

*Energy*

**Mr. Lalonde:** This year we estimate 8,300 wells will be drilled in western Canada compared with 7,400 last year. The hon. member may talk as much as he wants; the fact is they are there, and I invite him to look at them. If you look at Canada's offshore activities, there were nine wells drilled last year, and 19 this year. This is a clear indication of what has happened inside Canada in the oil and gas industry in the last year.

**Mr. Paproski:** What about the tar sands?

**Mr. Lalonde:** I am getting to the tar sands in a moment and I will have more to say about this than you will like.

In addition to encouraging oil and gas activities in Canada, we have given our full endorsement to Petro-Canada, an endorsement that had been sorely lacking under the Tories, and in effect we have reinstated to Petro-Canada the \$80 million the Conservatives had cut off from that company. That company is now one of the most active and dynamic companies operating in the oil and gas industry in Canada, with the full support of the government.

**Mr. Andre:** Do you know they are drilling half as many as Pacific Pete?

**Mr. Lalonde:** I suspect the hon. member from Calgary is going to die from apoplexy and, if you could do something about him, Mr. Speaker, that would be quite helpful.

**Mr. Andre:** I want an energy minister that knows what is going on, for the sake of Canada.

**Mr. Lalonde:** I thought it was a case of apoplexy, but I regret to say it is only a case of lack of elementary courtesy. There is not much I can do about his lack of education.

**Mr. Andre:** Courtesy requires honesty in the House, too.

**Mr. Lalonde:** As far as the activities of this government are concerned, I have indicated that we have fully supported Petro-Canada and we intend to continue to increase that support. We have also indicated a full program for upgrading our refineries. The net result of the upgrading of the five Canadian refineries will mean that something in the order of 125,000 barrels a day of residual oil will be much better used in this country in the next few years. In this way we will be able to reduce our dependence on imported oil.

● (1630)

Finally, we put before the producing provinces last July a fair and generous offer. That offer meant that the western provinces would have obtained over the next four years something like \$40 billion. And even more recently we decided to increase our offer further to \$38 a barrel for tar sands and heavy oil, plus indexation of that price to the cost of living over the next few years, plus the possibility of reopening this agreement after five years of operation if for any reason it was found that this price was inadequate.

This, indeed, was a most generous offer, and it certainly answered the expectations of the proponents of the various tar sands and heavy oil plants. As a matter of fact, I can state in this House that this offer corresponded exactly to the request made to us by the proponents of the Cold Lake plant. So, let us not hear stories and arguments from the other side that the federal government is not co-operating with regard to tar sands and heavy oil development. Let us not hear stories that the federal government is delaying the implementation of those projects.

If there is any delay, it is not the fault of the federal government and it is not the fault of the proponents of those various projects. I leave it to the opposition to reach its own conclusion on whose fault it is if there is any delay at the present time.

*[Translation]*

Mr. Speaker, I indicated that our policy is first of all to ensure the security of supplies for Canadians, whether it be in the form of supplies from abroad or in the form of increased production within Canada. And I indicated we have already taken a number of steps in Canada to reach that objective, whether it be in the form of the massive support we gave Petro-Canada, the support we gave business to make sure the oil industry would fully develop under our leadership, or yet the extremely reasonable and adequate prices we offered the producing provinces to reach an agreement regarding the production of oil and gas in this country. But it is a matter not only of increasing production, but also of encouraging Canadians to change their habits as consumers and be less dependent on oil than they have been in the past by encouraging them to use other forms of energy.

Just a few months after taking over my department I announced a national objective for this decade which should enable us to arrive at a situation where only 10 per cent of the residential, commercial and industrial sectors would use oil which means that 90 per cent of those sectors would depend on natural gas, electricity or other forms of energy for their supplies.

In fact, if we could reach that objective—and there is no doubt in my mind we can—we could reduce tomorrow morning our oil consumption by 375,000 barrels a day which would be about the equivalent of our total current imports and the equivalent of the construction of three tar sands plants like Syncrude. That objective is fundamental to our policy, and we firmly intend to reach it. Indeed, we have again already taken steps in that direction. We have already announced the approval of the construction of the pipeline east of Montreal and for Quebec, and we have indicated we were also encouraging the extension of that pipeline to the maritime provinces as soon as possible.

I recently announced an additional program for the solar energy industry in order to help it achieve state-of-the-art