

Energy

This motion, put forward by the Conservative opposition, effectively says two things, Mr. Speaker. It is a condemnation not only of the government's policy with regard to energy, but a condemnation of the government for not protecting those who are supposedly, and in fact are, being hit by the rising price of oil and, by implication, high interest rates, and other things as well.

I should like to try to deal with those issues—the condemnation, the reasonableness of the condemnation of oil prices, the condemnation implied now, as it has been many times in the past in this House, of the other parts of the government's economic policy and the condemnation of the government for not assisting those who are being hard hit by rising prices across the board, and by high interest rates.

In the budget of October 28, the government promised essentially three things, Mr. Speaker. First, it promised to restrain spending and bring it within the trend line of the growth of the gross national product over a period of four years. Second, it promised to reorder government spending priorities toward a greater emphasis on economic development, industrial adjustment and manpower retraining. These programs have been introduced in order to try to help the people make the adjustments that all hon. members agree will be necessary in our daily working lives over the next several years. Finally, the government promised to follow a monetary policy consistent with the fight against inflation.

Let me deal first with the argument pertaining to oil prices. Today we heard members of the opposition claim that they would not have increased the price of oil nearly as fast as this government has done. This is a surprising statement because, basically, it just is not true.

In the past, as I probably will in the future, I have relied on the words of the hon. member for St. John's West (Mr. Crosbie) when he was minister of finance. I think he understood the realities of economic policy that face any minister of finance, this country and the government. In his sombre moods, he is not swept away with the kind of rhetoric that some of the members of the opposition—and I hasten to point to the hon. member for Kingston and the Islands (Miss MacDonald)—are swept away. The hon. member for St. John's West can be very rational. I have listened to what the hon. member has to say. I believe he follows me in this debate, at which time he will have something to say in response.

● (2050)

The hon. member for St. John's West appeared on the program "Question Period" yesterday. He was asked some penetrating questions and gave some honest and straightforward answers. I would like to relate some of the hon. member's responses that are very pertinent to today's debate. It says something about what the Conservative policy is, or what a responsible segment of that party believes the Conservative policy should be, and what their assessment of this government's policy is. In many cases, it is a very realistic and fair assessment.

The hon. member for St. John's West was asked what would happen to oil price increases and what the situation would have been under a Conservative government. He replied as follows:

Had we been there, we wouldn't be spending \$5 billion on the oil imports subsidy. The price to the primary producer of a barrel of oil would have been higher and the oil imports subsidy considerably lower and the deficit considerably lower and then even with a mortgage interest and an energy tax credit we wouldn't have the deficit that we have today.

The implication, if I read that properly, is that if the oil import compensation payments are less, then oil prices have to be higher because the oil imports compensation payment is based on the differential between the domestic price and the foreign price. If the compensation payments are less, that means that either the world price is lower, which is not conceivable because it is outside of our control, or the domestic price would have to be higher, which is very conceivable. Not only that, but the price to the primary producer of a barrel of oil would have been much higher than under this government.

These are quotes from statements by the hon. member in "Question Period". He was asked how fast energy prices should rise in this country and whether it is necessary for energy prices to rise in this country. I think all members agree that it is necessary. The question was asked:

—how quickly do you think that we should move the price of domestic oil close to the world level? How fast should we move?

The hon. member replied:

Well, I think that we should—at least as fast as we were proposing a couple of years ago, certainly to 75 per cent over the next several years . . . I don't think we should delay too long. We're babying ourselves too long now—

The hon. member was then asked:

Do you think we should move as fast as, say, three years to get our own oil prices on to a realistic, lasting level or should we spread it out over five, six, seven years.

The hon. member replied:

I think that three or four years should be plenty.

Mr. Crosbie: Right on.

Mr. Evans: The hon. member agrees with the statement. Well, they are his statements. The point is that the hon. member is putting forward here what he considers to be a reasonable responsible policy, that is, to go to 75 per cent of the world price on oil over the next three or four years. That is a position in which he firmly believes. However, it runs right in the face of the kind of statements his colleagues have been making all day, saying that this government is following an irresponsible oil pricing policy by doing less than that.

The hon. member for St. John's West is not the most aggressive in the oil pricing debate. Yesterday the hon. member for Calgary Centre (Mr. Andre), I believe speaking in the west, indicated that he feels the price of Canadian domestic oil should be taken to \$35 a barrel very quickly.

Mr. Taylor: You are paying Mexico more.

Mr. Evans: The hon. member says that we are paying more to Mexico. We heard today that Canadian consumers are