

The premier says that, as far as the Constitution is concerned, he will wait and see whether or not there are amendments acceptable to him on the basis of the final resolution that is passed by the House of Commons and the Senate. That is a different stand from that taken by his counterpart in the House of Commons.

I believe Premier Lougheed has embarked on a rather dangerous course. Many people in western Canada talk of alienation and of separation. Indeed, there are a number of organizations already out there which claim to be dedicated to separation. I think the word "separation" comes from the mouths of Conservatives in western Canada, and certainly not from people of other political persuasions. In Saskatchewan, two Conservatives tried to establish a party with the policy of separating Saskatchewan from Canada, and joining the United States. Well, they gathered practically no support. They were not taken too seriously. Others may talk about separation and they may hold big meetings, but I think it is all of a temporary nature.

Premier Blakeney is not clear how he stands on the Constitution. He seems to lean to the side of world oil prices. He has said in advertisements put out by his party that the federal government is robbing the resources of Saskatchewan, that Trudeau is raiding those resources, but the budget was not all that bad for Saskatchewan, even from his point of view. The tax on the export of Saskatchewan oil was cut in half, and the Saskatchewan government, by that action, will have additional revenues in the area of \$200 million. The federal government said that it was prepared to be a partner with Saskatchewan in establishing a refinery to upgrade heavy oil at a total cost of \$1 billion. To me, that shows that the Prime Minister and the present government have in mind the welfare of the people of Saskatchewan in the total energy policy.

In my own mind, I am not particularly concerned with this so-called separatist movement out west, or any other so-called separatist movements. I do not think that they are a real threat to the country. I think they are passing things. I was disturbed, as a good Canadian, when separatism was being advocated in the province of Quebec, but I was really pleased when Canadians in that province came forward with a No vote. I am also absolutely certain that the turning point in that campaign came when the Prime Minister of this country, the Right Honourable Pierre Elliott Trudeau, was able to take part, with his associates in the House of Commons and the full support of the Liberal Party and certain other parties in that province. By that means, he was able to bring about a No vote.

**Senator Frith:** And senators from both sides, too.

**Senator Argue:** And senators from both sides, too. I do not want to overlook anybody, because many Canadians went in and did a tremendous job at great personal sacrifice.

As a westerner, as a member of the Liberal Party and as a member of the caucus, having seen the Prime Minister of this country in action in all respects, including in the cabinet, I believe he is just as much interested in having western Canada a functioning part of a united Canada as he was interested,

and is interested, in having Quebec a functioning part of a united Canada. I believe that the energy policy is in the interest of all Canadians.

Surely, one cannot bring forward an energy policy that is going to give a portion of the revenue to the federal government—and I do not hear anybody saying there should not be some revenue going to the federal government—that does not have a measure of argument attached to it. There will be differences of opinion, but, as I see it, what has been undertaken in this energy policy is a reasonable apportionment of the revenue which will flow from this industry.

These are not new figures I am using, but they are accurate. Up until the present, the oil industry has taken approximately 45 per cent of the revenue, provincial governments 45 per cent, and the federal government 10 per cent. Under the projected energy policy, the provincial share will be reduced from 45 per cent to 43 per cent, the federal government's share will be increased from 10 per cent to 24 per cent, and the industry's share will be reduced from 45 per cent to 33 per cent. I do not think we should immediately say that the oil industry is going to be damaged and crippled, and will not be able to function because of this. I am convinced, from all the projections that have been made, there will be ample room for a healthy oil industry in Canada, and that in the foreseeable future, in the next few years, it will still be controlled, in the main, to the extent of more than 50 per cent, by foreign investors.

As a Canadian, I think that this essential industry should be Canadianized, that there should be a larger part in control and ownership played by Canadians. I do not support the present mix which shows that last year revenue from the foreign-controlled industry amounted to \$6.151 billion, and revenue from the Canadian-controlled oil and gas industry amounted to \$1.608 billion, for a foreign-controlled share of the oil and gas industry of 72 per cent. The government, under this policy, is determined to correct this imbalance.

The hue and cry going up in the oil industry is that it has to be able to generate huge amounts of capital and that it needs to look to foreign capital coming in to develop, yet the oil and gas industry, far from drawing in foreign capital, since 1974 has been a capital exporter. The industry has supported net capital outflows from 1975 to 1979 of \$2.1 billion. Some of this outflow has represented a return of capital to foreign owners, while some has represented new foreign investment by Canadian companies. If dividends and interest payments are added to this total, the total outflow over the period from 1975 to 1979 becomes approximately \$3.7 billion. Dividends rose from \$200 million in 1973 to \$600 million in 1979. In addition, the foreign parents have received fees for technological, operating and managerial services.

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So, the industry has done well. It has exported capital from Canada. I am one who believes that Canadians are capable of producing more and more of the investment capital necessary in the oil industry to bring the target 50 per cent under Canadian ownership. I think it is reasonable, and I think it can be done.