Second, the construction timetable of the Trans-Quebec and Maritimes pipeline has slipped and completion to Halifax is not now expected until well into 1986. The coincidence of these two dates obviously creates the need to consider whether the transmission line should be re-oriented around Sable Island gas. However, the government recognizes that this could cause some financial and operational difficulties for the sponsors of the TQ and M pipeline. Therefore, the government will meet the full cost of engineering and survey work on the pipeline between Quebec City and the Atlantic coast by advancing an interest-free loan to the sponsors to be repaid when the maritime portion is constructed. When this work is done, final pipeline design and construction can start as soon as information on Sable Island gas resources is available. Since natural gas will not be available to maritime consumers as early as anticipated, there is the possibility of pre-building markets for pipeline gas with propane from local and western Canadian refineries. Therefore, the government will make propane an eligible fuel source under the Canada Oil Substitution Program in the maritimes where a residential or commercial consumer is switching off oil.

We are also taking major steps to ensure the greatest possible penetration of natural gas into Quebec markets now served by oil. The government is establishing a fund of $500 million to assist with the construction of branch lines off the main TQ and M trunkline to provide access to important gas markets. Similar measures will be considered for the maritimes as soon as the pipeline to the maritimes is in progress. These measures relate to expanding the natural gas market in Canada. The government recognizes the importance of natural gas exports to the health of the industry. We welcome the recent decision of the National Energy Board to adopt a new formula in determining the amount of natural gas which is surplus to Canada's needs and can therefore be exported. This change will provide welcome export opportunities to the natural gas industry, while at the same time maintaining our all important commitment to ensure that Canadian needs are met before exports are allowed. Further, the government will meet 50 per cent of the cost of converting residual fuel oil boilers in industrial, commercial and private institutions to natural gas, effective June 1, 1982, or from the date that gas becomes available, and applicable for a period of time.

The most important news tonight is that these measures will not increase prices that consumers pay for petroleum products or natural gas by more than the amount forecast in the agreements with the producing provinces. It is often suggested by members opposite that the only way to achieve energy security is to expose all Canadians to the uncertain and sometimes brutal effects of international oil prices.

Mr. Baker (Nepean-Carleton): Who said that?

Mr. Lalonde: If any evidence is needed that there is a better way, the NEP has provided that evidence. Great strides towards energy security have been made while providing Canadians with energy prices substantially below world levels. Under a Liberal Government, Madam Speaker, this progress will continue.

Some hon. Members: Hear, hear!

Mr. Lalonde: Over the life of the energy agreement with the provinces, consumer energy costs in Canada will be the lowest—of any industrialized country. The made-in-Canada pricing ensures that conventional oil will not rise above 75 per cent of world levels, and limits natural gas to approximately two thirds of domestic oil prices. Consumers will remember that the Conservative budget linked gas to 85 per cent of oil. Well, we have brought that price down, Madam Speaker.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lalonde: Compared with world prices, we estimate made-in-Canada prices will save Canadians—

Mr. Clark: Tell us about 14 cents a gallon. Tell us about your broken promises.

Mr. Lalonde: —$39 billion in oil costs, and $21 billion in natural gas costs between 1981 and 1986.

Mr. Clark: Nobody in the country believes you, Marc.

Mr. Lalonde: These are huge figures and difficult to comprehend on a personal level, but if you ask a Canadian how much that represents—

Mr. Clark: If you ask a Canadian: can you believe Marc Lalonde? They say "never".

Mr. Lalonde: Between 1981 and 1986, Madam Speaker, it represents a saving of $2,500 in energy costs for every man, woman and child in this country.

Mr. Clark: Nobody believes you, Marc.

Mr. Lalonde: These are the facts.

Some hon. Members: Hear, hear!

Mr. Lalonde: Our energy prices, Madam Speaker, compare more than favourably with those in the United States.

Some hon. Members: Oh, oh!

Mr. Lalonde: The cost of heating an average home in Canada today is about $1,025 a year, 25 per cent less than the cost of heating a similar home in the United States.

An hon. Member: Hogwash!

Mr. Lalonde: If home owners took advantage of grants under the Canadian home insulation program and the Canadian Oil Substitution Program, they would save an additional $500.

We also offer benefits to consumers of gasoline. However, provincial governments have the constitutional right to take