

Energy Administration Act

The minister says: "I cannot help it that our gasoline prices are higher in Canada. It is those rotten provincial governments; they have put on a highway tax". However, he did not mention the seven taxes which the federal government has put on. He has produced more blooming taxes than there are initials in the alphabet. The petroleum compensation charge alone amount to 74 cents a gallon.

Does Your Honour remember the outrage, the indignation and the screaming about 18 cents per gallon? "Oh, terrible! Eighteen cents per gallon of gasoline! My goodness, that is awful! The poor consumers of Canada! Re-elect the Liberals and there will be no 18 cents a gallon excise tax!" Oh, no, there will be a 24-cent petroleum compensation charge and a 4 cents a gallon ex-Canadian ownership charge, and I do not know how much a gallon for the rest of those charges which are laid on. Therefore, the net result is that when one goes to fill up a car with gasoline here in Ottawa, in Montreal, or anywhere else, one is paying more than one would be required to pay if one lived in the United States, and the United States is at the world price.

The minister proudly announced that he would beat those westerners into place, by cracky. He said they would not sell their crude oil to the rest of Canada at world price. They would sell it at less than world price to show what a big, strong, tough man he is. However, the poor consumers will have to pay on the way. Honesty is not a long suit for Liberals.

One of the charges in this bill does not affect the consumer in the direct way it should. It should in fact reduce the consumers' bill, but it does not, again as a result of the broken promises, violation of commitments and chicanery of this government. That is the oil export charge which is levied by the bill. It states that since Canadian producers cannot charge world prices for their crude oil, which is the type one uses in a furnace, the government wants to charge world prices when the oil is sold to the Americans. Therefore, the government put on an export charge to take up the difference.

I would like to go over a little history about where that export charge came from and the way in which successive Liberal ministers have used, abused and deceived Canadians about that charge. That charge arose in early October of 1973, to be precise, when we had a minority government. The inflation rate was about 5 per cent. Outrageous! The New Democratic Party said: "By cracky, if you do not bring down inflation, we will defeat your minority government." So in a speech to the House on September 7, 1973, I believe, the Prime Minister (Mr. Trudeau) said: "I will bring down inflation. I will put a price freeze on oil, bread and milk. I will save you from inflation by having western Canada subsidize you." That was the genesis of the Western Canada Concept: it arose from his speech on September 7, 1973. Yesterday, the minister had the temerity to say that separatism is a result of western politicians. Separatism is the result of himself and his colleagues—

Some hon. Members: Right on!

Mr. Andre:—saying that the west shall subsidize and maintain the Liberal party in power.

Some hon. Members: Oh, oh!

Mr. Andre: Now, as circumstances would have it, in October 1973 there was a war in the Middle East and OPEC put on an embargo and the price of crude oil shot up. We were frozen in Canada. Obviously, eastern Canada, which imported crude oil, could not be expected to pay what was then considered to be a very high level of \$8 a barrel for crude oil while those relying on western Canada would get theirs for \$4. So at the insistence of Mr. Robert Stanfield, the Hon. Robert Stanfield, the then leader of the opposition, and at the reluctance of the Prime Minister, a one-price crude oil system was brought into this country and an export tax was put on to capture that difference between the Canadian price and the American price.

The then minister of energy, Hon. Donald Macdonald, said to the producers: "Do not worry; we have put this export tax on, but it is our intention to give it back to you because it obviously belongs to you." Well, the bill for subsidizing the imports started to rise, so this very fair-minded person in the Liberal Party, Donald Macdonald, said on November 21, 1973: "Gee, we cannot give you the money. We need it for subsidization. We will split it with you, 50-50. We will keep 50 per cent to help subsidize imports and we will give 50 per cent back to the producers since it is obviously theirs." Six days later, between Christmas and New Year, when there was sure to be no press attention, the Hon. Donald Macdonald said: "I am sorry, we will keep it all".

It was from that point that the west-east battles, the federal-provincial battles in terms of western Canada, began. First, the federal government was quite willing to exploit a weaker region of the country in order to remain in power. Second, it was quite prepared to break its promises as quickly as it made them if it felt it could get away with that and it served its purposes. That export tax was going into subsidization of imports. In that way the west was making its more than fair share of contributions to a uniform energy price across the country.

● (1720)

That money was not enough. In the 1975 budget the then minister of finance, the hon. John Turner, said that we had to have an excise tax on gasoline to help pay for the imports of crude oil. Therefore, a nine cents a gallon tax was put on to help pay for imports.

Then along came the Minister of Energy, Mines and Resources (Mr. Lalonde) who said we are going to have a blended pricing system. He abuses the petroleum compensation charge, and he increased it illegally; I will get to that in a moment. He said that henceforth the moneys collected from the petroleum compensation charge would be used to pay for subsidizing imports.

What happened to the excise tax on gasoline and the export tax? Last year those two taxes amounted to \$1,414 million.