

*The Address—Mr. D. S. Macdonald*

consumers. That new interest-free credit would be reimbursed by the producer when he sells his produce.

Maple syrup and potato producers could organize themselves to sell their produce. All categories or groups of producers, local or regional, could do so.

That, Mr. Speaker, is true economic corporatism, healthy competition, real capitalism and private enterprise. Competition would be stimulated by enabling more producers to produce and small producers to compete with the large. Thus monopolies would become useless in the midst of producers, just as finance companies are amongst millionaires.

For example, a 1974 car built in 1973 is ready to be sold to a consumer in November 1973, while it is actually purchased in November 1974. A 14-month period elapsed between the end of production and the consumption or sale to the consumer. This means that the consumer must pay at least \$700 in interest to the finance company which has financed the car when it was in stock, to say nothing of the financing costs incurred by the consumer who must buy on credit, which makes about \$1500 in interest being paid for the financing of the car in stock before and after the sale to the consumer. The same applies to farm machinery and in all areas of any type of production.

The small efficient producers are at the mercy of monopolies. There is no more competition between producers, for monopolies have been set up between the producers and the consumers. Prices increase continually at the will of monopolies, and the producers, not earning a reasonable profit, stop producing. Products become scarcer, as is the case at present, and we find ourselves in a period of galloping inflation.

Economists looking for solutions on the mountain of problems of their own creation see the mountain and are up in the clouds, while the solution is under their very nose, but they took the solution for the mountain. They are looking for the solution on the mountain of problems, they are looking for the fly on the mountain although it is under their nose which they take for a mountain.

Mr. Speaker, if we had to find tomorrow a solution to our economic problems, it would be a nightmare for economists who are in perpetual search for a solution, for when the solution is found, they would have to produce goods instead of making or maintaining our economic problems. Economists, always in quest of solutions, would become unemployed unless they would direct their abilities and experience to more productive areas than that of creating problems, of causing the economic chaos in which Canada finds itself at present.

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, first of all I would like to join the Leader of the Opposition (Mr. Stanfield) and other members to congratulate Their Excellencies Mr. and Mrs. Jules Léger on their nomination to this high function and to express them my best wishes.

I am convinced that like his predecessors, His Excellency Mr. Léger will distinguish himself as Governor General of Canada.

[Mr. Rondeau.]

[English]

May I at the same time express my congratulations to the urbane and eloquent hon. member for Spadina (Mr. Stollery), my neighbour from downtown Toronto when he is not in Central America, and also one of my electors I understand, who in moving the address made such a significant speech.

[Translation]

Let me congratulate also the hon. member for Sherbrooke (Mr. Pelletier), one of the foremost figures of this great Liberal team of the Eastern Townships.

[English]

This seems an appropriate occasion to review some of the events on the energy scene in the past year, and also to talk about some of the current problems which will be faced during the current parliament.

At this time last year, my department was busy putting the finishing touches on a report on the energy situation in Canada, a report which was published in June of 1973. Its analyses provided a basis of information upon which Canadians and this parliament could make some decisions about basic energy policy. It established a basis of understanding concerning the fiscal, economic and social characteristics of the Canadian energy system immediately prior to the world events which suddenly thrust Canada and the world into an energy crisis during the latter part of 1973.

This crisis, which is still underway, centres on world oil supplies and on the aspirations of the major oil exporting nations. For Canada's part, it has threatened supply shortages and greatly increased prices for imported oil. This crisis has, however, served to focus immediate attention on the importance of new national energy policies reflecting the federal government's responsibility to ensure adequacy and equity in energy supply and pricing in the interests of all Canadians.

The crisis has clearly demonstrated the duty of the federal government to take effective action to determine the balance of priorities between energy producer and consumer needs, and among the various regions of Canada. Fortunately, the energy policy study and the detailed analyses which went into it permitted the government to meet this mandate from a very considerable base of knowledge.

Commencing early in September 1973, a series of important policy initiatives have been taken to ensure both the adequacy and equity of supply for Canadians, as well as a degree of insulation from the international prices for oil, prices which have been dictated by the policies of oil exporting nations rather than by the customary economic factors of supply and demand. The federal government initiatives have not been limited to measures relating solely to the immediate oil crisis, but rather have extended into forward looking policies for all energy forms. Perhaps I might just briefly review these.

They have included a price restraint policy on Canadian crude which has benefited all our consumers of this oil and the manufactured products produced by industries based on Canadian oil; a price control mechanism on imported oil to ensure that only actual increases in purchase costs are passed on to Canadian consumers; the