

*Petroleum and Gas Revenue Tax Act*

permitted in this crucial area to decide everything, I think a second principle on the basis of the first principle is that Canadians across the country helped to build the oil and gas industry so that all Canadians can share in that industry.

What about the resources that come out of the ground? Consumers who contributed to building these resources over the years have a right to get some return from those resources when world prices go way up and, as a result, the value of those resources here in Canada goes way up. That is why we adopted as a principle the view that those resources taken out of the ground, whether in the Arctic, Alberta, British Columbia, or Saskatchewan, were resources that did indeed belong to the Canadian people, and that in turn it was proper to put a tax on those resources. That ensured that no matter how much some company could do in the way of the padding of expenditures between taking that gas out of the ground and selling it to the consumer, there was a guaranteed amount which went to the people of Canada.

The third principle has been the clear recognition, when talking about the great increase in price that took place as a result of what was happening in the rest of the world, that all those economic rents should not be allowed to go either to the companies themselves or to the oil companies and provinces in which production was based. Again this was a windfall to Canada as a whole. On the basis of that, there should be a sharing of those rents. That is where the principle of old oil and new oil in fact became important for us. As economists looking at what was taking place in the country, we knew that it was important to offer every possible encouragement to people to explore for new oil. We knew that if we tried, as a federal or provincial jurisdiction, to take away those rents from those producing and finding new oil, we would offer a disincentive. That was not the case with respect to oil which had already been discovered. Thus it made economic sense to make the distinction between old and new oil.

● (1550)

In the application of these principles, we found a way of drawing together both the western and eastern wings of our Party. It was a reconciliation which I urge upon people such as the Hon. Member for Brampton-Georgetown (Mr. McDermid) who speaks with such passion about the oil industry. I appreciate the passion. I wish there was a little more logic associated with it.

In looking at taxation questions with respect to the oil and gas industry, I suggest that the Government should not look to an imposition, as it has done, on Ontario consumers. Instead, it should look to seeking to treat more fairly the tremendous tax benefits which the corporate sector has enjoyed in recent years. If it feels it is essential to increase tax revenue to cover some of the costs of equalizing prices across the country in oil and gas, that is where the Government should turn, not to the consumers of Ontario.

I do not wish to prolong this debate. However, I want to put clearly on the record the fact that our Party has approached this matter in a serious way, in an attempt to ensure that

certain philosophical principles follow through which reflect the history of the country and the contribution we have all made to the development of the oil and gas industry and which reflect the concerns of the Hon. Member for Athabasca (Mr. Shields) that we owe a debt of gratitude to the entrepreneurs who took risks to help in a national effort to make the industry grow.

**Mr. Fennell:** Mr. Speaker, I just want to clarify two points. I know Hon. Members want to get the Bill through, but this is the first time I have risen in the House in this session. I was supposed to speak on another Bill and I want to get this Bill through, but I should like to make two comments. The Hon. Member started to tell us that it was Canadians who found the original oil in the West, that it was Canadian oil companies. That is inaccurate. He had better find out the facts. It was Imperial Oil which spent millions of dollars until the find at Leduc. Canadians from Bay Street did not have the guts to put any money in the West.

**Some Hon. Members:** Oh, oh!

**Mr. Fennell:** What the Hon. Member stated about the beginnings of the industry in the West is inaccurate.

I spent eight weeks studying the National Energy Program. It is a damn shame it was written by economists not by oilmen; this country would have been in much better shape today.

**Mr. Langdon:** Mr. Speaker, I recognize the pain and chagrin on the face of the Hon. Member for Brampton-Georgetown. However, I have to make a quick comment. I refer the Hon. Member to the classic study of the history of the oil industry in western Canada written in our economic history books, including the classic study of Ronald Shearer. They indicate very clearly the early stages of that industry. I refer the Hon. Member to this study because it is a crucial part of our history. In fact, the risk-taking entrepreneurs were Canadian. The people who were prepared to put their money on the line were Canadian. He should check it out and he will see.

In fact, I will make a small commitment to the Hon. Member. I will track down the article for him and pass it on to him. If he concedes, his second speech in the House will be a speech of apology for his incorrect references.

**The Acting Speaker (Mr. Paproski):** Since there are no more questions, is the House ready for the question?

**Mr. George Baker (Gander-Twillingate):** Mr. Speaker, I have been asked by the Liberal House Leader and by the Minister of State for Finance (Mrs. McDougall) not to give a major presentation because they want to see the Bill get through. However, I will use just a minute. When the Government wants a Bill to get through in a hurry, it should coach its Members not to make statements—

**Mr. Nunziata:** Inflammatory statements.

**Mr. Baker:** Exactly, inflammatory statements. They should not make such statements in the House so that we get angry.