

Energy

which they imposed savage taxation on Canadians with large price increases which fortunately both opposition parties at the time, ourselves and the New Democratic Party, rejected categorically.

Since they have been in opposition the Conservatives have continued very much the negative stance they adopted vis-à-vis energy, as was evident this afternoon during the course of the speech of the hon. member for Etobicoke Centre. What have we heard in the last few months? There has been the kind of haranguing we witnessed this afternoon during question period and during the speech of the hon. member for Etobicoke Centre, and the doom and gloom worries and predictions of members of the Conservative party. I could add to this their self-induced paranoia about the possible gas export tax. They do not even realize the electricity of this country has been taxed for something like 35 years between 1928 and 1963 and that we have had an export tax on oil in this country since 1974.

● (1620)

In effect, apart from calling for higher and higher prices and toeing the line of the fat cats with company-paid cars and expense accounts, the Conservative party has contributed—indeed, as one of my colleagues so ably said, “sweet nothing”—to the development of energy policy in this country. I do not want to spend much time on the demise of the opposition. I would like to talk about our record, our plans, what we have done and what we plan to do.

Mr. Andre: That will be a shorter speech.

Mr. Lalonde: I could take a lot of time, contrary to what the hon. member opposite has been saying. What we have done between 1974 and 1979 and what we intend to do over the next few years is to continue the policy of moderate price increases that will allow the industry to prosper, that will allow the producing provinces to see their revenues and wealth increasing but will also protect the consumer in this country and prevent inflation from running away in Canada. This policy which we have had in effect over the last few years has proven effective and, as it is even now, this year.

Everyone knows that in the fifties and sixties Canada's inflation rate was higher than in the United States. What we see this year, in good part, is that our energy prices are indeed lower than in the United States. The inflation rate in the United States at the present time is running at well over 12 per cent—12.8 per cent in August, 1980—while the rate in Canada was 10.7 per cent at that time. This is significant in terms of the Canadian standard of living as compared to the American standard of living.

What are our objectives? We have three objectives which we stated quite clearly before the Canadian public during the election and since—only the Conservatives have not heard them yet. The first one differentiates us from the Conservatives. I heard the hon. member saying supply was at the core of their policy. Supply is their obsession and, as a result, the only thing they can think of is giving more money to the companies,

as if this would necessarily produce one more barrel of oil tomorrow. In effect, it has been proven that this was not necessarily the case. Even if you were to double the price of oil tomorrow there would not be more activity taking place in this country because, as hon. members well know, the industry has been occupied at full capacity over the last few years.

Mr. Paproski: That is not true.

Mr. Lalonde: The objective in this country should be to achieve energy security, which includes looking after supply. It also includes, just as much, looking after substitution, the development and encouragement of Canadians to go into other sources of energy rather than oil, of which we have an abundance. Second, is conservation. We should encourage Canadians to use energy in a much wiser way than we have done in the past. That is our first objective—energy security.

Our second objective is fairness, which means fairness between regions, between producers and consumers, and between levels of government.

Our third objective is to provide Canadians with an opportunity to participate in that industry which will make them not only employees but full partners in the oil and gas industry. These are our objectives.

We have already taken steps in those directions over the last few months, since we have been in office. The first step has been to save Canadian consumers from the infamous 18-cent tax the Conservatives wanted to impose upon Canadians in their budget of last December, a measure which would have cost the Canadian consumers this year over \$2 billion more than they have had to pay since we took office.

Our second step has been to improve and increase the security of supply in Canada. We have re-established our traditionally good relationships with the OPEC countries and the other oil producing countries which are not members of OPEC.

An hon. Member: What about Iran and Iraq?

Mr. Lalonde: These steps have taken place over the last few months and we have succeeded in re-establishing those relationships which had been either destroyed or jeopardized by the stupidity of indifference of the previous Conservative government. And today, in spite of the Iran-Iraq conflict, Canada is probably the country in the world with the best balanced sources of supply with regard to its oil supply.

Mr. Andre: You didn't have anything to do with it.

Mr. Lalonde: We have not only relied upon our contacts with other countries in the world producing oil, we have acted inside Canada. One of our first steps was to encourage intensified activities in the Canadian oil and gas industry. In the last few months drilling in western Canada has gone up in comparison with last year.

Mr. Andre: That was planned years ago.