The policy can only be understood through the prism of national politics. As Edward Clark, an assistant deputy minister in the federal Energy Department and one of Energy Minister Marc Lalonde's most influential advisers, puts it: "If Canada were a unitary state, not a confederation, there would be no problem about going much closer to the world price."

● (2020)

What an admission. In essence the article is saying that this whole thing of pricing has nothing to do with pricing or saving consumer dollars, but instead it is revenue. What they are saying is that if Canada were a unitary state and if the oil belonged to the federal government, we would be paying the world price. That is what the chief adviser of the Minister of Energy, Mines and Resources, Ed Clark, said when asked by a reporter. Yet the minister stands up in the House and has the audacity to say that the price which they are talking about is fair and reasonable based on the best advice and analysis of his officials. His officials have given the minister no such advice. His officials are described by Keith Spicer as "smug little ideologues in Lalonde's department".

What is a fair price? The Clark government and the Lougheed government agreed that eventually the price of oil and gas in Canada would reach 75 per cent of the world price. If we were at 75 per cent of the world price today—and the officials in the Department of Energy, Mines and Resources say that we should be—then the share ratio would be the following. Alberta would receive 23 per cent; the industry 23 per cent; and the federal government 53 per cent. The federal government would receive part of its share directly through taxes and the rest of it by virtue of policy which distributes the revenue to the consumers of the country. If the government is to be honest about the sharing of oil and gas revenues in this country, the formula is federal government 53 per cent, provincial government 23 per cent, and the industry 23 per cent.

If the government has any decency or integrity, it should try to be honest and stop repeating what is a blatant lie, the ratio of 45-45-10, which has no relationship to the truth. The dishonesty goes beyond that and extends into the national energy program which came down as part of the budget.

I see the minister responsible for the western development fund is present tonight. While we are on the subject of dishonesty, I would like to deal with the question of the $4 billion western development fund. I went through the budget fairly carefully, and there is only $2 billion in that fund, not $4 billion. It is a $2 billion fund spread over three years, and most of that $2 billion comes from existing programs. The minister's colleague, the Minister of Transport (Mr. Pepin), has said that he will do away with the Crow rate and make up for it through funds from the $2 billion. The Crow rate contributes about $300 million a year to western Canada, and the Minister of Transport is going to make up for that out of the $2 billion western development fund. If one considers the Prince Rupert project, this $4 billion western development fund comes out to nothing at all. At most it is in the millions, and it is certainly not $4 billion. However, that does not prevent members of the government from standing up with no apparent embarrassment and talking about the $4-billion fund.

I see that the holier-than-thou man with the collar is nodding; he should go to confession.

The dishonesty of the government, when it talks about $4 billion in the western development fund which does not exist, and in this document, "The National Energy Program", is evident.

In this document the government says that there will be no export tax, but in the very next paragraph it says that it will tax sales to U.S. consumers at 30 cents per 1,000 cubic feet. If sales to U.S. consumers are not exports, then what are they? And if that is not a tax on exports, then what is it? On page 17 of this document Canada's policies are compared to the British policies and the government says how favourably it is treating the industry compared to the way the British government is treating the industry in the North Sea. But it does not mention that the North Sea rules were changed several months ago by Prime Minister Thatcher. Is that dishonesty? It is certainly not honesty.

Mr. Lalonde: Plus a 20 per cent tax yesterday.

Mr. Andre: It is certainly not honesty if one remembers what the government has already said.

There is another statement on page 17 which describes how important it is to deal with the question of foreign control, and that over the period 1975 to 1979 approximately $3.7 billion in capital flowed out of Canada to the United States. What the government neglects to mention is that more than half of it, or $2 billion, is attributable to Petro-Canada as a result of this government, and not foreign ownership in the industry. Is that honesty? It would certainly not be described as honesty by anybody I know and respect.

On page 27 of the document the government describes the world price on oil as being arbitrary and artificial. Yet the man who undoubtedly wrote this document, though the minister put his name to it, has said in a newspaper article which I quoted earlier, that in fact if we were a unitary state prices would be near world levels. The official is saying on the one hand in the article that our price should be at world levels, and on the other hand, in the political document he is saying that world price levels are artificial. When was this official being honest—when he was talking to the reporter or when he was writing this document for the minister?

On page 38 of "The National Energy Program," the government refers to the 8 per cent net revenue tax which is in fact a royalty because it is levied right at the wellhead. The government does not want to talk about royalties because it knows it will be challenged in the courts and that it would probably lose in court. The document goes on to say:

This tax . . . will produce a high marginal tax rate for firms that reinvest little of their cash flow.

It seems to imply that one would only pay that tax if one does not reinvest. As an official admitted to me in committee, one pays that tax whether or not one reinvests. It is a blatant distortion of the truth. Moreover, this tax is not 8 per cent. It is between 12 per cent and 24 per cent depending on the type