

*Supply*

his guest, we visited the Confederation Building and I met the Premier of Newfoundland, Brian Peckford. Of course, yesterday he celebrated his third victory in Newfoundland.

**Some Hon. Members:** Hear, hear!

**Mr. Layton:** What pleased me was that I had observed a Canadian leader in Brian Peckford in the past who seemed to be bitter and unhappy with the relationship between Newfoundland and the rest of Canada. The man I met two or three weeks ago has become proud as a partner in Canada.

The Western Accord outlines three major areas of change. The first is deregulation of crude oil pricing in Canada. The current administered pricing system is inefficient and provides no benefit to consumers. Major energy analysts have noted that they expect prices to fall under this new regime. It therefore puzzles me why anyone would defend the old regime.

The new system will remove unnecessary regulation to free market forces with established provisions to protect consumers in the event of serious changes in world markets.

[*Translation*]

The second element deals with a complete review of the system in Canada as far as prices and marketing of natural gas are concerned. First the market price will be frozen as a step toward a market based system.

Quebec is very important for us. The price of gas will be 25 per cent lower than the level planned under the previous system. The opposition parties seem to be the only ones ready to defend it.

[*English*]

The final element of the Western Accord deals with the fiscal regime applicable to the petroleum industry. The changes have removed the discriminatory elements so evident and destructive previously. As well, powerful new investment incentives have been introduced. For example, the elimination of the PGRT on new production will create the atmosphere for reinvestment on a large scale in Canada. As was noted by the Hon. Minister of Finance (Mr. Wilson) this afternoon, there has been a track record of reinvestment in Canada of over 100 per cent of annual profits, but during the past four years of the National Energy Program application, that rate of reinvestment plunged to one-half.

Elimination of the PGRT will increase industry cash flow and provide a strong incentive to explore and develop new oil and gas resources. It will mean that the major projects, such as Venture and Hibernia, the Alberta oil sands, the Beaufort Sea and the Vancouver Island projects of this country, will be able to attract the necessary capital to be commercially viable. Over-all, these energy Accords represent a major achievement in terms of the Government's objectives of national reconciliation and economic renewal.

It took the previous Government nearly two years of bitterness to strong-arm a pricing and fiscal regime, but we have established a common policy framework within six months,

and it is not a forced agreement. It was one which different levels of Governments supported.

Of course, the previous Government totally repudiated the basic aspirations of the people of Newfoundland and was never able to reach an accord with that province. During my visit, Premier Peckford assured me that the benefits to Newfoundland would be very sound and long-lasting. I met recently with the western provinces' Ministers, Paul Schoenhals of Saskatchewan, John Zaozirny of Alberta and Steven Rogers of British Columbia, all of whom negotiated with our Energy Minister. I am aware that they respect the good will which surrounded my colleague, the Minister of Energy, Mines and Resources, as she presented, with characteristic firmness, the federal Government's position. It is no longer a contestation but a co-operative consultation which governs our country.

The Atlantic Accord gave Newfoundland and Labrador equality within our Confederation by allowing the offshore resources to be treated as if they were on land, in the interest of a strong, united Canada. The Western Accord maintains this spirit of Confederation by ending discrimination against the western provinces—discrimination imposed in a cruel and arbitrary fashion by the Liberal Government's National Energy Program.

Both accords are aimed at ensuring energy security for all Canadians by encouraging and developing our vital energy resources. These two Accords have settled many of the outstanding national energy issues. They are examples of a new process of national consultation and reconciliation.

The age of discord is over. I hope that the Atlantic Accord and the Western Accord will be remembered as symbols of the determination of federal and provincial Governments to work together for the benefit of all Canadians. While each of these Accords has a strong regional emphasis, the benefits are truly national.

I believe, with others, that these two energy Accords constitute the most dramatic achievement to date of the new Conservative Government. There is considerable professional analysis on the record of the immense employment impacts from a renewed energy industry. The industry has already begun to announce investments and revive and enhance investment programs. Potential energy investments are spread across the country, as we heard earlier in the debate, from the Vancouver Island pipeline, to Hibernia oil; Venture gas developments off the East Coast, to northern energy developments, and conventional gas drilling and oil sands development in Western Canada.

A renewed energy industry will mean increased investment across Canada. I remind Hon. Members that about one-third of the new jobs from a renewed industry will be created in the industrial centres of Ontario and Quebec. Thus, a healthy oil industry means renewed prosperity across Canada.

The original natives who made Canada their home brought their energy with them. The early settlers and the *couriers des bois* were energetic and resourceful. We have been blessed