

price was \$12 or \$13 a barrel. It is another when it doubles or almost triples in the course of a year, when you go from \$13 to \$30 or \$34. It is a wholly different ball game. So we decided we had to abandon the notion of world oil prices and come to the notion that oil prices within Canada should be related to cost, and we came up with the notion of a "made in Canada" price, which is really a blended price.

I am concerned about the interpretation which the opposition, and particularly the producing provinces—I have especially in mind Alberta—place upon this notion of a blended price. I sense in Mr. Lougheed, not in the people of Alberta, a kind of paranoia that worries me. It amounts to an almost desperate plea on behalf of his province. He is looking upon crude oil, and rightly so, as being a depleting resource which will virtually disappear in the next 15 or 20 years, and therefore he has to get as much out of it as he can as fast as he can.

I believe this is a mistake because I think this is not the case. I think Alberta has a depleting resource in oil in a very short space of time, and a depleting resource in a somewhat longer space of time in natural gas. In a much longer space still it has a depleting resource in tar sands, and in a much longer space again in coal.

I think what we have to do with this whole scene is to make people in Alberta and the government of Alberta believe that there is stability in this, that Canadians are willing to pay a reasonable amount to the people of Alberta over a long period of time and that this blended price, which will be made up of a certain price for conventional crude oil and a different price for tar sands, differing gas prices and so on, this blend of prices in terms of secondary and tertiary production, will be very, very gentle to Alberta and will sustain over the long term the economy of Alberta. It is not one of those things where, when it runs out, it is all over. It is a long-term thing and I think it is the long-term agreement which we make with Alberta which will be extremely important.

A final word on this price question—I overlooked one particular point I wanted to make. Getting back to the National Energy Board, the board produced a paper and all members were involved in it in terms of its presentation. It was presented to all sides of the House in November last. It showed that by 1985 revenue from oil and gas based on a \$1 increase every six months—not on \$4 or \$4.50 a year but on \$1 every six months—would be in the order of \$30.54 billion, most of which would be going to Alberta, and that the provincial share would be something close to \$10 billion—\$9.80 billion. That is without the \$4 or the \$4.50 we are talking about.

I am not opposing this, but that would ensure to Albertans something in the order of \$5,000 per man, woman and child per year. This would be sustained over a long period of time because the blended price would give us that effect. So I think Albertans have to feel easy about their future. I know they will want to share their resources with Canadians, and I do not think the present government means to grab, as we are hearing. That is not what we are trying to do. What we want is a fair deal for all Canadians while at the same time giving

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Albertans a generous allowance for enabling us to use those resources. And we believe those resources exist basically for all Canadians.

There are other things we are concerned about in our energy policy as it is enumerated. One of them is, of course, to find alternate sources for conventional crude oil from the world markets where we know we shall need to obtain crude oil. Do not forget that we are talking about moving from 1.4 billion barrels to 516 million barrels by 1990. So we shall need to buy offshore oil, and we on this side are very pleased that shortly after the new government came to power we were able to negotiate a most satisfactory initial arrangement with Mexico. We hope to do the same with Venezuela and the Mexican President will, I understand, be in Canada next month or the month after for the signing. We think this deal is very important because it is important to diversify in this respect. But we do have the problem of having to purchase close to 300,000 barrels a day for the east coast, for the Atlantic provinces, and we think some of this demand can be reduced considerably by the very rapid building of the Q & M pipeline. We think this has a very high priority and that we should substitute natural gas, of which we have a certain abundance. I do not think we have sufficient abundance to sell any more off, however. But there is certainly some abundance at this stage of the game and this would replace the oil we purchase for Atlantic Canada.

The strange Tory government meandering around this PetroCan issue was something I could not understand. It struck me as unbelievable at a time when the Canadian government needed a basic instrument for a national policy, an instrument which itself could do things when it was necessary to do them. This was the whole basis of PetroCan; it was not just something designed to increase Canadian ownership or to keep an eye on the industry. It was basically an instrument for a national energy policy, and it is a fine instrument. To talk about giving it away or selling it or God knows what seemed incomprehensible to me. But we are back on stream. We believe PetroCan is a fine instrument and we shall be doing our best to make it a larger and more viable company, to allow it to move into areas into which it has not moved before so as to develop new sources of oil and gas, and also to act as an umbrella for other energy problems.

We are very pleased the government has announced that there will be an alternate energy corporation. This may begin under Petro-Canada, it may be entirely separate, but it is extremely important that we should have an alternate energy corporation. We are very pleased the Speech from the Throne contains such an undertaking.

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I think there is a very serious problem within the Department of Energy, Mines and Resources which has to do with the whole notion of conservation. It seems to me that we must deal with that notion at much greater length than we have until now. It fits in with my thinking of the new world into which we are moving. I am not sure that the Department of