

tion of the hon. member for Qu'Appelle-Moose Mountain. A similar suggestion was made a week ago by the hon. member for Regina-Lake Centre and other members in the House. They have suggested that we either split the bill and deal with the resource section after the first ministers' conference, or we follow the precedent we have in the Foreign Investment Review Act, taking the part dealing with resources and proclaiming that section after the first ministers' meeting.

Since the meeting with the first ministers is in April it would seem to me that if we pass this bill very quickly the Prime Minister will go to that meeting with a virtual club in his hands which he can hold over the heads of those first ministers. We in this House know the federal government is supreme and has a lot of power. This government now has a majority and can pretty well do what it likes. It can push this bill through the House if it wants.

We also know that the federal government has immense taxing powers in respect of the resources in this country. I do not see why it needs this part of the income tax bill passed by the House before that meeting in April. Federalism in this country was established in the first place after a great deal of consensus and compromise and a lot of give and take by the various regions of the country. We have five or six very distinct regions divided by economics, geography and allowances. If we are to keep this country together we must have a spirit of co-operation, consensus and a lot of give and take on the part of the regions.

We have all heard a great deal about the independence movement in Quebec and western separatism or nationalism in the prairies. When the government rams through a bill like this, all it is doing is feeding those fires and agitating the people who would like to see this country fall apart. In this way the government would be pitting the people in one part of the country against those in the other. Action of this kind is fuel for those who would have differences between various regions of the country, and I do not care whether it is the east against the west or Toronto against the rest of the country. If the government ram this bill through the House before the first ministers' meeting all they are doing is accentuating the suspicions that already exist in various parts of this country.

Let me consider the export tax portion of this bill, and I want to refer to this in a non-partisan way. I think the Minister of Finance knows what I am coming to. If we make the calculations suggested in this bill, we find that Saskatchewan now produces about 70 million or 80 million barrels of oil per year. About half of that oil is exported to the United States. There is an export tax on oil of \$5.20 a barrel.

We also have a freeze on the price of domestic oil. If you take the \$5.20 per barrel, which is what we are losing in Saskatchewan, and multiply that by 75 million barrels of oil you will see that Saskatchewan is losing annually some \$400 million. That is a substantial contribution for a have-not province, or a province with an income below the national average, an income which fluctuates according to farm economy. Provincial politicians cannot control farm economy because of national grain prices, the weather and many other factors, but that province contributes \$400 million annually from the sale of oil to the people who live east of the Ottawa Valley. This is a contribution the

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people are willing to make as long as there is some kind of trade-off.

I think that is an adequate contribution for a province the size of Saskatchewan. What we expect is to have some consideration in respect of the things we use in our province. For years we have suffered freight rate discriminations. The hon. member for Battle River made reference to this earlier. One can ship a live cow from that area to Toronto cheaper than he can slaughter that same cow and ship the meat to Toronto.

● (2040)

What we are saying is that we are willing to have a two price system for oil and a two price system for wheat, which we already have, if some consideration were given to some of our gripes and grievances about confederation. If you use some of that \$4 million annually in terms of removing some of the anomalies in the freight rate system, then the province of Saskatchewan will be much happier to agree with the government regarding the structure of oil prices in this country.

There are many other grievances that we in the prairies have. We produce raw materials, we produce food, and we export raw materials to central Canada and the United States. We do this largely because of the lack of an industrial strategy in the country, because of deficiencies in our freight rate system in Saskatchewan, Manitoba or Alberta, and also because of the type of hinterland philosophy that exists in northern Ontario, north eastern Quebec and the Atlantic provinces.

If the government wants us to make a contribution with regard to oil, they will have to listen to some of our grievances. After all, that oil is a non-renewable resource. How much more oil do we have in Saskatchewan? You cannot grow oil on trees. That oil is in the ground, not for some bureaucrats or federal politicians in Ottawa or for some oil company executives to decide where it should go and who should get the profits. The oil was there for the people of this country and particularly for the people of Saskatchewan. I think that the oil should be used for the welfare and benefit of that province.

There can be an argument over how much the federal government gets and how much the provinces get. I admit that it is a difficult problem to resolve, but I want to remind hon. members that under the constitution of this country land and resources such as gas and oil are under provincial jurisdiction. So long as they are under provincial jurisdiction I do not think we should have a bill such as the one before us today that tries unilaterally, without any consultation, to bring in measures that will take from the provinces much of their taxation power which they rightfully have.

As the former Liberal cabinet minister, both federal and provincial, Eric Kierans, said the other day—this matter was brought up in the House a while ago—if this clause passes, the federal government will take from the provinces much of the taxation power they need in order to plan their provincial economies and their social programs. He said that if he were to meet the premier of Ontario or the premier of Quebec after this bill was passed, he would say "Hello, Mr. Mayor" because they would have no more power and influence than a mayor of a large city. I think