

Oil and Petroleum

ty and that the program of searching for and development of new supplies has ground to a halt. There is confrontation and political warfare at the intergovernmental level, and grave danger—I say this advisedly—to the basis of confederation. Consequently, I say to members of the committee—I believe I reflect the thinking of most Canadians when I say this—it is imperative that the 11 governments quickly move together to repair the damage done. There must be a careful and thoughtfully put together proposal which will touch all bases on this question of energy, with the first priority being securing new sources of supply with recognition of the constitutional rights of the provinces as well as the need of Canadians for an agreement founded on fairness, equity and constitutional propriety.

I need hardly point out that this cannot be done against the background of the federal proposals now before the House and to be brought before the House. If the government attempts to bull these through at this time on the basis on which they have been put together, it can only lead to further deterioration of the situation. Our leader has indicated our position. Others in the House, with some exceptions, seem to take the same general attitude.

Does the Prime Minister want to be in the position of not calling a first ministers' conference until he has secured, by Bill C-32 and the budget proposals, the whip to bring the provinces into line even if it is a mutilation of the spirit of national unity? Does he want to go to the first ministers' meeting and fling on the table as his strong point, his ace in the hole, a constitution altered by closure in this parliament?

The Minister of Energy, Mines and Resources has maintained that he must have this legislation in order to have the power to impose the export tax and to provide the subsidies for the consuming provinces. There are other reasons as well, but I mention those two in particular. I say this is not necessarily so. I agree that if there had been agreement, this would be the way to do it; but I would suggest the record indicates that for some considerable period of time these two objectives have been achieved without the benefit of Bill C-32. The Oil Export Tax Act, which was passed some time ago and which retroactively levied taxes from October 1, 1973—it only received royal assent in January, 1974, and ended in April, 1974—is a precedent against the government's argument that Bill C-32 must be passed by the new year.

It will be noted that Supplementary Estimates (A) for 1973-74, which voted compensation from January 1, 1974, to March 31, 1974, did not receive royal assent until March 28, 1974. Thus, compensation was paid three months in arrears. I am not saying that this is the best way to move, but I am saying it has been done and it offers some answer to the Minister of Energy, Mines and Resources. There are other alternatives, however, which I should like to propose now in the hope that the government might consider them. It would be quite simple for this House to consider a supplementary estimate for enough money at this time to add to the present estimate of \$330 million which I believe was passed in a previous supplementary estimate and is expected to run out some time in January. A further supplementary estimate would carry through adequate funds for the federal government to continue paying sub-

sidies required by the consuming provinces until March 31, 1975, the end of the fiscal year. Should there be agreement in the House, I do not think such supplementary estimate would take too long to pass.

With regard to the collection of the export tax, there is ample legal authority under the provisions of the Export and Import Permits Act. I do not say that I like that act: I fought against it because there are some things about it which I did not like; but parliament passed it and the amendments. I have not time to go into the details, but I have checked it quite closely. I checked the regulations respecting the export control list. By amendment, petroleum products are now covered by the export control list. I suggest to the minister it would be possible to attach a condition to the export of petroleum products by which the tax could be paid.

● (1550)

However, if this does not appeal to the government, I am quite sure it would not be too difficult for there to be a ways and means motion to cover the collection of the export tax for the period I have mentioned. There is also the National Energy Board Act. There are several methods by which it would be possible for this parliament to ensure that the funds are in fact collected and made available for the purpose for which agreement was achieved on March 27 at the federal-provincial conference. There is little time left. I suggest to the Prime Minister and his colleagues who have been so involved in this matter that they forget confrontation politics. I will be frank and say it has not all been on the government side. Some of the provinces have been engaged in this. However, there are some very powerful forces afoot. There is a feeling on the part of a great many people in the western provinces, as was the case for many years with the Atlantic provinces, that they are the low people on the totem pole. That feeling is very pervasive today. I would like to see matters develop through the instrumentality of this House which would bring this to a stop.

I do not suggest that the government withdraw Bill C-32, but that it give consideration to putting it over until some time in the new year. This would give an opportunity for the 11 heads of government to meet. The finance ministers are meeting today. It may well be they are laying the foundation for a time and agenda for the first ministers' meeting. For that reason, I suggest this should be done. Confrontation should be put aside. The federal government should act with the provinces in a reasonable attempt to refill the reservoirs of good will and co-operation which have been sadly depleted in the past few months. With the aid of this House and the provinces, we should get on with the type of program to deal with the very pressing and dangerous problem which faces this country, and do it by going with, and not against, the grain of the constitution.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): Mr. Chairman, we have had a suggestion by the hon. member for Peace River, which I gather is the same suggestion that he made privately to my colleague, concerning the Petroleum Administration Act. The hon. member also spoke at some length about the