

Oil and Petroleum

based. It permits the executive council to terminate an existing agreement between a producer province and the federal government or to decline to negotiate a renewal agreement and to impose by unilateral action maximum prices on a natural resource owned by a province.

This party agrees wholeheartedly. If that clause and the equivalent clause in the section of the bill dealing with natural gas were removed, we could promise very rapid passage of this legislation; we would pass it as quickly as the government would like and we could all get on with the other important legislation facing the country. It is especially galling to have the government introduce legislation like this when in its own document "An Energy Policy for Canada, Phase 1" which was tabled in July of 1973, there is advice which the government indicated to the House would be acted upon. This document was the preliminary to the government's energy policy and was considered so important that it was transported from the printers by Brink's trucks. At page 58 of that document the following appears:

That there can be no effective set of national energy policies developed without the participation of the provincial governments is readily apparent.

It then goes on to state:

Obviously, policies developed in isolation in Ottawa hold scant hope for success.

So we have in the government's own publication excellent advice, advice which this party stands wholeheartedly behind. Thus, I question why the government is incapable of following it. At page 60 I find the following:

The federal government has already assured provincial governments that it intends to obtain their views about the impact upon the provinces of possible federal energy policies before any final decisions with respect to them are reached by the Government of Canada.

What a farce! No such consultation was undertaken. Then the document goes on to underline consultation even more:

It is envisaged, however, that the participation of provincial governments in the formulation of national energy policies would involve more than was implied in that assurance.

So the government was going to do more than simply consult; it was going to work out things jointly with the provinces. If that were the case, then how does it rationalize the veto clauses in Bill C-32 which were also included in the previous bill, C-18? This is not the only example of bad faith, Mr. Chairman. Let us consider the question of price. How was the price arrived at in the first place? We all know that the September 4, 1973, price freeze was a unilateral decision, with no consultation. It occurred after a long cabinet meeting over Labour Day weekend. The federal government was forced to introduce the export tax to make this price freeze work, and they were embarrassed about it. There are several quotes in *Hansard* that I could read to the committee to indicate that the Minister of Energy, Mines and Resources had said, "Don't worry: 100 per cent of this export tax is going back to the producing provinces; it belongs to them".

Then as the export tax grew, the government became a little less generous, but said it would guarantee that the producing provinces would not lose a cent of income. Then it went to 50 per cent that the government would return to the provinces. We then had the budget in which not only did the government take 100 per cent but a good chunk of provincial royalties as well. We want to make it abundant-

[Mr. Andre.]

ly clear that this party is not arguing the question of royalties. We are not defending the royalties issue: That is for the provinces to decide because it is within their jurisdiction. If they are in fact too high, then indeed the government should engage in consultation with the provinces regarding fair sharing of revenue derived by the oil companies.

Instead of this, what has the government done? A week ago last Wednesday the Prime Minister, in attempting to rationalize or explain away to the House the charges of bad faith and treachery in his dealings with the provinces which had been levelled at the government, indicated that "the provinces had fair warning as to our views on revenue sharing". He then went on to say that in January of this year the federal government had tabled a document illustrating the kind of revenue sharing it would like to see. I went and dug out the file on this, Mr. Chairman, and yes, indeed, the Minister of Energy, Mines and Resources did table a document concerning pricing. I have it here. In his statement the minister said that the attached tables presented alternative ways of describing a distribution of revenue flows on crude oil production and he made the point that annual flows do not include the yield from existing fiscal regimes operating below \$4. The table of figures had been presented to the conference as representing the federal government's views on the fair sharing of revenues from oil.

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These are the figures on the basis of which the Prime Minister said the government had warned the provinces about revenue sharing. At that time the federal government indicated it would be fair for the provinces to receive 30.75 per cent of the oil revenue including export tax. These are the figures tabled by the Minister of Energy, Mines and Resources at that conference and referred to by the Prime Minister in his speech last Wednesday when he tried to explain to the House how above board and fair the government had been in its dealings in respect of revenue sharing.

What is Alberta's share? The royalties in existence as of April 1, 1974, give the Alberta government 23 per cent of that revenue as opposed to the 31 per cent the Minister of Energy, Mines and Resources indicated would be fair and just. In other words, the province of Alberta is collecting 8 per cent less than the minister indicated was fair. Those are the figures the Prime Minister gave us. This gives us an idea of what this government considers fair sharing. How can this government justify its budget of May 6 and how can the Prime Minister justify the statement he made during the budget debate? He said he told the provinces about revenue sharing but the provinces became greedy. According to the government's own figures, Alberta has not been greedy enough. I suggest this whole thing is strictly a smokescreen. What is involved here is not revenue sharing; it is power-grabbing and control. That is all that is involved. Let us not talk about bad faith and treachery. Having tabled this energy policy after bringing it in by Brink's truck, I do not know why the government did not bother to read it. It states on page 9:

No national policy can be contemplated without the fullest of intergovernmental consultations and consensus.