

The Budget—Mr. Deniger

west. Obviously, this new source of income has had the effect of widening the gap between rich provinces and less fortunate ones, resulting in a 50 per cent raise in the federal equalization payments between 1977 and 1980. Moreover, the existing equalization formula had to be changed since Ontario was now eligible by virtue of this formula, based on 29 sources of income, including oil and gas. It would have been rather difficult to explain to the maritime provinces that from now on Ontario would be eligible for these payments. So the formula was changed with the agreement of this province. Before the 1979 election, the Progressive Conservative caucus was divided on the keystone of any energy policy, that is the price.

The Ontario Conservative members wanted to keep the price as low as possible and, of course, the members from Alberta wanted it the other way around. And yet, Mr. Speaker, the former prime minister was congratulating himself for his alleged success during a conference in Kingston where, closeted with a few premiers, he ratified a certain protocol of agreement. But the former prime minister, now Leader of the Opposition (Mr. Clark), realized quickly enough that once in power he was caught indeed between two Conservative premiers, Mr. Davis and Mr. Lougheed, that the Kingston conference automatically amounted to a series of pious wishes and that the premiers could not see much further than their noses when the interests of their province were at stake.

That is not a rebuke, far from it, Mr. Speaker, but I can only describe reality as I see it. Besides, even Liberal members recall the conflicts between Mr. Lesage and Mr. Pearson or Mr. Hepburn and Mr. King, and realize that unfortunately that is the nature of federal-provincial relations. It seems to me, Mr. Speaker, that the Conservative leader ought to get Kingston off his mind, or has he already forgotten that he himself was prime minister once and that he failed to achieve unanimity when more than one province was involved?

Canada's energy shortage is very simple. Canada right now is suffering from a shortage of petroleum and, in my opinion, it is not an incurable illness since our country produces more energy than it consumes. Canada will therefore have to bank on its surpluses of electricity, natural gas and any other fuel to alleviate this oil shortage. Petroleum imports are rising rapidly at a time when Canadian supplies are shrinking, and the gap between the world price and the Canadian price, which was only \$3 in 1977-78, has now widened to nearly \$17.

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There is very little that can be done quickly to increase our Canadian supplies. There are huge quantities of oil in the tar sands of Alberta, in the Beaufort Sea and perhaps even in the Atlantic ocean. But it will take a very long while before we can make full use of these Canadian resources. At the present time, even our foreign supplies are threatened as a result of the unstable situation in the Middle East. What is the solution? There are only two possible solutions, either a firm commitment to reduce the demand through conservation and substitu-

tion of other forms of energy combined with periodic increases spread over a four-year period according to the studies which have been made, or a drastic increase in the Canadian price of oil to match the world price.

Mr. Speaker, as far as the oil companies are concerned, those multinational corporations whose interests are well looked after in this House by the hon. member for Calgary Centre (Mr. Andre), their position is quite clear: They tell us: give us enough money and enough tax benefits and we will find all your oil.

To accept such a proposal would be to refuse to recognize all the ancillary aspects of a national energy policy, that is to say the distribution of income among governments and companies, the impact and the already exorbitant profits of these oil companies. On this subject I should like to refer to a press release which Premier Davis of Ontario communicated to the legislature on November 12, 1979, following the Provincial Premiers' Conference on Energy. And I quote:

[English]

No appreciation on our part of the desire of the federal government to share its intentions on national energy policy can constrain our intense frustration and alarm about what appears to be a seemingly unrelenting commitment to chase an artificial, erratic and soaring world price—a price set by interests and circumstances foreign to Canada and our economic realities. I must also say, in frankness, that the oil pricing proposal which is being negotiated between Clark's government and the province of Alberta appears, from what we now know, to be an excessive and imprudent response to the claims of the producing provinces and the petroleum industry.

[Translation]

Therefore there never was an agreement between the Conservatives on a national energy policy although the former prime minister has tried to make us believe that. Besides, the comments of Alberta legislature Conservative member, Mr. Thomas Sindlinger, would seem to confirm that there never was an agreement between the Leader of the Progressive Conservative Party and Mr. Lougheed.

Mr. Speaker we have rather chosen a step by step solution, if you will pardon me the expression, which would hold as ultimate goal an assured prosperity as well as the certainty for all Canadians of the following points; first, secure supplies and ultimately energy self-sufficiency of Canada. Second, the access of Canadians to an increased participation in the energy industries and particularly in those of oil and gas resources and, third, fair prices and a fair sharing of the revenues between the governments and the industry.

[English]

We must look at the price increases in the context of the government's overriding concern to achieve energy security, through encouraging, first, the development of new supplies, and, second, conservation of oil.

This is a policy which, by the way, will enhance Alberta's long-term prospects for prosperity through its effect in curbing the rate of depletion of this most valuable resource. Why should the federal government rely solely on sudden, unpredictable price increases in achieving its energy security