

conomic expansion well beyond the exploration of their energy resources. The increased economic activity outside the resource field is happening already in the west but to a lesser extent than we would like. Head offices are moving into that area, developers and skilled labourers are moving to the west.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. I am trying to listen very carefully to what is being said by the hon. member for Cape Breton-The Sydneys (Mr. MacLellan). I find I am prevented from doing so by the incessant chatter of members of the NDP who seem to be holding a private conversation or a private caucus.

Mr. Deputy Speaker: Order. I would ask hon. members of the House to observe order. The hon. member for Cape Breton-The Sydneys (Mr. MacLellan) has the floor.

Mr. MacLellan: I thank the hon. member and you, Mr. Speaker. The development of the west in areas other than resource activity is happening to an extent but less than we would like to see in the country at the present time. Head offices are moving to that area, as are developers, skilled labour and so on. However, I would think that it is the intention of the provincial government in that area—and I know that it is the intention of the federal government—that manufacturing and processing industries establish in that very vital area of our country. This shift will include more dynamic industrial activity in that area. It is the definite aim of the federal government to add secondary processing and manufacturing industries to the resource base of that area.

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Along with the development of the industrial base in the west, the government also recognizes that all Canadians should benefit as much as possible from the success of the energy-producing provinces, be they east or west. This policy includes, wherever possible, not letting the investment of Canadians, be that investment in their homes, industry or capital, dissipate through high energy costs or resulting in increased inflation. We must be cognizant at all times of the investment of the average Canadian in this country. We must protect those investments as they exist at the present time. It is not always possible, but it is something of which we must be mindful at all times.

The average Canadian has, for instance, placed a great deal of investment capital in his home. Many of these people have paid off their mortgages and own their homes without having to account to any financial institution or person whatsoever. If that home were to be reduced drastically in value, then a person would lose a life of saving and work, and the only thing that perhaps he has of any monetary value in this world. This is something which we must not forget.

It is with these thoughts in mind that the federal government has introduced other programs along these particular lines, with the idea of developing a coherent economic development policy. The government has committed itself to developing a realistic pricing formula for energy for Canadians. The government wants a revenue-sharing system which is struc-

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ured in such a way that if the world price rises the national government has shares its needs in order to carry out its national responsibilities. The government seeks a price-incentive system which fosters rapid substitution of other forms of energy for oil. This is one of the reasons why the alternate energy committee was set up and mentioned in the Speech from the Throne.

This is why the government at the present time is fostering, as much as it possibly can, ways of immediately substituting natural gas for oil and of investing in coal areas in eastern and western Canada, to protect that valuable oil base. The government has also accelerated the development of indigenous supplies to develop supplies off the east coast of Canada and, until the supplies are brought ashore, to provide an assured foreign supply of oil to that region. That is why the government entered into the recent oil contract with Mexico and why it is so much concerned about ensuring that there is a definite oil supply for eastern Canada in any given winter. It will be monitoring the refineries to ensure that the information being provided to Canadians is in fact correct, and that incorrect information will not mean a winter of privation for eastern Canadians.

It is also important to ensure that the petroleum industry has the incentive to help achieve its energy goals, and that Canadian-owned and controlled firms play a larger role in the energy field of this country. This is why it is the target of the federal government to obtain 50 per cent Canadian ownership of that very valuable industry.

There has been a disturbing increase in company takeovers and the diversification of the oil companies into other economic activities and spheres of economic activity in this country. This is particularly alarming when one acknowledges that the energy-producing companies are in fact securing very valuable, very heavy and very much increased revenues from their source of activities, that they are not only in oil and gas but are now in coal and are branching out into other industries.

If one considers at the same time that the present economic climate has reduced the profitability in other areas of economic activity in this country, it is extremely easy for oil companies to buy up those companies when they are experiencing difficult times. That is why, along with the fact that a great percentage of the revenues from the oil and gas industry will funnel into other countries through dividend payments, we must as soon as possible strive to obtain a larger percentage of Canadian ownership and control over our oil and gas industry.

It is also the reason why the federal government is putting such great emphasis on Petro-Canada. Petro-Canada is the foundation on which Canada will develop a large portion of its energy potential. This is why the federal government has granted to Petro-Canada an additional \$80 million for investment purposes. Petro-Canada has played a large part in the development and bringing on stream of energy potential of eastern Canada, be it the natural gas off Sable Island or the oil and gas in the Hibernia region.

I submit that one cannot say that the government has failed to develop a coherent economic development policy. However,