

Western Accord

Miss Carney: Mr. Speaker, clearly the Hon. Member has not had an opportunity to read the Western Accord.

Mr. Dingwall: I just got it.

Miss Carney: I have endeavoured to make copies available to Members, and they will be available afterwards. However, it gives me an opportunity to say that the whole purpose of the Western Accord was to create jobs which were lost under the National Energy Program. He is speaking for the Party that drove 250,000 jobs out of western Canada.

Mr. Dingwall: Try not to be yourself. Be nice for a change, and answer the question.

Miss Carney: Obviously the Hon. Member does not wish to have an answer. If he would like an answer, I will continue.

Mr. Dingwall: Let's have an answer.

Miss Carney: The estimates of the number of jobs created in the package before us range from 100,000 to 300,000. That is the whole purpose of the Agreement. Energy is the one sector where you do get job creation quite quickly. That was the record of the industry before the NEP was brought in.

To answer the Hon. Member's question, the whole package was designed to maximize the economic opportunities and create jobs with minimum impact on the fiscal framework of this Government in the early years. Therefore, the loss of revenue in the first two years will range annually between \$300 million and \$500 million. We anticipate, in consultation with the Minister of Finance (Mr. Wilson), that that amount will be more than exceeded by the increased revenues resulting from people being back to work and increased corporate taxes.

I would like to make the point that one of the Member's colleagues said that the industry does not pay taxes. In fact, it pays about \$2.6 billion a year in taxes. We expect to get back more than we lose from the PGRT in those critical first years until we can start bringing down the deficit with which his Government saddled the Canadian people.

As to his comments about PIP grants, no Hon. Member from Nova Scotia could do more harm to his own province than to suggest that we are going to terminate PIP grants. We have told Nova Scotia, the Premier of Nova Scotia, the Minister of Energy of Nova Scotia, we have told everyone in the Maritimes except possibly the Hon. Member, that we will honour all commitments under PIP. Every single exploration agreement in place will be honoured. That will cost this Government about \$3 billion in the next two or three years. We have done that, as I said in my speech, to provide stability for those companies that are out there drilling. We have enhanced their position by the extra incentives I have announced today.

As to the producing provinces and their royalties, may I point out that unlike his Party, this Party respects the Constitution of Canada. That Constitution makes it very clear that royalties are the prerogative of the provinces. What we have from the provinces is a commitment that all the benefits will

flow to the industry, and then again the industry must reinvest the money. That will require the provinces to make what adjustments are necessary. Let me point out that Saskatchewan has already introduced a highly successful royalty holiday which has increased drilling and exploration in the province. So what we will both get out of it is increased economic activity, more jobs for Canadians, and increased revenues flowing back to the provinces and the federal Treasury.

Mr. Riis: Mr. Speaker, I have just one question for the Minister. On page 5 of her statement she refers to the end of the PGRT and the fact that it will mean that ambitious projects like the Vancouver Island pipeline will be able to attract the massive amounts of new capital needed to develop them. Earlier this week in Nanaimo the Premier of British Columbia was saying that the province is prepared to go ahead with building that pipeline if the federal Government commits itself to supporting the project and providing a guaranteed capital grant. Does this mean that the federal Government is abandoning its financial support by way of a grant or some other financial contribution to the province to enable this pipeline to be built, or is she leaving it now to the private sector and the ordinary financial markets?

Miss Carney: Mr. Speaker, no.

Mr. MacLellan: Mr. Speaker, I realize that royalties are a provincial matter, but I ask this quite sincerely because I think it is an important question. The Minister realizes that the royalties levied by the provinces in western Canada are a concern to the industry. I realize she has no power over the industry to reduce royalties, but surely the question came up and surely the Minister will agree that the royalties are too expensive. Has she any commitment from Alberta to bring down these royalties now that they have obtained what they are looking for, the abandonment of the PGRT?

Miss Carney: Mr. Speaker, I have already explained that the issue of royalties is not something for the federal Government to pursue. I am sure the Government of Alberta will make whatever adjustments are required at the initiative of the industry. I do not have to take on the provincial Governments, as his Party did, on the issue of royalties. The industry is certainly prepared to do that. What I have done is to ensure that the provinces do not move in to any fiscal room left by the federal Government. The promise is to pass all benefits right through the provincial Treasuries into the industry and then into reinvestment in jobs, and that is a commitment that all three provinces made.

Mr. Waddell: Mr. Speaker, according to the Dow Jones service, world oil demand seems to have revived during 1984 but it may be heading for a new slump. Given that oil prices seem to be going down and that PIP grants are going to be phased out, will the Minister tell me whether she will be apologizing to Premier Brian Peckford for setting him adrift now that there are no real incentives to develop Hibernia? Hibernia will be delayed. Or in lieu of an apology to him, will she offer anything concrete to Newfoundlanders to get Hib-