable. However, if they were to stop and look, these companies would see that the incentives, plus the very generous share of revenues, make Canada a good place in which to make money in the oil and gas industry.

We have not seen a massive intervention of government. Rather, we have seen a move toward greater balance in the oil and gas sectors of the economy. In the past there were very few rules when it came to developing oil and gas in Canada. Now, before it is too late, there must be some rules which benefit consumers and Canadian people. While oil and gas revenues to the oil companies have gone up by ten times since 1970, production has not kept pace.

So, the impasse on pricing and revenue sharing must come to an end, without shutting the door to further negotiation. The government is only trying to bring home the urgency of Canada's energy future to Canadians. Admittedly, some would like to see their regions benefit even more greatly, but we must keep in mind that the government has a responsibility to see that Canada is not mired in eternal wrangling over ownership,