

Oil Export Tax

the government ended up being the victim of its own tangled web of changing policy, it was faced with a situation in which the unanimous consent of the House was required to amend a clause in the future export charge section. Thus, it was forced to abandon a schedule which would have seen that section dealt with and brought to a conclusion prior to the up-coming conference of first ministers. I know the Minister of Finance cannot be happy about landing in the position he did, but I at least hope he takes some wry comfort from the fact that he ended up in a position of poetic justice. My colleagues and I have always tried to ensure that justice prevails, particularly poetic justice.

● (1600)

In the days ahead we will continue to do our utmost to ensure continuing justice in the development of a national oil policy, a national energy policy worthy of the name. Certainly, I give my consent to the proposals of the minister, and I hope the House gives its unanimous consent. If it does, I intend to support the bill with the changes made by the minister.

Mr. Douglas: Mr. Chairman, I should like to make a few remarks regarding the proposals which have been put before the committee by the Minister of Finance. When this measure was introduced by the minister last Thursday, on behalf of the members of the New Democratic Party I expressed the very serious reservations we had with respect to some features of Bill C-245. As I said then, we were, and we still are, in complete support of the idea of the export tax. We want to see the legislation passed as quickly as possible, and to have it passed before the first ministers' conference so that the federal government and the oil producing provinces will know exactly where they stand in regard to collecting that tax and to distributing the proceeds from it.

With reference to Part I of the legislation, which provides for the imposition of an export charge, I pointed out on Thursday, and I want to underline again today, that we are in favour of the principle of an export charge. In the present world situation, when world prices have become completely unrealistic and are soaring to unheard of heights, certainly the additional money that comes from exports of oil ought not to go to the oil companies but back to the treasures of the federal and provincial governments. Our quarrel has not been with the principle of an export charge. The objection I raised was to the fact that the federal government was asking us to agree to the imposition of a charge without being able to outline the basis upon which that charge would be levied, without being able to tell us the price structure upon which it would be predicated, and without being able to tell us anything about how the proceeds from that charge would be distributed as between the federal and provincial governments.

In answer to some questions I asked him last Friday, the minister said that it was impossible to give that information prior to the meeting of first ministers, and undoubtedly the minister was quite right. This will require a good deal of hard bargaining and negotiation, and we cannot expect the minister to be able to give us that information. But neither should the minister expect us to agree to give

[Mr. Stanfield.]

the federal government powers to levy tremendous sums of money without telling us any of the details about how the money will be collected or distributed. Therefore, I think the minister has made a very wise choice and I want to commend him for it.

It is not easy to have to come into this House and say that he is prepared to emasculate a bill that he wanted to have passed and take with him to the first ministers' conference and to the meeting of ministers of finance. I do not agree with his feeling that this weakens his hand. I do not think it weakens his hand at all. If the minister is able to go to that conference having authority from parliament with respect to the export tax, and if he has the assurance of at least the majority of the members of this House who are favourable to the principle of an export charge, then he is in a position to negotiate with the provinces. But it also puts us in the position that when that conference has been completed and agreements have been reached we will be able in good conscience to deal with legislation that is based on definite information, and we will know the terms and conditions on which this money is going to be raised.

The matter that has concerned us most is that the federal government has never clearly stated what its intentions are when the price freeze is lifted at the end of the winter season. Certainly, indications are that the government is going to remove the freeze. The Minister of Energy, Mines and Resources said that the price would probably double by the middle of summer to \$8 or \$10 a barrel. The Minister of Finance said last Friday that the domestic price would probably track the international price. I take this to mean that the government proposes to let the price rise to something close to the world price, but we have the right to know. We will want to know, when the minister brings back legislation regarding this matter, by how much he is going to allow the price to rise, and who is going to get the benefit of this increase in price.

In my opinion, there are only two reasons for allowing the price of domestically produced oil in this country to rise. The first is if the oil companies can demonstrate that the cost of production has risen. Certainly then, of course, they should be allowed to increase the price to meet their increased costs. The second reason is if governments, federally and provincially, are prepared to say that the price shall rise sufficiently to enable the federal and provincial governments to build up a fund for the development of our future oil needs. That, too, makes sense. I believe the Canadian people would accept the idea, and would pay more for their petroleum products, if they were told that the money is to be used to ensure that ten years from now petroleum products will be produced in Canada and will be controlled by Canadian authorities.

However, if this increase in the domestic price is for the purpose of allowing oil companies either to increase their already excessive profits or the increase is given them on the assumption they will use these funds for exploration and development, then I for one would not be agreeable to such an increase. In the first place, I doubt very much whether we would get any guarantee that the increased revenue the oil companies would receive would be used to develop oil resources in Canada. Secondly, I know that the funds used for the development of oil resources would be deductible from their corporation tax, and would increase