economic development in the 1980s. I do not wish to run again over each and every measure in the national energy program. The budget speech itself and the most interesting remarks made by the Minister of Energy, Mines and Resources (Mr. Lalonde) have fully explained this national program. This energy policy to which the government and all Canadians involved in this area of our economy are committed will contribute fully to industrial development as well as research and development, increase demand for skilled labour, and provide extremely important capital over the next decade.

The government makes known clearly and in no uncertain terms its intention not to forgo this opportunity to develop our resources. Therefore, the government is contemplating the possibility of getting involved more and more in the development of oil and gas through Petro-Canada, a corporation which belongs to all of us as Canadians. The government will also make sure that the private sector and more, particularly, Canadian private corporations are encouraged to work more in this sensitive area of our economy. The fiscal incentives which will be made available to them through subsidies amounting to up to 80 per cent of their development costs are proof of the government's wish to secure the the private sector's successful participation.

It is the government's intention to change the energy consumption habits of Canadians and to this end it will improve the distribution system for alternate forms of energy and encourage the consumption of natural gas by a wise pricing policy. The extension of the gas pipeline from Montreal to the maritimes will make western natural gas available to those regions along the pipeline, from Montreal to the Maritimes, and will allow them, for instance, to change from heating oil to natural gas. I want to indicate that according to the pricing policy there will be one price only for gas for consumers in Montreal, Quebec City or Halifax, and that that price will be 65 per cent of the blended price for oil. That price will therefore make gas particularly attractive to the consumer who will want to convert his oil heating system to that form of energy.

The energy pricing policy is the crucial aspect of this energy strategy. The energy revenue-sharing aspect does not have unanimous support. However, this revenue sharing, as proposed by the Deputy Prime Minister and Minister of Finance, is quite fair. Previously, the federal government found itself in an unbearable situation. It had to assume its national responsibilities and carry the better part of the financial burden tied with the increase in energy prices while, on the other hand, receiving but a small share of the oil income.

The new formula will increase the share of the federal government from 10 per cent now to 24 per cent. The provinces, on the other hand, will receive roughly the same amount they did before. In fact, the losers are the industries that explore and develop oil and gas resources, since their share is reduced from 45 to 33 per cent; it is in that difference that the central government will find the funds needed to guarantee the national good which manifests itself, first of all, in the objective of achieving self-sufficiency by 1990, and then, in that of greater Canadianization of the industry that operates in the fields of oil and gas exploration and development.

This brings me to the last, but not least, of the aspects of the energy policy I want to deal with. It concerns the security of supplies and long term prices of oil and gas. Contrary to the Progressive Conservative approach, ours is specific about what oil and gas price increases are planned until 1983 and the rest of the decade. Moreover, the diversity and abundance of our energy resources will enable us to achieve self-sufficiency by 1990. Those elements of certainty are of considerable advantage in planning, and Canada is one of the very few industrialized countries that can offer firm energy guarantees to both its citizens and businesses. Obviously, that advantage will give an edge to our competitiveness and will encourage diversification of our industrial structure.

● (1700)

This budget has been criticized for failing to meet the challenge of reducing unemployment. The creation of better paid jobs and the maintenance of existing jobs have always been a major concern of this government, and this budget shows that this concern is still present. This budget contains many job-creation proposals. I shall only mention the fact that the Minister of Finance has accepted a much higher deficit than he would have wished for and that he has given priority to the growth of economic development programs. The government thus reasserts its will to reduce the deficit in an orderly manner. The economy is now showing signs of recovery. However, it is too early to assess the importance of this recovery. It is therefore necessary to maintain the deficit at its present level and to avoid as much as possible an increase in unemployment. Spending cutbacks or tax increases would only weaken the total demand for goods and services and increase unemployment proportionately. We are not the ones who should be criticized for being inactive in the fight against unemployment, but rather the Progressive Conservatives.

The budget of the hon. member for St. John's West (Mr. Crosbie) forecast higher unemployment than what we have had, because he gave way to the temptation of reducing the deficit by cutting back arbitrarily public spending without any regard for the capacity of our economy and without considering the needs of the population. As I have just said, the economic development envelope will increase by 22 per cent in 1981-82. This rate of increase is by far the highest compared with the other budgetary envelopes. This is a clear indication of the will of the Minister of Finance to create an environment which should promote economic recovery.

Among the new expenditures, I would like to emphasize the investment tax credit of 50 per cent which was developed in