

The Budget—Mr. Bob Jarvis

Canadian people. This budget detailed our problems, set forth the sacrifices needed to meet our problems head on, set the course to regain financial responsibility and charted the course to energy self-sufficiency. At the same time it acknowledged and met our obligation and responsibility to assist those in our society who, through infirmity, age or circumstances beyond their control, have been unable to cope with the policies of the past decade.

The past decade was a decade which saw massive unemployment—as high as one million people were unemployed at one point—uncontrolled inflation, over three years of double digit inflation, an unparalleled government spending binge which left Canadians with the highest per capita public debt in the industrialized world, a shattered currency and a balance of payments deficit; all of which has effectively mortgaged the earnings and expectations of an entire generation of Canadian youth.

That is the legacy of the Liberal government, the 1970s. This budget comes to grips with this legacy and holds out the challenge and work ahead of us for the 1980s. The Canadian people are not afraid of challenge, nor are they unprepared to pay off the Liberal debts of the 1970s. All that was required for Canadians was a challenge and a direction for us to follow. The hon. Minister of Finance has set the direction. Now it is up to us Canadians to meet the challenge, a challenge which constitutes our future.

This afternoon I intend to concentrate my remarks on the energy policy portion of the budget. However, I should first like to congratulate the hon. minister for the revisions to the Income Tax Act which will allow small unincorporated family businesses to claim as an expense salaries paid to the spouses. My riding of Willowdale, located in the north portion of Metropolitan Toronto, has 1,374 family businesses located within its boundaries. Most of these families live in Willowdale. Long hours, hard work and sacrifice to own a business has in the past been penalized by the Liberals. The role of the wife and mother in maintaining a family business has not been properly recognized prior to this budget. This change has been long overdue. It is a most welcome and appreciated change in Willowdale.

The hon. member for Windsor West (Mr. Gray), in responding to the budget address, gave a plea for a return to the 1970s. The thrust of his remarks was a return to overspending, to underproduction, to high debt, to low growth rates and to double digit inflation. Why not; that is all the hon. member for Windsor West understands. Those policies were his training ground and encompass the limits of his span of comprehension. Our government's energy policy as set out in the budget was referred to by the hon. member for Windsor West who said, as reported in *Hansard* at page 2267, that the budget provisions on energy are an—

—aberration carrying the Canadian economy away from the path of growth and development it was on at the time the government changed on June 4.

First, I should explain to the hon. member that it was May 22, 1979.

[Mr. Jarvis.]

Let us look at the path we were on under the Liberals at the beginning of the seventies. In the 1970s they took Canada from an oil exporting country to an oil importing country. They took a country with almost unlimited and untapped resources and reduced the rate of search for new supply and the rate of research and development to a point where the production of light and medium crude oil is now at 1.2 million barrels per day. It is now forecast that the production of light and medium crude oil will fall to 750,000 barrels per day by 1985 and to 500,000 barrels per day by 1990 without new finds and new programs, of which they had none.

• (1530)

The Liberals stopped the pipeline on the Ontario-Quebec border and isolated parts of Quebec and the maritimes from Canada's energy resources. They took a country rich in resources and left it with a \$2 billion deficit or outflow annually to buy oil from OPEC nations.

With the 1970s policy of the hon. member for Windsor West in place, by 1985 the cash outflow from Canada would increase from \$2 billion to upwards of \$8 billion to \$10 billion—just to stand still, to buy OPEC oil to offset the declining production in this country as a result of their policies, and that does not even take into consideration the announced OPEC price increase today of \$6 U.S. per barrel. That is what the Liberals have been advocating. They say there is no problem. Of course, from their limited perception there is no problem, because theirs was the perception of the ostrich with its head in the sand.

What are the true facts, Mr. Speaker? Canadians are entitled to know them. How much oil do we in fact produce today? How much oil do we in fact consume? What do we require? Where are we going and how are we going to get there? I should like to direct the balance of my address to the details of these facts for the Canadian people.

In 1978 Canadians produced approximately 1.6 million barrels of oil per day. At the same time, they consumed approximately 1.9 million barrels per day which left a shortfall of 300,000 barrels per day. Money was required in massive amounts to replace the shortfall of 300,000 barrels per day.

Consumption to date in 1979 has been variable, but forecasts have been made for the last quarter which show consumption of 2.06 million barrels per day, production of 1.82 million barrels per day and a shortfall of between 240,000 and 250,000 barrels of oil per day. This shortfall must be bought, Mr. Speaker.

Having isolated the maritimes and portions of Quebec from supply, we are forced to import approximately 600,000 barrels of oil per day to meet their needs. We bring in approximately 250,000 barrels per day to Quebec and 350,000 barrels per day to the maritimes. Thus we find ourselves dependent on foreign sources for 600,000 barrels of oil per day and with no capacity, as a result of Liberal policies, for moving our western supply east.

If we are to have energy self-sufficiency, if we are to have identity as a country, if we are to maintain our self-respect as