establishing price mechanisms affecting the provinces. What the bill really says is this: I do not wish to play the game if I cannot win.

● (1540)

Part V of the bill, in particular clause 89, gives the government the right to appoint persons who shall have the authority to enter premises and examine and seize records of any company or province importing or exporting oil and natural gas. This provision, again, serves to reinforce my submission that the federal government is attempting to gain control of matters which should rightly rest with the provinces. Not only are the rights of the provinces infringed upon by the legislation presently before us, but total disregard of this House and the parliamentary process is evident in the contents of Bill C-32. The bill contains 95 clauses, 30 of which would confer complete discretionary power on the government, the governor in council, the minister or various boards. Specifically, there are 11 clauses granting power to the governor in council to act by regulation and by order in council. These wide regulatory powers should rest with the House rather than the government.

The government wants freedom at all times to establish an export tax on oil. As a result, the industry would be subject to a tax which varied from month to month according to government whim. The government is also seeking a free rein to grant exemptions from tax to anyone it wishes. That is in clause 12. Surely if these powers are granted, they should be subject to close scrutiny by a parliamentary committee, which in turn would present its findings to the House of Commons.

Mr. Alexander: Hear, hear!

Mr. Schellenberger: The imposition of an export tax, particularly one which fluctuates in accordance with the whim of the government, poses a threat to the nation as a whole. It is a dangerous attempt to secure all the finances possible from other countries in order to subsidize our own industry. The minister has stated that the export tax against the United States should be increased. Has he stopped to think of the ramifications of such a move, or of similar moves, upon the economy of Canada? Other nations are likely to react to taxes in a reciprocal fashion. Take, for example, the case of fishmeal from Peru or bauxite from the West Indies. Nations have examined the oil pricing of the OPEC countries and in response have set higher prices for their own rare commodities, even though the price at which they were previously selling those products to Canada was bringing in considerable profit.

Because the imposition of an export tax results in an unstable market, with consequent insecurity of employment and indeterminable profit margins, companies are already moving their expertise elsewhere. There are, in Canada, approximately 360 drilling rigs operated by 55 contracting companies. Of these, 341 rigs and 47 companies are located in western and northern Canada. The drilling contracting industry provides an essential service to the petroleum companies, and any policy designed to squeeze justifiable profits from oil companies will have a more severe impact on independent companies than on the five large international firms. This means the Canadian drilling industry will suffer severely, because it is the smaller, independent companies which carry out the bulk of the drilling operations. Only incentives for increased markets and a higher profit margin would enable these companies to attract the necessary funds to carry out their high level of activity. On Friday, November 1, the *Globe and Mail* carried an article which read:

> A total of 39 drilling rigs has been taken out of Canada this year to work in the United States and overseas along with about 250 key people who own or operate the units ... Most contractors say they are leaving northern and western Canada because of the lure of substantially better financial returns elsewhere ... The hardware is in growing demand in the United States where a rush to find new crude oil and natural gas supplies has brought into use almost that country's entire inventory of approximately 1500 land-based units. In addition, Middle East countries, particularly Iran and the Persian Gulf states, require more drilling rigs to develop their production potential. The economics of operations outside Canada are often better ... Some contractors say they are "fed up" with uncertainties over taxation and energy policies in Canada. He (Alberta Premier Peter Lougheed) has laid the blame at Ottawa's doorstep for failing to bring about a climate conducive to resource development.

Canada must ensure that her resources are competitive on the international market. We cannot afford to hoard resources which are in plentiful supply, nor can we afford to leave them undeveloped. Mexico has recently found fresh sources of oil, there is great potential from Sweden and Norway in the reserves beneath the North Sea, and Russia and China are self-sufficient in petroleum resources. But Canada, which is probably the most wealthy resource country in the world, whether on a per capita basis or otherwise, may find herself a net importer of oil in as little as eight to ten years. As I mentioned previously, conventional oil supplies already proven will run out in approximately 13 years. If the federal government continues to socialize the industry, we may find ourselves a have-not energy nation rather than one possessing sufficient energy resources to assist underdeveloped countries. Approximately 12 OPEC nations have been discussing the possibility of rationing petroleum and petroleum products for internal consumption in an effort to assist other nations in the event of a crisis arising. If the government fails to provide incentives for the further development of our resources industries, Canada may be one of the needy nations seeking help from other, more developed countries.

I would like to speak for a few moments about the export tax provisions affecting natural gas as outlined in clauses 5 and 7. Natural gas has always been a strictly provincial commodity. Never has an export tax been charged on it. The imposition of such a tax, and the price fixing mechanisms covering gas as outlined in clause 52, are further examples of the government's trend toward socialization of our natural resource industry and the assumption of virtually complete control over it. Is this indicative of a move to gain control over all sources of energy? Will an attempt soon be made to control the pricing policies followed by the hydroelectric power industries of Ontario and Quebec and the coal industries of Ontario and the prairies?

● (1550)

Considerable sums of money are being taken from the provinces, yet they still have the expense of maintaining efficient health care and educational facilities as well as