

be more than the Conservative government had proposed in its budget.

Then, a few days ago, we heard the statement of the Minister of Finance (Mr. MacEachen) in a speech made in the debate on the Speech from the Throne in which he finally indicated what the figure might be, in which he gave us an inkling, when he indicated finally that, lo and behold, the price for foreign oil, the oil import compensation payments, would be rolled on to the backs of the consumer, thus resulting in a saving of over \$1 billion. Still we could not get an answer from the Prime Minister, from the Minister of Energy, Mines and Resources or from the Minister of Finance as to exactly what that meant.

What I am trying to do today is put this into perspective, because if there is going to be a roll over this year, according to the projection of the Minister of Finance, of \$1 billion on to the backs of the consumers, I would like to know how this might be accomplished. Will it be in the form of a tax or a levy by which oil import compensation payments would be added to the price of oil for consumers? I specifically asked of the minister whether or not this was in the arsenal that he would take with him to his discussions with the provinces. Of course he refused to answer, because I suspect the answer would be one that he would dare not give at this point in time, and that is that any proposal in order to bring about a blended price will mean to the average consumer a very substantial increase in the cost of oil and petroleum products in this country.

● (2205)

The fact of the matter is that I should title my speech, "Canadians Watch Out". We are being set up by the Liberal government to have a really large increase in oil prices in this country. The simple fact of the matter is that if they are going to roll the prices we pay for international oil or offshore oil on to the backs of the consumers, this will mean that they will have to raise the prices very much more substantially than anything put forward in our budget brought down last December. The fact is that we have no assurance from the minister. He has not denied, in the course of his responses to me, that the increase in price will surpass \$4 this year. He has not denied that it will surpass \$4.50 over the course of the next three years.

Canadians will now be faced by this new blended oil price policy with the most substantial price increases that they have ever experienced, and far in excess of anything proposed in the budget of the hon. member for St. John's West.

I want an assurance and commitment from the parliamentary secretary tonight that the increase in prices will not exceed an increase of \$4 this year and \$4.50 over the course of each year during the next three years. I want his assurance that there will be some protection with respect to the consumers of home heating fuel and non-transportation products in Canada, that they will not be burdened with this additional cost of the oil import compensation payment.

I want an assurance from the parliamentary secretary that the commitments made by the Prime Minister and the Minis-

Adjournment Debate

ter of Energy, Mines and Resources, on behalf of his party and the government for whom he now answers, will in fact be kept, so that Canadians can say with assurance—and get a commitment from the parliamentary secretary—that they were not deluded, they were not misled, and that in fact they will experience increases to a lesser extent than those set forth in the budget of the hon. member for St. John's West.

Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am grateful that the hon. member for Saskatoon West (Mr. Hnatyshyn) has provided me with this opportunity to set forth the government's position on the important question of oil pricing in Canada.

One method of compensating for costly oil imports is to place a levy on all oil used in Canada. Such a procedure would be in line with the principle that the consumer must pay for the energy used. As pledged, however, we shall implement a pricing system that will provide energy to Canadians at a lower price than would have been the case under the proposal of the previous government. Let me elaborate for a moment.

In its ill-fated budget of last December, the Conservative government proposed changes in oil-pricing and in excise taxes on oil. Under those proposals the average annual rate of oil price increase, as measured in Toronto, would have been \$4.48 without the additional to international prices specified in the budget. If the budget's link to international price is taken into account, the average annual increase would have risen to \$4.98, accepting the December, 1979, projected international prices. Under a low-case projection, that would have been \$7.21 per year. Under a high-case projection, it would have been \$10.24.

It should be noted that all these figures exclude the effects of the budget's excise tax. Taking into account both the effect of the gas excise tax and the link to the international price, the Conservative government would have increased the average annual oil price at Toronto to as high as \$11.07 per barrel in 1984.

● (2210)

In contrast, this government's pricing proposals will ensure that price increases are below those that would have resulted from the proposals of the previous government. Specifically, the 1980 price will remain below the \$4 to \$4.50 increase. Subsequent increases will continue to remain below what the previous government would have forced upon consumers.

In the near future the Minister of Energy, Mines and Resources (Mr. Lalonde) will release a statement outlining various options and explaining the application of the blended price in equitably distributing the cost arising from eastern Canada's dependence on imported oil.

Naturally it would be inappropriate to make any such announcement before discussing this matter fully with provincial governments to obtain their views on this matter of utmost national importance. These discussions will proceed as quickly as possible. I am sure that all members of the House will join