

should in a sense temper the statements made by the hon. member by saying that the inflation rate for 1980 will probably be in the order of 10 per cent. That is a figure I have used previously and I see no reason to change it today, even though 10 per cent is serious enough.

I also point out that in the December budget of last year the projected rate of inflation for 1980 and 1981 was 11 per cent, and I will try to avoid that higher figure in my budget presentation.

Mr. Skelly: Madam Speaker, I wonder if the optimism of the minister might be tempered a little since the future looks a little bleaker than it did even last December. One welcome aspect was the promise in the throne speech to protect Canadians who can least afford to suffer under what looks to be a dramatic increase in the inflation rate, and since the last budget I think very few people would acknowledge the claims just made by the minister.

Would the minister give us some assurance that he will move in the budget to place directly in the hands of those Canadians who can least afford the costs of inflation some relief mechanism, possibly a cost of living tax credit directly to low income and middle-income Canadians? Could he assure us that in fact the promise made in the throne speech will be in the budget?

● (1125)

Mr. MacEachen: Madam Speaker, I should point out to the hon. member that, in view of the inflationary pressures existing in the country, during the election campaign we promised to increase the guaranteed income supplement. That was one of the first actions we took when we returned to Ottawa and a new Parliament. That is very much in line with the commitment that still stands in the Speech from the Throne to help those in Canada who need help most.

Mr. Skelly: Those would have been tremendous contributions to Canadian society if we had not seen such manoeuvres on the government's part to cancel their effect with high interest rates and other negative policies. The one thing which concerns most Canadians, I think, is the fact that the price increase in food and other areas will continue unabated. Has the minister undertaken any moves for his government to consult with industry to try to control some of the price increases, and I am thinking particularly of food? Is there ongoing consultation, through the minister's department or another one, to try to handle, or perhaps to hold or contain, prices and possibly to roll them back in some areas?

Mr. MacEachen: Madam Speaker, I should point out to the hon. member that, since earlier in the year when we delivered the Speech from the Throne and promised assistance, interest rates have indeed decreased and that these gains were not nullified, as he has indicated in his question. I would also point out to the hon. member that he should look in some detail at the sources of the increases in the cost of living index which come from increasing beef, pork and poultry prices, which have accounted for most of the gain in food prices in Septem-

ber. I believe that once he is aware of that fact he will understand that speaking to the industrialists of the country is no solution to price increases of agricultural products.

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ENERGY

ESTIMATE OF OIL AND GAS EXPLORATION ACTIVITY IN 1981

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is for the Minister of Energy, Mines and Resources and it arises from the increasing evidence that, in spite of the propaganda in the minister's advertising campaign, all is not well in terms of Canada's energy future and that there will be a very significant decrease in oil and gas exploration activity in Canada next year. As one measure, the Canadian Association of Oilwell Drilling Contractors estimates, and I quote, that "as much as 25 per cent of exploration activity now being conducted in western Canada may swing next year into the United States".

My question to the minister is: does he accept that estimate of the Canadian Association of Oilwell Drilling Contractors and, if not, what is his estimate of the exploration activity in Canada next year? Will it be higher, lower, and by how much?

[Translation]

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I have already told the House that exploration activities this year in western Canada are far better than they were last year. These facts are self-explanatory.

As far as future speculations are concerned, I would rather leave that to my hon. colleague and other people who are professional speculators. I think that when our energy policy is released all Canadians, including westerners, will realize that it is very wise, very dynamic, very good for Canada as a whole and for western Canada in particular. As well the industry will see that it will be to its advantage to stay and pursue its work in Canada.

[English]

Mr. Andre: Madam Speaker, if the minister had been briefed by his officials and had even rudimentary knowledge of the industry, he would recognize that drilling this year was based on planning last year. We are concerned about drilling next year which is being planned and budgeted for now. If the minister is not concerned about Canada's energy future, who is? To whom should we turn in this government who is concerned? Does the minister recognize that this movement of people, money and equipment to the United States is a one-way trip and we will not get this equipment back? He said on Tuesday that he expects Canada to be self-sufficient by the end of the decade. Is this rupture of people, money and equipment part of his plan to make this country self-sufficient? If it is, could he please explain how this is helping