

Energy

This whole petroleum administration bill is an evil bill, I think, in our type of federal structure. It gives all this power to the federal government. I simply suggest that the minister take the opportunity to use it for the good of Canada in keeping prices down.

I feel that what I have just said has made sense to most people in the House. I should like to see the same theory applied to every type of capital intensive enterprise that we undertake in Canada over the next few decades. The Minister of Finance and the government are held condemned and found guilty of letting our costs rise. We use the phrase "inflation" to describe it. One of the biggest factors in the cost rise of the last ten years has been the consistent rise in interest rates. If they follow a policy like the one I have proposed here—not just with one capital enterprise but with several and all new ones—it will mean that instead of paying out this money over a 20-year period, it will be paid out over a four or five-year period. In effect, the same amount of capital would be used four or five times over a 20-year period, which is the same as increasing the amount of capital stock four or five times.

Whether we deal with building an oil sands plant or building a home in Canada, the responsibility falls on the Minister of Finance. He can check inflation by calling for restraint. Price and wage controls are inflationary, but if he can make capital flow and use the velocity of repayment of capital, that would reduce interest rates which are one of the basic causes of inflation. Costs of government, land costs around cities, costs of labour-management computation techniques and the use of money supply are all cost factors and can be controlled. This government, however, has made no move to get at those five basic causes of inflation.

For ten years costs have been rising and for ten years the government has refused to take a single positive step—except for this silly business of rhyming off the Philips curve, which has been proved false by quantitative analysis. This proposal, Mr. Speaker, would not only get capital flowing faster but would bring more revenue to governments, which would reduce taxes and costs. It puts more people to work. You can have both unemployment and inflation at the same time, and a pox on all this drivel about the Philips curve.

● (2052)

The legislation and actions we need today are to fight inflation and unemployment at the same time, and they go the opposite way to this nonsense we have had to endure for the last 30 years from financial advisers, that if you help or fight inflation you are hurting employment, or vice versa. That nonsense is proved false by every test of quantitative analysis. Let's throw it out.

Here we have a glorious opportunity for the minister to take the lead. When he gets this bill through, he does not have to change the terms. He can still sit down with his particular consortium under Syncrude and put it before them. Make them explain to him why it is not a good idea. It is not too late because they are not yet into production.

When the new consortium comes forward with their proposal, it should be put before them as well. Put the arm on to Alberta and they will see that they will be the big gainers. With the province and the federal government talking to business face to face about how all of them are going to make more money, we cannot help but get a better deal, not only for the companies, the province and the federal government, but for every person in Canada. It will be the best brake the whole world has on keeping oil prices down over the next few decades.

Mr. John C. Crosbie (St. John's West): Mr. Speaker, I would like to say a few words about this bill because the energy policy of this government is certainly a tremendous monument to its incompetence. One would think one could look at some aspect of this government's record and feel that one might be able to give it a bit of praise. However, I have been in this House week after week and I have not come across one aspect of this government's record yet, except spending money, which I could give any praise. Their energy policy has been bankrupt both in thought and in action or rather inaction.

This Bill C-19 should be A-19, abysmal 19. Apparently it is a bill to permit the government to carry out their commitment to Syncrude so that Syncrude will receive the world price for its oil products, synthetic oil, when it comes on stream. Syncrude, as hon. members know, is a company owned by the government of Canada, the government of Ontario and the government of Alberta, now engaged in building our second tar sands oil plant in Alberta. This bill is to carry out a commitment that was made to Syncrude some years ago to assure them that they will get at least the world price for oil.

I probably would not have spoken on this bill except that the minister, as he is wont to do, made a number of fatuous and inaccurate statements in the House several days ago. I was going to bring this up in another speech in the House, but now I have the opportunity to bring it up while this bill is before the House. We look at the minister's statements, a repetition in the House of his disgraceful performance at the first ministers' conference, the first ministers' "con game" in so far as the contribution of the federal government is concerned. The minister stated in this House, as reported on page 4486 of *Hansard* of April 13, and I quote:

I believe we have made a lot of progress on the second thrust of our energy strategy, which would use every indigenous source of energy to replace foreign oil imports.

Where is the progress? What progress has been made? This bill only makes it possible for the government to carry out its commitment to Syncrude, to start construction of their plant three years ago, in 1974 or 1975. He said:

—we have made a lot of progress on the second thrust of our energy strategy, which would use every indigenous source of energy to replace foreign oil imports.

Where is this happening? Just this year, Mr. Speaker, net imports into Canada will be in excess of 400,000 barrels of oil a day. How do you like that for its effect on our balance of payments? Twenty-three per cent of our total oil consumption in Canada this year is going to be imported. Where is this fantastic progress under the second thrust of our energy