

Petroleum and Gas Revenue Tax Act

Government introduced a policy that it could not pass on the new higher rates to the consumer for three months because it took that long for the oil to work through the industry and get to the pump? Will the Hon. Member agree to that?

Mr. Gauthier: Mr. Speaker, the National Energy Program, as I understand it, and as I understood it—

Mr. Dick: Not the national energy policy. It was in the mid-1970s.

Mr. Gauthier: Does the Hon. Member want to continue his question or does he want me to answer the question?

Mr. Dick: Then why don't you answer it?

Mr. Gauthier: I am trying to answer the question, if the Hon. Member would give me a chance to start. The National Energy Program indeed tried to equalize prices for Canadians. It indeed subsidized the east. Wherever acted increases were put in place—and there were some increases. I would like to remind the Hon. Member that in 1972 when I came here, a barrel of oil was about \$2.50 a barrel and a bushel of wheat was about \$3.50 to \$4. The bushel of wheat is still \$3.50 to \$4, yet a barrel of oil right now is about \$20 U.S. although it was about \$38 a barrel.

Yes, indeed, there was a crisis at the time. Yes, indeed, the OPEC countries were establishing their right to their natural resources, and I do not disagree with that. I do not think I would argue very long with the Hon. Member about the need to increase the oil prices and the exchange rate on oil versus grain. I don't think any argument can be made there. I do not think anyone here would disagree with the fact that oil, which is non-renewable, had to command a higher price than \$2.50 a barrel. None of us would argue with that.

Mr. Dick: I know that.

Mr. Gauthier: Yet, it would have been economically difficult for Canadians at that time to be the object of the "seven sisters", of the big oil companies which had control of the industry, world-wide, at the expense of those companies in Canada. Therefore we tried to put in a system which would be a buffer and which would give the oil a chance to work its way through. Yes, there was a three-month delay in trying to get the increases, but at the pump.

Mr. Dick: Okay. I agree.

Mr. Gauthier: It was done pretty well immediately on the barrel of oil, I admit that. I have researched today and I will do more research on it tomorrow but every time the oil prices went up, every time there was even a rumour of oil prices going up, the gas prices went up at the pump.

Mr. Dick: Three months later.

Mr. Gauthier: That was the official policy of the gas companies and the Governments, and I do not believe that the gas

and petroleum distributors, the persons selling gas at the pumps—

Mr. Dick: Your Government ruled they couldn't do it for three months.

An Hon. Member: Let him answer.

Mr. Gauthier: I am talking about at the pumps. They usually increased the price and they are still free to do so. By the admission of all of the companies today their distributors are free to set the price they want. Is that not true?

An Hon. Member: No.

Mr. Gauthier: Yes, it is. Look at the papers, look at the Government's policies, phone the companies; I did. I may not be the oil expert of the Hon. Members opposite but I know what to do and that is to do a bit of research and to make a few phone calls. When I found I was going to speak this afternoon, I made a few phone calls and I do not think I am wrong in stating the fact that the oil companies have told us that at the pump the distributor is free to set the price. It was the market force at that time. If the market force operates in that way all of the time, then there are some difficulties, but the Canadian energy program we put in place—

Mr. Dick: You insisted on a 90-day lag.

Mr. Gauthier: —was set on the oil prices as a whole which represented about 30 per cent of the input to the gas pump.

Mr. Dick: I want to compliment your Government for putting in the three-month lag.

Mr. Gauthier: If the Hon. Member wants to debate, why does he not get up? They cannot hear him on television and they would love to hear him.

We are making an argument in debate and we should be able to understand each other. I am telling the Hon. Member that, yes, there were some workings in those days of allowing for the increases but it was buffeted by the National Energy Program.

Mr. Dick: I agree.

Mr. Gauthier: Thank you for the agreement.

Mr. Dick: Mr. Speaker, I rise on a point of order. The Hon. Member for Ottawa-Vanier finally did agree that there was a three-month lag for which I want to compliment his Government and he should recognize that there is also a three-month lag when the prices come down for the same reason.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise to speak on third reading of this Bill. I must say to people who are perhaps watching this debate on television that it is a beautiful afternoon in Ottawa. The skating rink is full. I was enjoying skating on the canal about 12 minutes ago—

Mr. Towers: That is something you know a lot about.