

Oil and Petroleum

clause of Bill C-25 go by without a similar amendment to that being proposed to Bill C-32.

I merely intervene at this stage to suggest that there seems to be a deliberate—well, perhaps I am imputing motives and it is just a matter of sloppy or unthinking drafting on the part of those who are preparing legislation. It might even be that the arrogance that comes from power permits governments, after a number of years in office, to feel they are entitled to bring forward this sort of legislation and hope it will slip through without anyone noticing. I think it is our duty to draw attention in the record of *Hansard* to this very dangerous element, this phraseology in our federal law which could impinge upon provincial jurisdiction.

● (1650)

Mr. Horner: Mr. Chairman, I was speaking a few minutes ago but I had not completed my remarks when my time expired. However, in committee, as hon. members know, one can speak again after a brief period.

I was about to say it was not good enough to allow the oil companies a million dollar tax concession in lieu of royalty payments. The sum of \$1 million has no relation to what a company may be paying out in royalties or may be prepared to spend on exploration.

The dispute between the provinces and the central government over jurisdiction now hinges on the need for more vigorous exploration and the improvement of supply. When we consider the question of jurisdiction in this country as between the federal government and provincial governments, we can make some interesting comparisons with the situation in the United States; the way in which authority is apportioned as between the central government and the individual states in that country. The powers of individual states are clearly defined and this results in a far greater degree of stability within the industry. In the United States one does not find the kind of squabbling that goes on in Canada between the producing provinces on one hand and the consuming provinces on the other.

Clause 24 of the bill deals with the manner in which prices shall be applied. To my mind it comes down to a question of the various formulae which have been used by the provinces and by the federal government down the years with respect to taxation. The tax a province levies has always been considered to be eligible for deduction when computing the federal tax. Only in the field of energy has the federal government departed from this practice, and that is the root of our problem today. That is why the federal-provincial conference, part of which we all saw on television, ended the other day without any conclusion being reached.

An hon. Member: Bill Davis.

Mr. Horner: Bill Davis came out of that conference looking the best of all the premiers.

An hon. Member: That is not what Walter Baker said.

Mr. Baker (Grenville-Carleton): Oh, yes he did. He looked a lot better than the minister did, too.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Horner: The Premier of Alberta felt that more money should be going into exploration, but he got no guarantees whatever from the federal government that if the price were raised, more money would go into exploration. He realized that the total increase in the price would go into the coffers of the federal government by reason of its taxation policy. Alberta is a province which realizes its reserves are shrinking and wishes to enlarge those reserves.

I would agree that the easy-to-find oil has, perhaps, already been found. I would not say, though, that it has all been found. We believe more exploration should be carried out and that more money should be allowed to go into exploration. The Premier of Alberta said that if there were any increase in price, royalties would be reduced from the 65 per cent level, but he realized that as a result of the present taxation system any increase in price would only bring about an increase in revenue to the federal treasury.

The federal government is not in the business of exploration. Exploration for natural resources comes under the jurisdiction of the provinces, as the minister has admitted. The producing provinces do not believe the federal government has the know-how to develop greater supplies of oil. I should like to believe that every Canadian realizes we shall run out of oil by 1982. The longer we postpone the price increase, the longer we shall be at the mercy of the OPEC nations down the road somewhere. It is easy to assume, when one considers the minister's statement that \$100 billion will be needed by the year 2000—

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member, but in order that the House may proceed to the consideration of private members' business it is my duty to leave the chair.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[Translation]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Morin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Humber St. George's Ste. Barbe (Mr. Marshall)—Transport—Need for icebreakers in Northwestern Atlantic—Government position; the hon. member for Rocky Mountain (Mr. Clark)—Canadian Broadcasting Corporation—Suggestion standing committee question Mr. Johnson prior to confirmation as Vice-President.

[English]

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills, notices of motions (papers) and public bills.