

*Oil and Petroleum*

Mr. Gillies: True.

Mr. Douglas (Nanaimo-Cowichan-The Islands): The hon. member says good.

Mr. Gillies: I said true.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Of course, in terms of the market economy, that is good. No matter what cash flow we have, no matter if we raise the price to give them more money, they will go where the investment opportunities are best. They will take the money they made in Canada through the multinational corporations and use it to drill in the Middle East, the North Sea, Africa or South America. There is no doubt they will do that. In their market economy that is naturally what they will do.

We have been saying that if the Canadian people are going to be asked to pay more for their oil products and the purpose of the increased price is to stimulate production and development, then the money which the Canadian consumer contributes to that end ought to go into a Canada resources security fund, administered by the federal and provincial governments on a 50/50 basis. The money should be used either in joint ventures with private industry or by the provincial governments on their own. It could also be used in joint ventures between the federal and provincial governments.

We have no right to allow the oil industry to put a further levy on the Canadian consumer in order to explore for oil in other places in the world. They have enough of a levy on now. We have a right to hold on to any increase in price. The producing governments and the federal governments should have the right, power and responsibility to see that any increase in price is used for exploration and development in this country. There is only one way we can do that, and that is to have that extra price, assuming it is \$2 or whatever it may be, collected in the form of a charge by the Government of Canada, 50 per cent of it to into a Canadian resources security fund, 50 per cent of the fund to be controlled by the producing provinces on a pro rated basis, and 50 per cent of the fund to be controlled by the federal government. Therefore, I move:

● (2140)

That Bill C-32 be amended by renumbering section 23 as subsection 23 (1) and adding thereafter the following subsections:

(2) Where the Governor in Council has established maximum prices under subsection (1), there shall be imposed, levied and collected on each barrel of crude oil to which this Part applies a charge in the amount of that part of the prescribed price which exceeds the maximum selling price for a similar quality and kind of crude oil as of the 16th day of April, 1975.

(3) The Governor in Council shall collect such charge in accordance with regulations which may from time to time be promulgated.

(4) Where a producer-province has established a Crown agency to undertake the exploration and development of hydrocarbons in that province, the Governor in Council shall remit to that agency one half of any monies derived from the charges levied on crude oil produced in that province.

(5) Any monies not remitted to the producer-provinces under subsection (4) shall be used by the federal government, through the national petroleum corporation or otherwise, for the exploration and development of hydrocarbons in Canada.

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

Mr. Macdonald (Rosedale): Mr. Chairman, on a point of order, as you may perhaps have anticipated this is a corollary to the point of order I raised on the previous clause, namely, that by his amendment the hon. member is seeking to impose a further tax in this country without the advance sanction of a ways and means resolution or recommendation of the Crown. The tax to be imposed by the hon. gentleman is not confined, as the ways and means resolution is, to petroleum to be exported from Canada, either from December 1, 1974, on, or in the previous period April 1 to December 1, 1974. It is intended to apply to all oil, whether moving in international trade, as the ways and means resolution describes, or oil moving in interprovincial trade. The ways and means resolution does not go that far but applies itself to export only.

On that basis I submit that the hon. member's amendment comes within the terms of a number of inhibitions which have been recognized in our parliamentary practice. If I can refer to citation 263(2) in Beauchesne's Fourth Edition:

The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a Minister of the Crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of Parliament; nor can the amount of tax proposed on behalf of the Crown be augmented, nor any alteration made in the area of imposition.

Equally, citation 266(1) provides as follows:

A ways and means resolution is a necessary preliminary to the imposition of a new tax, the continuation of an expiring tax, an increase in the rate of an existing tax, or an extension of the incidence of a tax so as to include persons not already payers.

I submit that the hon. gentleman's amendment creates an additional tax on a group of taxpayers, and that, not being within the terms of the ways and means resolution and not being authorized by a governor in council recommendation, it is not in order at this time.

The Chairman: Order. While the minister was commenting on the acceptability of the amendment I examined the implications of the amendment and I must say I have come to about the same conclusion as the minister. As the Chair already said on the previous amendment put forward by the hon. member for Don Valley, the amendment of the hon. member for Nanaimo-Cowichan-The Islands is also unacceptable on two counts. One relates to the fact that it imposes a tax that has not been provided for in the ways and means motion; the second reason is that it goes beyond the recommendation in regard to the distribution of money in that the hon. member's amendment seems to recommend that the excess be oriented toward the exploration and development of hydrocarbons in Canada. Although this might be a very commendable and desirable proposition, it would have to be included in another piece of legislation or government measure supported by a recommendation of the Crown.

For these reasons, unless other hon. members have arguments they want to bring to the attention of the Chair in regard to some point I might have overlooked, I would have to refuse the amendment in its present form.