

National Energy Program

Mr. Lalonde: The National Energy Program is not merely prices and tax. It is much more. The National Energy Program is a dynamic and comprehensive strategy of evolving responses to a changing world. The fundamental strength of the program is that it responds directly to all of Canada's major energy challenges and opportunities.

An hon. Member: Horse feathers.

Mr. Lalonde: While the goals are unchanging, the methods we employ will adapt to meet changing conditions.

Hon. members will recall that we set three major goals in the National Energy Program. The first was security of oil supply, with a specific target of oil self-sufficiency by 1990.

Mr. Huntington: Bankruptcies.

Mr. Jelinek: Higher gas prices.

Mr. Lalonde: The second goal was fairness in the distribution of energy benefits and burdens. The third was greater opportunity for Canadians to participate in the oil and gas industry.

Tonight I can report with increased confidence that Canada will achieve oil self-sufficiency by 1990.

Some hon. Members: Hear, hear!

Mr. Lalonde: At the Tokyo Economic Summit in 1979 the Clark government pledged to limit oil imports to 600,000 barrels a day in 1985. Today I expect that Canada's import requirements in 1985 will be cut to half of what the previous government anticipated under its policy.

Some hon. Members: Hear, hear!

Mr. Lalonde: We have not merely passed the test the opposition established; we have surpassed that test. This accomplishment is possible in large measure because Canadians are responding enthusiastically to the program's conservation and oil substitution elements. The results in 1981 were indeed striking.

Mr. Kilgour: We know about that in Alberta.

Mr. Lalonde: In home heating, natural gas made inroads against oil, featuring a 13.6 per cent increase in Quebec alone. Heating oil consumption was down 17 per cent across Canada. Gasoline consumption fell by 3.3 per cent. Over-all, crude oil use was down 7 per cent in one year.

Mr. Kilgour: Nothing to do with the recession, eh?

Mr. Lalonde: While imports were increasing before the National Energy Program, they did not increase in 1981 and should actually fall this year.

Mr. Huntington: Tell us about the gross national product.

Mr. Lalonde: Oil security cannot be achieved by the petroleum industry alone. It requires the commitment and involvement of every Canadian, and this is what we have seen in 1981 in our conservation and substitution efforts. The opposition says that it had to do with the recession. I remind

hon. members opposite that those figures were achieved in Canada at a time when the Canadian economy was growing at a rate of 3 per cent a year in real terms. That was not the recession. Canadians have made that commitment. For example, since 1980, over one million Canadian households have been saving money and oil because they have used the \$500 grants offered under the Canadian Home Insulation Program. That is over one million Canadians in only one year. In only one year, 200,000 Canadians have received grants of up to \$800 under the Canada oil substitution program to switch from oil for heating to gas, electricity and alternative energy. We now know that this program will continue to make a significant contribution to energy security throughout the decade.

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The effect of this response from the people of Canada has been immediate and drastic. At the same time, the National Energy Program offers powerful incentives to the petroleum industry to find and develop new supplies of oil for Canadians. There have been many successes in this regard in the last year and a half. We reached a comprehensive agreement with all three western producing provinces and with the province of Nova Scotia, which may soon become a major producer. Of great significance is the accord with Nova Scotia, the first comprehensive long-term agreement for joint management of offshore petroleum resources in this country's history.

These agreements establish oil and natural gas prices and allocate revenues in an equitable and fair manner. They provide a stable climate for investors and producers and certainty and moderation for consumers. In other words, these agreements are fair to all Canadians.

Equally important was the passage of the Canada Oil and Gas Act by this House last December. The bill governs the promising frontier areas where Canada's future supplies are to be found. Therefore, we took strong steps to ensure that Canadians have the opportunity to play a full and vigorous role in petroleum development in these regions. These steps will mean jobs for Canadian workers, investment opportunities for Canadian businesses and a wide array of spin-off economic opportunities for Canadians. However, recent developments in the international energy and economic front threaten to undermine Canada's strong and growing oil and gas industry. The world economic recession and the unanticipated moderation in international oil prices have decreased industry confidence and weakened the energy investment in Canada.

Since the agreement with Alberta last December, the Government of Canada has taken several steps to counteract these conditions. These include, for example, extension of the new oil reference price to most experimental projects; assistance to low productivity wells, and the provision of depletion for ongoing capital expenditures by Suncor and Syncrude.