

Oil Export Tax

corporation taxes and retained earnings gleaned by the Canadian government and Canadian shareholders. Indeed, economists have now shown that any such price increases will mean a net loss to the Canadian economy of 7.73 per cent of any price increment. Canadian manufacturing needs to get off the ground. We need to promote job intensive industries in this country. Yet if we listen to the government and the oil industry, we are going to pull the rug from under these manufacturing concerns. If they have to pay higher fuel costs, then we will lose any competitive advantage we might have gained in world markets from having lower fuel costs in Canada. This means we will continue to export our resources at the expense of creating jobs in Canada.

This is why I say it is so important that the concept of the export tax be maintained, that revenues from the windfall profits of the oil companies should go to the federal government, and in turn to the provincial governments, so we can have a joint federal and provincial development of the oil sands, which will be our future supply of oil in this country. It is time we got the national petroleum company off the ground, not only to develop the oil sands but also to act as an agent in the purchase of foreign and domestic oil, thereby being able to pool prices and have one price for Canadian consumers, a price which hopefully will be much lower than the price that would result if the Minister of Finance and the oil corporation executives had their way. Unless it can be proven beyond doubt that price increases are justified on the basis of increased cost of production, this party, and indeed the Canadian consumer, will not tolerate any further rip-offs in the form of higher oil prices.

The bill before us is an important one. There is an important concept to maintain, and I can assure the committee that this party will see that that concept is not eroded.

Clause, as amended, agreed to.

On clause 12—*Payments authorized.*

Mr. Knight: Mr. Chairman, clause 12 deals with payments to provinces. I agreed in principle with the imposition of an export tax as it related to obtaining funds that might otherwise have gone to the multinational corporations, but I should like to ask the minister a question about the wording of clause 12 and perhaps propose to him a wording that would spell out more clearly that 50 per cent of the revenue will in fact go to the producing provinces. Subclause (1) reads as follows:

The Minister may cause to be paid to a province, for a prescribed period, out of the Consolidated Revenue Fund, at such time or times as he may determine, an amount calculated by him in accordance with subsection (2) in respect of that period.

I wonder whether the minister would suggest to me the reason for use of what I would call the hesitant words, such as "at such time or times as he may determine", instead of using, for example, the words "shall pay" or "shall determine". Why the hesitancy as exemplified by the use of the word "may"?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the expression "may" is the expression that is traditionally used to authorize a payment to be made out of the Consolidated Revenue Fund. It is parliament's way, as I

[Mr. Symes.]

understand it, of conferring statutory authority upon the minister to make a payment, and it is the expression traditionally and generally used in authorizing payment to the provinces. I should refer the committee to the fact that the authority to make equalization payments, stabilization payments, tax revenue guarantee payments and post-secondary education adjustment payments, all of which are statutory in form, is granted by a provision using the expression "may". In those circumstances, the courts probably construe "may" as being imperative since it imposes a public duty upon the minister. There is nothing unusual in using that word, and I think I can assure the committee that it has a mandatory, imperative effect.

Mr. Baldwin: Mr. Chairman, I do not want to get into a hassle with the minister, but since he is a former minister of justice he must agree that under the Interpretation Act "may" is classified as being a word of permissiveness, whereas "shall" is mandatory. However, I accept the statement the minister made beforehand, though as a former minister of justice I think he was getting into the muskeg when he made the statement he just made. In light of his statement that the word "may" is the word always used in the statute, why is it that His Excellency was persuaded in the recommendation to use the word "shall"?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I will charge that one off to the draftsman.

Mr. Knight: Mr. Chairman, the minister says he will assure the committee that 50 per cent will go to the producing provinces. We do not have to worry about the word "may"; I will leave that to Her Majesty and her ministers.

● (1730)

In a general way, Mr. Chairman, I should like to say a few words relating to the allocation of funds obtained from the export tax. From the inception of the export tax I believe the federal government has been meeting a situation which neither producing province was prepared to meet at that time when the Chicago price was mounting at an extremely rapid pace. I believe, therefore, that when this party recommended an export tax it was justifiable. I think some of the debate arises from the allocation of the export tax as it relates to our two oil producing provinces.

It is very easy for a member of this House, particularly if he is from the province of Ontario, to suggest that there should be a cheap supply of energy for the provinces manufacturing industries. Hon. members might take that position, regardless of their party, because manufacturing is labour-intensive. There is some merit in that position, but I suggest to those hon. members that in terms of a national policy in this country as enunciated by successive federal governments, the policy that now speaks of a cheap supply of energy, in terms of energy being supplied by other provinces, is the same policy that talked about high tariffs to protect their manufacturing industries and providing a closed market to those industries in the western provinces, particularly the prairie provinces of Saskatchewan and Alberta. Regardless of one's political ideology, there is a great deal of regional resentment in the suggestion that since, suddenly, one of our commodities has gone up in price in the international market—and