

Oil Export Tax

In his remarks on Thursday, the Minister of Finance dealt with the question posed by the premiers of both Alberta and Saskatchewan as to why he singled out oil for special treatment in this supposed fight against inflation. His reasons are reported at pages 9013 and 9014 of *Hansard* as follows:

In the first place, oil plays a unique and almost unparalleled role in our national life.

There is no argument about that, Mr. Chairman; the statement was as true a year ago as it is today, and it has been true for many years. There is no particular reason that answer should cause the government to jump in at this time with various policy statements and bills such as C-245 and C-236 which were brought forward in a most haphazard fashion. Then, he said:

Secondly, it is relevant to note the cause of these steep and sudden jumps in price. Normal competitive forces of supply and demand have not been responsible.

That was the second reason for the government taking the initiatives it has, and the third reason he gave was:

Third, and as a reflection of the great importance of oil as an economic commodity, we must have regard for the staggering financial dimensions of sharp increases in its price.

There is no question but that is an important consideration as well. However, it is well to consider the political situation existing in Canada. The situation with regard to energy basically stems from a statement made by the Prime Minister on September 4, 1973 when he called for a freeze on the price of domestically produced oil. That freeze was imposed before the Middle East conflict and before any Arab embargo or any steep rise in the price of oil. In other words, it was imposed before any of three reasons given by the Minister of Finance were valid. We are in this chaotic situation today as a result of a short sighted political move made by the Prime Minister on September 4 when he announced unilaterally, and without the consultation that had been promised by the government in its energy analysis of July, 1973, that the price would be frozen until the end of January. I do not bring this up now in order to say "I told you so" nor to remind the government of its blunders, but you cannot appreciate where you are going if you do not know where you have been.

I think it is very important that we examine the history of the energy situation in Canada before the first ministers conference. I believe that many of the difficulties we now face have less to do with the government's attempt to formulate a new oil policy than with its attempt to assume control of energy resources in Canada. In my short time in this parliament it has become obvious to me that in many ways the motivations of the government, of ministers and senior executives in departments are similar to the motivations encountered in big business, namely growth. What they seek is power and control. In order to carry out our responsibility as members of parliament, it is incumbent upon each of us to examine these power plays very carefully. As many hon. members have pointed out, big business can tread on the toes of small people and this is also true of big government. A power play, such as that which the government is apparently engaging in now, is not likely to serve the interests of the people of Canada.

[Mr. Andre.]

The government has no reason to assume that the provinces have mismanaged the resource industry. Canada is the only country that is self-sufficient in oil; we produce more than we can consume. This condition was brought about through the progressive administration of the resource industries by the producing provinces. I do not state this from any partisan point of view, since the oil industry in Alberta grew under the direction of a Social Credit government; so, the federal government has no reason to assume that the provinces have mismanaged the oil industry.

The Oil and Gas Conservation Board of Alberta has rules and regulations to deal with leases and production and these have been copied by many legislatures throughout the world. In comparison, we might look at the federal government's management of areas like the far north and our offshore resources where we are still waiting for Land Use Regulations after three years, and apparently will have to wait much longer. One has to ask why the federal government is being so aggressive in seeking to take control of the resource industries from the provinces. Why is the Minister of Justice threatening the provinces with legal action if they insist on enacting the sort of legislation that has been brought before the respective legislatures of Saskatchewan and Alberta? It has been suggested to me privately by senior officials of the government, and publicly as well, that as a federal member of parliament it is my duty to side with the federal government in this power play with the provinces. Sir, that is totally unacceptable. It is my view that members of parliament in this House ought to be concerned about the interests of Canadians in all parts of the country. I submit that the interests of Canadians are not being served by the present actions of the federal government; nor have they been so served in the past.

● (1650)

Why do I say that? In view of the fluid world energy situation, with prices changing almost daily, with the supply situation changing almost daily, this is the very worst moment in time for the federal and provincial governments to engage in constitutional confrontation. It appears that the federal government has introduced this bill because it wants a cudgel, some sort of weapon it can take to the first ministers conference, for beating the provinces into submission. This is a most improper view of the purpose of that first ministers conference. Apparently the Prime Minister and the Minister of Energy, Mines and Resources view that conference as an adversary forum in which they will be fighting with the first ministers of the provinces and the most powerful group will emerge victorious. I suggest that view is completely inappropriate.

The forum in which the final decision will be made is the forum in which I am now speaking. The purpose of the first ministers conference is that it will enable provincial and federal representatives to work out, in a spirit of co-operation, matters concerning all Canadians. They should not adopt irrevocable, non-negotiable positions but, rather, work from positions of common interest which are of concern to Canadians in all parts of this country. Further, any decisions, agreements or accommodations reached at that conference must be brought back to this House for approval. The fight between the federal govern-