been trying to deal with criticisms put forward by the loyal opposition on the National Energy Program and on Bill C-48 during the question period and during the debate in the House. This is why I have been trying to express these social concerns that are relevant to the energy and economic policies of this government. I do think this is relevant although I am aware you were not here for the first part of my speech and would not have heard those remarks.

As I was saying, past Liberal governments have introduced old age security, the guaranteed income supplement, the Canada Pension Plan, family allowances and many other social programs.

An hon. Member: What about oil and gas?

Mr. Taylor: What bill are you talking about?

Mr. Munro (Esquimalt-Saanich): Give us the number of it.

Mr. Lang: Is the hon. member suggesting this is not a serious bill?

An hon. Member: What you are talking about is not serious.

● (2020)

Mr. Lang: If hon. members opposite had been here in the afternoon, they would have heard about it.

Mr. Paproski: We were here.

Mr. Lang: I will go on to the next topic. The oil and gas industry in Canada is in good financial shape. Between 1977 and 1979 the petroleum monitoring agency reported that the industry's cash flow increased by 67 per cent in two years. A further increase of one-third is projected for 1980. In 1981 it is estimated that including the incentive payments the industry's cash flow will rise over and above that of 1980 by 7 per cent. Even if one excludes those incentive payments, the industry's 1981 cash flow is expected to be 28 per cent higher than in 1979. The government's pricing and revenue-sharing arrangements are tied very closely to our thrust toward energy self-sufficiency and to the process of Canadianization.

In terms of security of supply we in Canada are in a fortunate position compared with those who rely heavily on imported oil. We produce more energy than we consume in terms of hydroelectric power, thermal energy and natural gas.

Our problem is one of substituting for the oil we currently use other energy sources that we have in relative abundance. One of the chief substitutes will be natural gas since we have a surplus supply, and to allow the vast majority of Canadians the opportunity to switch over from oil the government will be extending pipeline service to Vancouver Island, Quebec and the maritimes. Half a billion dollars has been earmarked for this purpose. To encourage the process, as we all know, the price of oil will be allowed to rise so that other fuels will be attractive on the basis of price alone. The objective is to reduce the use of oil in the residential, commercial and industrial sectors in every province to no more than 10 per cent of the energy total. To follow through on its drive to get us off oil, the National Energy Program's Canadian oil substitution program is proof of the government's commitment to energy self-sufficiency and security of supply. Increases in oil and gas prices are also important to generate the funds necessary to develop our more expensive heavy oil, oil sands, tertiary oil and tar sands.

Canadianization remains a vital element in the government's strategy. Oil and gas revenues from now until 1984 are expected to be in the range of $90 billion. To expect the federal government to take a back seat in sharing the revenues is clearly unrealistic based on our national responsibilities. Further, the vast majority of Canadians favour the government's commitment to at least 50 per cent Canadian ownership of oil and gas by 1990. This involves increased Canadian control of a significant number of oil and gas firms and a greater portion of the oil and gas sector being owned by the Government of Canada and the people of Canada. Fair prices, secure supply and increased Canadian participation in the oil and gas industry will cause benefits to rebound through our entire economic system. If we look at virtually any sector of the economy, we will find that the benefits are evident. A sensible price for oil and gas combined with the substitution program minimizes the effect that massive price increases would have on our economy. A one dollar per barrel oil increase adds an estimated half a percentage point to the inflationary rate. If we were to let prices rise indiscriminately toward the international price level, consumers would have to spend more on energy and would have less income to spend on goods and services. Thus, there would be less demand in our economy and, hence, lower economic growth and increased unemployment. This is what would have happened if this party had allowed the budget of one year ago last Thursday to go through.

An hon. Member: We did not do it. We stood firm.

Mr. Lang: The Liberal party did stand firm. We did not allow higher unemployment and higher inflation. We did not allow oil prices to go toward world prices, which would have been the result of the budget of December, 1979.

The National Energy Program creates a climate for less inflation, less unemployment and greater economic growth than the Tory budget and so-called energy policy would have allowed. It was a two-bit budget. A bit of it was devoted to an 18-cent increase, which would have socked it to the consumer. Another bit of it was devoted to an insignificant amount paid back in the form of an energy tax credit.

Mr. Siddon: This is Bill C-48.

Mr. Lang: Our National Energy Program is aimed at economic strength for all sectors in the economy. It is aimed at strength for the lumbermen of British Columbia, the ranchers and oilmen of Alberta—

Some hon. Members: Oh, oh!

Mr. Lang: —the prairie farmers of Saskatchewan and Manitoba, the resource and manufacturing industries of Ontario and Quebec and the farmers and fishermen and other industries of Atlantic Canada.