

the level of interest rates. There is nothing about interest rates in this bill, Mr. Speaker; not a direct or indirect reference. The government is powerless to set interest rates lower than the market decrees. The hon. member for Hamilton Moutain did not speak about the consequential foreign exchange controls that would have to be imposed if the government tried to set interest rates.

Last week I listened to a very instructive interview with the minister of finance of Australia where, incidentally, interest rates are as high as they are here. Of course, Australia is an ocean away from the United States whereas we are the next door neighbour and are directly affected by market conditions there and by the actions of its government with regard to interest rates. We should also consider the position in Germany, France, Great Britain—

Mr. Whelan: And Japan.

Mr. Lambert: The Japanese rates are somewhat different, as the Minister of Agriculture (Mr. Whelan) will know, because their economy is different. Even the German economy is beginning to show the effects now. As a matter of fact, all of the European Economic Community countries are in the same position as we are, with high interest rates, inflation and growing unemployment. Some have higher unemployment than we have. I do not take any comfort in that as it would mean that we should assume that some of the unemployment in Canada today is not self-inflicted.

Through the national energy policy the government has put hundreds of thousands of people on the street. It takes the position of the ostrich with regard to the effect of its policies on the energy programs of the producing provinces. Many members of the government have no knowledge of what has happened to towns in Saskatchewan and Alberta or to small farms with half a dozen water trucks, mud trucks, three or four front-end loaders, or backhoes. They do not realize the effect of this program on people in the construction industry, in research, exploration and development of the petroleum industry. There have been many bankruptcies and auction sales of equipment because people are trying to protect the investment they have.

It is a crying shame, Mr. Speaker, yet the minister responsible for small business does not seem to be concerned about it, nor does the Minister of Fisheries and Oceans (Mr. LeBlanc). The Minister of Finance, however, will see one of the best tax paying segments of the economy go down the drain and, as a result, no tax will be forthcoming from it this year. The Minister of Industry, Trade and Commerce (Mr. Gray), whose primary interest is in Windsor, should take note of the reduction in the number of cars and trucks ordered by the oil industry in 1981-82. Thousands of orders were lost and therefore the vehicles were not produced. We can see the effect on Ford, GM, Chrysler and the other companies that manufacture bulldozers, front-end loaders, pumps and other equipment in Ontario and Quebec.

Taxation

The Minister of Energy, Mines and Resources (Mr. Lalonde) laid his heavy hand on the industry with his misplaced policies. Government supporters supinely accepted their government's policies concerning interest rates.

There is another area in which the borrowing authority is affected. We have lost some megaprojects and we are losing more. We are told we are not going to build Alsands. They did not build Cold Lake because the world price of oil had softened and was going down. The costs are so high. Of course, interest rates, which are the responsibility of government, are so high.

• (1720)

Mr. Kelly: You were not saying that in 1979.

Mr. Siddon: They were a lot lower in 1979.

Mr. Lambert: Things were a lot different in 1979, and the hon. member, who is just a new boy here—

Mr. Kelly: Sure they were.

Mr. Lambert: Well, I invite him to go and spend four or five months out in western Canada—or even four or five weeks—and learn a little bit about it.

Mr. Siddon: He would not last that long.

Mr. Lambert: I want to tell the hon. member that from 1973 onwards the former minister of energy, Donald Macdonald, laid his hands on the oil industry to skim off for the government what he called windfall profits resulting from an increasing world price for oil. Then there was the fight with Alberta to the point of disallowing royalties as an expense; a shameful performance.

It was interesting to listen to the ministers discussing these points in committee. Now that the price is dropping the government keeps insisting that it is up to the oil companies and Alberta to adjust their returns downwards.

Mr. Kelly: On new oil.

Mr. Lambert: On new oil and on old oil. I think, Mr. Speaker, both governments have laid on too heavy a hand. The industry is best able to cope with changing oil prices, and if you gave them a chance to adjust we would not see this nonsense with Alsands and Exxon. They would know how to adjust.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but the time allotted to him has expired. However, he may continue with the unanimous consent of the House.

Mr. LeBlanc: If he lowers his voice!

Mr. Lambert: Mr. Speaker, if the Minister of Fisheries and Oceans finds it a little loud, it is because I am talking to his somewhat deaf colleagues down at the other end. I do not need this machine. I want to make that clear to the minister.

In any event, I thank hon. members for their consent to continue but I will not inflict any more of my remarks on