

Canadians, it is absolutely essential that we embark on a program that would hold our consumption at two million barrels per day. To do this would mean we need a number of active programs. These programs include conservation, conversion to new sources of energy, use of other sources of energy including hydro development, a review of the entire nuclear power development industry in this country and turning to renewable sources of energy. This would include solar, biomass, wind and geothermal.

I should like to spend a few moments talking about conservation, Mr. Speaker. There are a number of ways to come to conservation. You can use moral suasion, you can use pricing, regulation, allocation or rationing. To date, Mr. Speaker, moral suasion has not worked in this country because the Canadian people have been led to believe by past Liberal governments that there was an unlimited supply of energy and that we could waste this resource at will. Of course, we just cannot, Mr. Speaker.

I should like to put on the record a figure which is very frightening and which flows directly from past Liberal policies. In his budget address on Tuesday night, the hon. Minister of Finance indicated that to date in Canada, consumption of gasoline has been rising at over 4 per cent per annum, whereas consumption in the United States has fallen by about 4 per cent per annum. The figures for October, which have just been released, indicate that consumption of gasoline in Canada went up by 5.5 per cent, and in the same period consumption in the United States fell by 8 per cent. We are not conserving. We are not using our resource properly and it is essential that we do.

In addition, Mr. Speaker, we have allowed our prices to fall below the cost of production. Time and time again we hear Liberals say that there is an unlimited supply of oil out west. Mr. Speaker, there is an almost unlimited supply of some types of oil, but not of light and medium crude oil which is the type of oil we have relied upon to date. If we are to supply our oil needs in the future, it will have to come from frontier oil, from heavy oil, from synthetic oil, from new finds off the east coast of Labrador, in the high north, the Beaufort Sea, the Arctic Islands, the Mackenzie Delta. Mr. Speaker, you do not find that oil for the cost that you found light and medium crude oil ten, five or eight years ago.

The Liberals have been continually telling the people in this country that there is lots of oil. What they should tell the people, who deserve to have the true facts, is that the light to medium crude oil is running out. It is this which is the cheap oil, but we do not have much of it left.

The price of oil has to go up to allow the entrepreneurs who look for this hard to find resource to get out into the high Arctic, to get off the east coast of Labrador, to look in the places where mankind has never looked before. It is in these areas that our true riches, our true resource base, lies and it is in these remote areas that Canadians will find energy self-sufficiency, not in the boardrooms of Liberal policy makers. At the same time, we must raise money in this country to teach

and educate Canadians to use their resources more wisely and more efficiently.

We must make moneys available for conversion to new sources of energy and to assist those who, because of Liberal policies in the past decade, find themselves on fixed incomes and unable to protect their standard of living. We must make money available to these people so that they will be able to have heat and transportation in the next decade whilst maintaining a reasonable standard of living. This will require money from the federal government which will come from the increased price of oil.

I would point out, Mr. Speaker, that debate has raged in this country for weeks over a price increase of \$4 per barrel, from \$13.75, the present production price f.o.b. Toronto, to \$4 above that, which would be \$17.75 per barrel. Today the OPEC nations have effectively increased the price of oil on the world market by \$6 U.S., or over \$7 Canadian to about \$28.50 or \$29.00 Canadian per barrel. Who are the Liberals kidding when they say that we have lots of oil? The oil we have must be found and developed and brought on stream.

I should like to speak for a moment about the production of oil from the tar sands where there is a tremendous capacity. It takes approximately five years to build a tar sands plant or heavy oil plant. There are two such plants proposed in Canada at the present time. Each plant will require a working population of about 30,000 persons and will require 15,000 man-years of engineering during its construction period. The cost of each plant will vary from \$5.5 billion in 1979 dollars to \$6.5 billion. That means that \$12 billion is required in the economy to pay for those plants. Canadians are not fools, Mr. Speaker. They know that money has to be raised and left in the hands of the private companies that build these expensive plants. These are time-consuming and very risky ventures because of the problems inherent in building in these remote areas of this country.

In addition to that, Mr. Speaker, we shall have to consider distributing our resources in a more equitable and proper manner. Why in heaven's name a government with any kind of sense at all would have stopped the energy distribution system at the Ontario-Quebec border is beyond me. That is what happened, however. It is now up to this government to find a way to move our resources to other areas of the country. We must move gas into Quebec and the maritimes, and we must find a way of distributing our energy resources on a more equitable basis. We must not leave one area of the country totally isolated and dependent upon foreign supplies in a very volatile and explosive international situation.

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Another program that the Minister of Energy, Mines and Resources (Mr. Hnatyshyn) referred to today in question period is the conversion of heating systems from oil to natural gas. There will be a retrofit program announced in due course to which he referred in question period today. We must convince and persuade Canadians that it is in their best