

Summer Recess

it? What did it do to protect Canadians from the impact upon their prices?

I am glad the hon. member for Lincoln is present in the chamber this evening. I hope he will respond to anything I say which is out of order; I am sure he will. The department was aware of what was going on and that there could be an impact. What steps did it take to reduce the impact of the international cartel forced upon Canadian companies?

Also we want to know what the government did in response to the legal opinion of Mr. David Henry, now Mr. Justice Henry, to the effect that the cartel could later become illegal if orders had to be declined by Canadian producers as a result of the arrangement. Clearly we are looking at a case of supply and price. What did the government do to satisfy the needs and interests of consumers? What did Canadian producers do to achieve appropriate balances between supply and price, in the face of the cartel forced upon them by the government?

We do not want to send people to jail. We want to know where the political responsibility lay at that time. The matter of prices is a very important issue, especially when we consider the high prices with which people are faced today.

Today it was announced that the consumer price index is at its highest level, on a year-over-year basis, since 1948, at 12.8 per cent. The startling figure which leaps off the page of that report on prices over the last few months is the price of gasoline which has risen 42.7 per cent over the last 12 months. I asked hon. members opposite why they imposed closure. This is a good enough reason for imposing closure. Hon. members opposite, and particularly the sea of green, the ministers, cannot answer questions as to why there was a 42.7 per cent increase in the price of gasoline. What have we received for it?

During the 1980 election the Minister of Finance (Mr. MacEachen) said, "Vote Liberal and we will keep prices down." I do not think anyone who voted Liberal expected to see gasoline prices increase by 42.7 per cent. It is the most deceitful outcome of the 1980 election. The voters of the country were tricked, they thought prices would stay down, but there was almost a 50 per cent increase. The hon. member for Willowdale (Mr. Peterson) should get out his slide rule. He has not graduated to using one of these new electronic push-button calculators. If he uses his slide rule, he will see that the increase works out to 60 cents per gallon.

What have we received for the 60-cent increase? There is a deadlock with the province of Alberta, imports are increasing, and 40 per cent of the drilling rigs which are at the heart of employment in the oil and gas industry in western Canada will have left the country by the end of the summer. Approximately 170 have already left, and there has been a cancellation, which the minister likes to call a suspension, of the Cold Lake heavy oil project. What else is to come from the national energy policy? I am waiting for hon. members opposite to yell across what we are receiving. I hear a dead silence, not a word. Canadians might be prepared to pay that 60 cent increase if they thought they were receiving more.

There is little prospect that we will receive any relief from high prices. The government is doing absolutely nothing to solve the problem. The high interest rate policy is directly related to the national energy policy. We have an unprecedented outflow of capital from the country, amounting to \$8 billion to \$10 billion over a 12-month period. This can be related to capital moving to other countries in the world from Canadian-owned companies which were supposed to be helped by the National Energy Program. Capital which used to come to Canada from Germany is now being redirected to the United States.

Companies are sending money down to the Williston Basin, Denver, Colorado, West Texas and Australia. The Canadianization of our oil and gas industry is really the Canadianization of the Williston Basin, Denver, Colorado, West Texas and Australia. This is what Canadianization means to the companies in western Canada. This is why the National Energy Program is such a bitter pill for these companies to accept. Some members opposite have asked me, "What do you mean by saying that the National Energy Program is causing high interest rates in this country? How does that work? I don't understand."

● (2100)

Some hon. Members: We never asked you that.

Mr. Wilson: I can tell hon. members opposite that I have been asked by some of their colleagues about this. They are starting to wonder what is going on. They are wondering what is going on in the Department of Energy, Mines and Resources. They want to know what is causing this drop in the value of the Canadian dollar which is causing the high interest rates. This outflow of capital which we have seen over the last few months, and which will continue over the next few months, is putting downward pressure on the Canadian dollar.

If members opposite will read why the Governor of the Bank of Canada is putting so much upward pressure on interest rates, they will see that he believes we must maintain the level of the Canadian dollar. He says that if the Canadian dollar falls further there will be more inflation in our country. Thus, the Minister of Finance, who I saw just a little while ago sitting in the back benches, which is probably a good spot for him, wrings his hands and says that he cannot do anything about the situation because those people in the United States are forcing interest rates up.

If the minister were following an inflation policy with a broad program to fight inflation, plus an energy program which would solve our energy problems rather than confronting every element of the energy industry and the provinces involved, we would see the dollar higher by 3 per cent to 5 per cent. As a result of that the Bank of Canada could allow interest rates to settle at a much lower level, probably in the order of 3 per cent or 4 per cent less. That is what I mean when I say the National Energy Program is having a negative effect on the whole country, not just little Alberta, or little Saskatchewan, but the whole country. Everyone in the country is feeling the impact of high interest rates, which is why we