oil companies of Canada changed their tune, and no longer was there a great surplus. We were facing an imminent shortage, and the only way to overcome it was to give oil companies some kind of economic stimulus so that they would go out and explore for more Canadian oil. This came about despite the fact oil prices have risen gradually between 1971 and 1973 when the international crisis was upon us, and that oil companies in Canada were showing record profits.

As weak-kneed as the government is, and without any comprehensive policy, it gave in to the Canadian oil industry, which is 90 per cent foreign-owned. It allowed them gradually to increase the price year by year in an attempt to bring the price of Canadian oil up to the world price. This is despite the fact that there were no cost increases for the domestic wells which were already pumping oil. The oil companies received their price increases and the resulting tremendous increases in cash flow and profits. It is interesting and discouraging to note, although they received those benefits, the amount of exploration, at least in the early years, did not significantly increase in Canada. Much of the cash generated from the increased domestic price was spent on exploration outside Canada.

In 1974, amidst the crisis of shortages and rationing, the federal government, led by the Minister of Energy, Mines and Resources and the President of the Treasury Board, went and negotiated under the gun with the Syncrude consortium, which indicated that, unless a deal was signed by the end of January, the company would close down its Syncrude project, and Canadians would be freezing in the dark. It did not happen. The Syncrude consortium got what it wanted, namely, federal subsidies to the tune of about 70 per cent of the $2 billion cost of this project to the Canadian people through their provincial and federal goverments, and in return for these hundreds of millions of dollars investment they only end up with 30 per cent ownership.

• (1542)

We in the NDP opposed that deal as a sell-out then, and likewise we oppose this kind of deal now before us, although we know it is after the fact. This is merely confirming a price advantage given to Syncrude which the government negotiated some four years ago. All I can say is that it will continue to exacerbate the state of Canadian industry, especially manufacturing.

We have lost 80,000 jobs in the manufacturing industry over the past three years because of a number of factors, one being the lack of an industrial policy on the part of this government. Surely another factor is the increase in the cost of fuel, which is in turn an increase in cost to our manufacturing industry.

We have lost jobs because of the lack of a comprehensive and sensible energy policy on the part of this government. Consumers have seen their home heating costs increase dramatically, as well as the cost of gasoline, so they too are paying the price not only in terms of lost jobs for some but in terms of higher energy costs for all, mainly as a result of the incompetence of this government and, in particular, of this most recent minister.

We in this party are opposed to this bill for the reasons I have outlined. It is a discriminatory piece of legislation in that it favours one company, and it probably will set a precedent allowing other tar sand development to receive the world price for oil, with all the inflationary implications of that. The projected continuing increases in the world price, unrelated to production costs here in Canada, will automatically be given the Syncrude oil sands development. This is a projection that the Canadian consumer will have to face for decades ahead. We are all paying for this bad deal and the lack of any comprehensive policy on the part of this liberal government. I regret this, and we oppose the bill.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, this piece of legislation is, unfortunately, not untypical of the kind of legislation frequently brought before this House for examination by members of the House of Commons. We support the intent of the bill, which is simply to provide mechanisms through which the federal government can fulfil the commitments it negotiated in respect of the Syncrude arrangement.

During those negotiations Syncrude and its partners, including the provinces of Ontario and Alberta, were promised by the federal government that Syncrude production would receive the world price. This production is due to go onstream within a very few days. For that reason it was necessary to have in place the authority for the federal government to fulfil this commitment. We understand that and support the bill, as we did at second reading. This does not justify the atrocious draftsmanship of Bill C-19, or the means to accomplish this goal of fulfilling contractual commitments to Syncrude in respect of production.

Let me refer to the manner in which this bill was drafted in the first place. It provided for a levy or a charge against all domestic consumption of oil and gas in Canada, the proceeds of which presumably are to be used to subsidize Syncrude. We have to question the validity of that measure providing this extra tax or charge because of the export tax now being charged by the federal government.

Notwithstanding that, sir, the legislation should state, as it stated in the first instance, that the government could impose a levy. That is what it originally said; it simply authorized the government to collect another tax up to $1 a barrel. There was no indication in the bill that the tax should be used or could be used for any purpose whatsoever. This was just an additional tax.

I suggest there is a procedural question involved. The government did not call this a tax, it called it a levy, and through that little game of semantics it avoided the necessity of having the bill discussed in the committee of the whole. We did not raise the point at the time. Perhaps we should have raised the point because this step represents another way in which the House of Commons has been demeaned by the approach of this government.