

Petroleum Administration Act

Two parties, Mr. Speaker, are of course necessary to negotiate. An objective reading of the record will show that we approached the table in good faith, that we made substantial and reasonable offers, that we moved a long way in an attempt to get a fair deal for Canadians, and that we listened to provincial concerns. I should like to emphasize that the Petroleum Administration Act was introduced as a stop-gap measure.

I believe that both our government and the government of Alberta would prefer to see agreement. I believe also that we share the same goal of accelerating the development of our indigenous supplies. Accordingly, we do not understand why the provincial government continues to hold approval of the proposed new major oil sands project in abeyance. We believe that Alberta's decision in this regard is contrary to the stated goals of the Alberta government itself, and directly harmful to the many Albertans who pin their future economic hopes on those projects. These are matters which we would certainly like to discuss further with the Alberta government.

There has been a fundamental disagreement between the Government of Canada and the government of Alberta about revenue sharing. We had the distinct impression from the government of Alberta spokesmen that they felt that the national government should get any increased revenue only from the industry through corporate taxation. The Alberta energy minister has since said that this is not what he meant. This is an encouraging development and one which bodes well for our next meeting.

However, if the Alberta energy minister still feels that we have no claim to a greater portion of the government revenues and insists again that any reduction in the provincial share of revenues would be tantamount to federal expropriation of provincial resources, and he did not mean that we should derive increased revenues from industry, then he must mean that the federal government should derive additional revenues from Canadian consumers, including Albertans. This hardly seems fair. We could not continue in negotiations which were not producing results on any front, without making some national decisions.

The special provisions of the Petroleum Administration Act have not been proclaimed in isolation. They have been introduced in the context of a budget and a national energy program. Furthermore, these provisions have not been proclaimed without first making a strong effort to negotiate an agreement. They have not been proclaimed without the intention of continuing to seek an agreement with the producing provinces. We are ready to talk within the framework of our principles, entitlements, and needs.

We feel confident that we can fulfil our national obligations, and that includes our responsibilities in Alberta and in the west. No province will gain more than Alberta from federal spending on the new energy initiatives. Over the next four years spending on these initiatives in that province will approach \$2.3 billion or approximately \$1,030 per Albertan. The government of Alberta will receive a higher share of resource revenues than any other state or province in the

world. For the industry itself there are guaranteed incentives, grants and prices which will facilitate long-term planning.

The estimated "net-back" on a barrel of oil before taxes will increase from the present \$6.25 to \$24.58 by 1990. Within the decade, Albertans will benefit from the \$120 billion spent in their province on energy-related projects. Tens of thousands of construction jobs and more than 100,000 full-time industrial, technical and management jobs will be created. The spin-off benefits for the public service, the service industries, commerce, education and housing cannot be imagined. The Alberta government sells its gas at the lowest price in the world outside the Middle East, since the province eliminated its retail sales tax last year. Alberta looks to a real growth rate of about 5 per cent or 6 per cent annually. Others would make the growth rate as high as 9 per cent or 10 per cent. As Premier Blakeney of Saskatchewan has said, the major problem which his government will face in the next decade is how to deal with its new wealth.

Mr. Rose: Would the hon. member permit a question?

Mr. MacLaren: Yes.

Mr. Deputy Speaker: The hon. parliamentary secretary's time has expired. A question may only be entertained with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Rose: In his remarks last night the parliamentary secretary made the point that no one in this House had discussed limiting the demand side in energy. Without predicting what kind of recommendations which the special task force on alternative energy and conservation will be making, there is a good deal of preoccupation about lowering the demand side.

Mr. Deputy Speaker: Order, please. If the hon. member wishes to put a question he is at liberty to do so, but it appears that he is entering into debate. Would he please put his question?

Mr. Rose: I will get to my question. I am merely trying to put it in some context. Would the parliamentary secretary not agree that when 87 per cent of the national energy policy is directed toward the supply side and only 13 per cent is directed to the limiting of the demand side, the thrust of the government program is really toward the supply side and not the demand side?

Mr. MacLaren: Mr. Speaker, I want to pay tribute to those few who, during this debate, have called attention to the essential element in the total energy equation of reduction in demand. The hon. member opposite has been one of those exceptions who has given that factor in our energy policy the due weight it deserves. I said last night that the tendency in our debate has been to emphasize supply rather than the reduction in demand and substitution, which are essential elements in our national energy program.