

Ottawa stakes energy claim

Alberta, oilmen rocked



Finance Minister Allan MacEachen, Energy Minister Marc Lalonde and Trudeau enter Commons

Province angry; 'it's a takeover'

By Bob Bragg

(Herald Edmonton bureau)

EDMONTON — The federal budget's energy program is "nothing more or less than a takeover" of Alberta's oil and gas, says Provincial Treasurer Lou Hyndman.

Both Hyndman and Energy Minister Merv Leitch reacted strongly against the budget in a Tuesday night news conference.

Although they refused to go into many details both ministers attacked the budget's imposition of a tax on natural gas and the unilateral setting of oil price increases.

Leitch said the tax on natural gas, while not simply an export tax, represents a wellhead tax which the province has consistently resisted as an intrusion on provincial rights.

And Hyndman said that the oil price schedule, along with the tax on gas, moves decision making on natural resources, which Albertans own, from Alberta to Ottawa permanently.

"When you peel away all the flowery language it was as objectionable, if not more so, than our worst fears," he added.

Leitch attacked the proposed oil price increases because they are below the rate of inflation for the first two years and is "saying to Albertans that they will have to sell the oil at less than half its value for a number of years."

He added that he was "not very impressed" with long term oil price increase projections which would

compensate for the initial low increases of \$1 dollar a barrel every six months for the first two years of the federal program.

The provincial Conservative caucus meets tonight to discuss the budget and Premier Peter Lougheed has scheduled a province-wide televised statement on the budget Thursday evening.