Economic Conditions

Mr. Rae: My colleague says you cannot blame him. The minister has an obligation. Instead of presenting an energy policy which is neither fish nor fowl and then claim that that is his budget—

An hon. Member: Fowl?

Mr. Rae: Turkey I think is the word we are looking for. He has an obligation to present a budget which deals with the long-term problems in the economy, the fact that we are a colonial economy. Because we are a colonial economy we find ourselves in the position we are in today with respect to this fever of interest rates in the United States.

Unless we are prepared at some point to break that circle, cut that ribbon and see our way clear to a new and very different policy, we will be back here in six or eight months, just as we said to the minister before, and we will be faced with exactly the same problems, only they will be worse. The dividend outflow and debt outflow will be more serious. The level of interest rates will be upwards of 25 per cent or 27 per cent. There is no logic to it. There is a time to break the pattern. We argued before the committee a year ago that we should break the pattern and we argue again now.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Mr. Speaker, the hon. member for Broadview-Greenwood (Mr. Rae) was questioning the fact that the Minister of Finance (Mr. MacEachen) waited to intervene in the debate this evening. It was not through fear or any particular concern about what he had to say. He was guided by the feeling that he should first hear something sensible from the opposition. Having listened to the Leader of the NDP and then three speakers in a row from the Conservative party, there was no light coming, so he decided there was no point in waiting further to see what would come from the other side.

For our part, we listened with great attention to what the Leader of the New Democratic Party and the Leader of the Opposition (Mr. Clark) had to say on this subject. We were not overly impressed with the crocodile tears of the Leader of the Opposition. We were certainly dismayed by the behaviour during the speech of the Minister of Finance. We can understand his frustration, bitterness and worries about the threats he receives not only from the backbench, but the front bench on his right and on his side while the various players jockey for position in the forthcoming leadership campaign. But certainly none of that was justifying—

● (2240)

An hon. Member: You have more potash on your face than the Minister of Agriculture (Mr. Whelan).

Mr. Lalonde: None of that was justifying the types of insults he threw at the Minister of Finance when he was speaking during his juvenile behaviour in that speech. I say this is sad behaviour on the part of the Leader of the Opposition.

We heard complaints tonight, especially from the Conservative side, about energy, and expressions of concern about higher fuel costs that Canadians are having to face. We share that concern. As a matter of fact, we have done something about it in the national energy program.

But, I want to tell the Conservatives that not only are their slips showing, having heard the hon. member for Capilano (Mr. Huntington), I would say they are walking stark naked, because what they really have been doing on this subject is a lobbying for big oil companies. In fact, in the last few days, having tried to argue the case of the oil industry as such, they have realized they were creating more and more problems for themselves.

Now they have tried to argue that the industry is going into a terrible decline and that, all over Canada, Canadians are going to find themselves unemployed.

We have heard about oil rigs in the last three or four days like we have never heard about them for years. What are the facts? From what we hear from some members of the opposition one would think there is a caravan of rigs starting from Edmonton right down to the border, every mile with a few rigs moving south. What are the facts? The latest available figures indicate that between 15 and 20 drilling rigs have been shipped to the United States since the end of October. Currently there are about 100 rigs idle; that is a big number, wouldn't you say? It is exactly the same number of rigs as were inactive in October of last year when the total stock of drilling rigs was 572.

What was the situation before the budget? Conservatives would like us to believe that it is only since the budget we have had to face events such as these. This should be put into its proper perspective. The facts should be given. Let me quote from an article which appeared in the *Edmonton Journal*, unless I be accused of going to a friendly source. I quote from the *Edmonton Journal* of December 10 which carried an article by Gordon Jaremko. He was covering National Energy Board hearings on oil supply and demand in the oil industry. What does the article say? It says:

> Oilmen call barren wells dry holes—and Conservatives may be drilling a political dry hole with their charges that the Oct. 28 budget is prompting an exodus of oil rigs.
>
> Submissions to the National Energy Board suggest that oilmen were looking elsewhere even before Finance Minister Allan MacEachen raised their taxes.

The article goes on to state:

> But briefs from the oil industry to the NEB's hearings on the outlook for energy supplies indicate that a slowdown was already in the offing last summer after four years of record-breaking activity.

Later in the article we find this:

> The industry survey . . . strongly suggests that Canadian oilmen want to drill where the markets are.
>
> Canadian prices were not considered to be a major restriction to growth, implying a willingness of the operators to exchange a portion of their per-unit revenues for increased total sales.

What is the real situation now? Hearing from the Leader of the Official Opposition one would think that Alberta is going into a great depression and is taking the rest of Canada with it. Again I turn to a source in Alberta itself. This is a quotation from William Barratt of the Edmonton-based Western Eco-