

*The Budget—Mr. Bockstael*

government must ensure that the cost and benefits related to the development of that resource be shared by all Canadians. The national government of any country must get an adequate share of the revenues generated by the most prosperous sectors of the economy. It must play a more direct role in the economy so that its citizens are not threatened by forces they cannot tolerate.

[English]

Canadians must realize that we could not wait any longer before going ahead with our national energy program. We have attempted over the years to arrive at a just and fair agreement with the producing provinces over the price of oil and gas. These talks have always ended in failure, because at the negotiating table, the provincial premiers could not understand that we, as a national government were representing the interests of all Canadians, not simply the interests of the non-producing provinces. If the roles were reversed and oil and gas reserves had been found in Ontario and Quebec, for instance, rather than in Alberta, westerners would expect us to move in exactly the same way to provide for and guarantee their energy security.

Because of geographical and geological factors, major hydrocarbon reserves are located within the territorial boundaries of the three westernmost provinces, and because of external developments, beyond the control of Canadians, petroleum, in international markets, has assumed such political and economic significance that we today must develop these resources with the national interest in mind.

The question is: should Canadians have to pay the world price for oil, or bear the burden of energy insecurity, when we as a nation are fortunate enough to have massive conventional and non-conventional oil and gas reserves. We can achieve energy self-sufficiency without at the same time having to make an enormous sacrifice in order to meet this end. So, therefore, what is our government proposing in the budget before the House?

We are, on the one hand, attempting to ensure that Canadians across the country benefit from our wealth in both conventional and non-conventional oil and gas resources. On the other, we are putting forward a scheme to "Canadianize" our petroleum industry, so that we can all reap more of the benefits from the development of these resources.

Obviously, we cannot expect to fulfil these national objectives under the present revenue sharing arrangements between the federal government, the producing provinces, and the petroleum industry. The federal government must obtain a larger share of petroleum revenues in order to implement its national energy program. We are therefore proposing to increase our stake in total production revenues from a modest 10 per cent to a more equitable 24 per cent, drawing from the oil companies, not the provinces.

To increase its revenues from energy our government will levy taxes on production. Alternately, we could have passed the cost of this energy program on to the Canadian citizen by imposing a massive tax on the consumption of petroleum, as

would have been the case with the budget drawn up by the Conservatives last December. Such a move would have been both socially regressive and economically unwise. We took a decision against such a move when it was introduced in the House last December, and we are abiding by it in this budget.

● (2100)

The government of Alberta insists that oil prices in Canada must rise rapidly to near world prices and that they, together with the multinationals, should continue to collect the lion's share of the revenues from petroleum resources.

Our government realizes that conventional oil is indeed a rapidly depleting resource and that measures should be taken to divert Canadians away from oil consumption to other forms of energy. Alberta is suggesting that rapidly increasing prices is the only route to take. We feel that such a move would not be in the best interests of Canadians. It would result in sudden price increases which would severely handicap both the Canadian consumer and the economy as a whole.

We have proposed phased-in price increases which would allow Canadians enough time to convert to other forms of energy consumption. Given a larger share of petroleum revenues, our government could introduce programs aimed at developing new sources of energy to offset these phased-in price increases and help Canadians convert to more abundant sources of energy, such as natural gas.

What we are actually doing now is approaching this problem from two sides. Canadians can continue to consume oil at realistically set prices and we can work to develop other sources of energy without having to impose harsh taxes on the consumer. It is understood, of course, that we can only hope to achieve this if we manage to garner a larger share of the revenues from the production of oil and gas.

Let us not fool ourselves for one instant by thinking that energy self-sufficiency and a just pricing policy for all Canadians can be achieved simultaneously without the federal government taking a more active role in the energy sector.

When the federal government indicated it would increase its share of revenue collecting to 24 per cent, some provinces took offence at the proposal. The Premier of Alberta retaliated by announcing that his province would cut back oil and gas production to fellow Canadians forcing them to turn more and more to foreign suppliers. It is indeed a shame when one stops to consider the implications of such a move, Mr. Speaker. Here we have a provincial premier who is attempting to disrupt the federal government's national energy program. This premier has taken it upon himself to dictate the terms of a new energy package which will adversely affect all Canadians.

I do not think the government of Alberta has the right to dictate the terms of the federal government's national policy under any circumstances. The Premier of Alberta appears to have taken upon himself the task of speaking for western Canadian interests. I cannot honestly find anything in Mr. Lougheed's statements of last Thursday night to convince me that Alberta's proposed actions to curtail production will