

*Oral Questions*

be below those forecast in the agreement with the province of Alberta that my friend was cheering last September. We are going to end up with prices lower than those anticipated under the agreement. That is clear.

The hon. member referred to Mexican imported oil, but I would remind him that we import oil from many countries such as Venezuela, Saudi Arabia, and others. As a matter of fact Mexico is only a small contributor to our total imports.

We have indicated that we took steps last month to reduce the quantity of shut-in oil in western Canada. In May and in June the level of shut-in oil will be as low as it has ever been in the past. In addition, yesterday we announced some measures whereby the companies are prohibited from buying on the spot market and will have to limit themselves to the minimum levels covered under the term agreement, in order to ensure that Canada will find itself able to get its supplies in the future if we ever run short of oil again. That is reasonable management of our energy policy and not, I am afraid, the kind of rhetoric in which my friend tries to indulge.

• (1420)

**Mr. Hawkes:** Madam Speaker, Mexican oil is the only oil bought by this minister, and that is why it is of special interest.

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**FINANCE****QUERY RESPECTING LEVEL OF INTEREST RATES**

**Mr. Jim Hawkes (Calgary West):** My supplementary is directed to the Minister of Finance. Last night the Minister of Energy told us that the Minister of Finance is going to be short \$25 billion—that is twenty-five thousand million—in the next five years. It can be recovered by cutting expenses, increasing taxes, or borrowing more and driving up interest rates. Can the Minister of Finance assure this party and the Canadian people that he will not raise interest rates in an attempt to cover up the mistakes made by the Minister of Energy? Can we have your assurance that—

**Madam Speaker:** Order. Order.

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, I do not believe the Minister of Energy, Mines and Resources has made any mistakes. Quite the contrary.

**Some hon. Members:** Oh, oh!

**Mr. MacEachen:** But I assure the hon. member that I propose to do everything possible to bring down interest rates.

**NATIONAL ENERGY PROGRAM****REASONS FOR DECLINE IN OIL CONSUMPTION**

**Mr. G. M. Gurbin (Bruce-Grey):** Madam Speaker, my question is directed to the Minister of Energy. World demand for oil has dropped 15 per cent in the last two years. The minister repeatedly tries to make the case that the 7 per cent reduction in oil consumption in Canada is due to his substitution and conservation efforts, when really this is only a fraction of the decline. The major factor in the decline is the loss of GNP due to high interest rates, farm failures, resource industry decline, and a lack of new homes being built.

Last night the minister admitted that he did not understand the needs of the oil industry. Will he admit today to this House that, in co-operation with the Minister of Finance, the major success of his National Energy Program in reducing oil consumption has been accomplished by forcing Canadians into the poorhouse?

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, frankly we have another example of the amazing rhetoric of the Tories. The decline in crude oil consumption last year in Canada was 6.7 per cent. That took place at a time when the Canadian economy was growing in real terms by 3 per cent. That was not a time of recession, it was a time of economic growth in the economy in 1981. The record is there; the GNP grew by 3 per cent last year. Last August we had the lowest unemployment rate in five years.

In spite of that record of economic growth we managed, through conservation and substitution, and with the help of the program set up by this government and the co-operation of the Canadian people, to reduce our oil consumption by almost 7 per cent. That is a good record.

**Mr. Gurbin:** Madam Speaker, if the minister will stop his rhetoric and take a look at the GNP for the last two quarters of 1981, and then try to repeat the same statement in the House, I will apologize. Otherwise, I think he should, because it was minus .9 per cent.

**PROJECTED OIL DISCOVERIES—REQUEST FOR MINISTER'S RESIGNATION**

**Mr. G. M. Gurbin (Bruce-Grey):** Madam Speaker, my supplementary is to the same minister. Consumers and businesses across Canada have been asked to pay for energy products at prices which are often higher than their American counterparts, in spite of the fact we were promised energy prices no higher than 75 per cent of world levels. This was supposed to be part of the program to achieve self-sufficiency.

In light of the fact that, according to the minister's own projection, there would be no new oil discovered in Canada in 1982; in light of his failures with Alsands, Cold Lake and the Alaska gas pipeline, will he promise to give this House his resignation if his projections for 1983 are not realized? If by 1983 we have not discovered 177,000 barrels of new oil per