thieves operating in the same chicken yard at the same time. But that is what is happening.

Here we have a government which is hungry for money and jealous of the provincial government because it is getting so much, jumping in and saying that it wants as much. The result is that the sum total of the thievery is greater than the number of chickens in the chicken yard. I am not a lawyer so I am putting this in terms that the public will understand. We have this silly story of resource taxation. Until it is resolved there will not be an agreement between the governments on this question of price which the minister wants. We must have this law in order to carry out the function of having a fair price across Canada and in order to compensate the people in the east. Of course I have in mind 13 other things I should like to see in this bill.

Essentially we are told that the villain in the piece is the Minister of Energy, Mines and Resources, but the Minister of Finance has got booby-trapped into an irrational position. That is why his friends want him to leave the country for the next four or five years so that another minister can make the retreat from Moscow in his place.

I suggest the issue comes back to the government. I have a suspicion that even though the minister is indeed a lawyer he is no more an authority than I am on this legal jurisprudence, and that the two of us should keep pretty quiet. I believe the question we must answer in respect of this bill before we can get peace with the provinces is the question of the budgetary provisions on resource taxation.

Just to repeat what must be an old gramophone record, there are two types of proposals which can be made on this very issue which I think will bring peace. One of them is to suggest that on existing mines, and oil and gas fields, the federal government state the level at which it will accept provincial royalties and taxes, and make them deductible. Once the federal government states its position, the provincial governments will know they have to come down here, bargain, and come close to that position, or there will be no agreement. That is the first thing. Secondly, if the federal and provincial governments are sincere, they will know that both have a mutual problem to extract more oil and gas either from the traditional fields or from the new synthetic fields.

● (2110)

I have suggested what many people consider to be a radical or revolutionary proposal, namely, that we accept the fact that these new ventures are beyond the financial competence of any of the big oil companies because they cost so much. If the House wants the figures, here they are.

The average cost of finding a barrel of oil a day from 1946 to 1972 was $400. Now the average cost of finding a barrel of oil a day in the frontier areas is approximately $10,000. The average cost of finding a barrel a day in the tar sands on the basis of a $2 billion plant is $16,000 a barrel. That is certainly different from the $400 of a few years ago, and the provincial governments cannot generate enough dollars to finance such ventures.

I am suggesting that the governments and the industry together do a very simple thing, namely, that they enter into a contractual agreement, or a joint venture, under which the governments will simply agree to stay off the back of the industry until it can pay off the debt. If the money that comes in from the oil and gas goes to pay off the debt, instead of a 15 to 25 years pay out, with 50 per cent of the value of the product going to pay interest, the debt can be paid off in four years and the money lender shaken off your back. Then there will be several times more money for the provinces. In fact the provinces, as the owners of the resource, will be the ones to profit most. The federal government will get much more today, and the industry will get all its money back with a big fat bonus of 20 per cent or 25 per cent for having taken the risk.

What is wrong with the concept of getting more money out of the resources? The only thing against it, as stated by the Minister of Finance, is that this is not the way such ventures are financed. He sounds like a banker. They say they have never done that before, so it must be wrong. I am simply pointing out to the committee that the government of Great Britain, which at present is socialist, has accepted such a proposal. What they do is to say to these big expensive ventures in the North Sea, "We will only charge you a small royalty, the traditional one-eighth or 12½ per cent, but when you repay that debt, we will take approximately 45 per cent."

What they do in Great Britain is to give to a company, as a quick write-off procedure, 175 per cent of the value of the investment, which means that they get their investment back, they get their interest back, and they get a big chunk extra to pay for the loss on other wells as well. Because of the value of oil on the world's market, they pay off the debt on these $2 billion and $3 billion oil field ventures in four years. Then the people of the United Kingdom collect 50 per cent or 55 per cent of the total value of the product, and they get the value of the high oil price. This is not what happens in our country. In the United States and in Canada we worship at the shrine of paying interest all our blooming lives.

Mr. Gilbert: How true!

Mr. Hamilton (Qu'Appelle-Moose Mountain): When a person today buys a home for $50,000 it takes him 30 years to pay off the mortgage, and he pays $150,000 in interest on top of the $50,000. We love paying interest, and that is what we are forcing the companies to do.

Mr. Benjamin: How right you are!

Mr. Hamilton (Qu'Appelle-Moose Mountain): That is what we are forcing ourselves to pay. The whole value of the resources of our country goes into paying the interest because the provinces want the money today and they say, "To heck with the dollars tomorrow, we will take the pennies today."

That is the proposal I made in the committee a year ago and again last fall. I spoke 18 times on the budget. I will keep talking about it because it is obvious that this proposal is fundamentally sound. Certainly many people comment on it, but in general there is agreement. If you do not have the capital in place, and if you have to wait for 25 years to save it dollar by dollar, you can achieve the same by accelerating the flow of the capital. Using the capital three or four times in 20 years is the same as having four times the amount of capital. The only thing wrong with