

Taxation

taxpayers right across Canada, in every province and in the territories, who are picking up the tab for part of the development of the oil industry in Canada, have a right to share in the benefits accruing from oil production in Canada.

There have been suggestions that there has been a rape of the resources, that we are trying to take more than we should be taking, or that it is inappropriate action by the federal government. It is inconceivable to me that anyone could actually say it is inappropriate for the federal government to contemplate a tax on the production of oil and gas or their products. Surely, the Canadian public has a right to expect more than that.

I hear gratuitous insults from the hon. member for Calgary Centre concerning the civil servants who work on these particular projects. The initiative and the idea for this has come as a Liberal policy. It was discussed during the election campaign, we brought it to fruition, and we said that we would negotiate with the producing provinces to see if we could come up with some regime which would provide the federal government—the federal taxpayer, in effect—the provinces and the corporations with sufficient funds so that the oil industry could be developed. We said that the province which owned the natural resource should derive significant benefit, but that the federal government was also surely entitled to some revenue.

There were long and skilful negotiations. I believe the minister used the word “skilful” when making his remarks on second reading. I believe the Minister of State for Finance was bang on when he indicated that appropriate, but skilful negotiations had taken place. It should be understood that it was not the federal government which acted unilaterally to impose a tax on a natural resource which was the property of a province. I repeat that it was not the federal government. This tax came about as a result of negotiations and not because the federal government imposed its will on the provinces.

There were other areas in which we thought we were entitled to some more revenue from taxes on gas and there were concessions. The federal government did not get everything it was looking for in the negotiations but, most assuredly, neither did the provinces. I think there is room for all to benefit. The oil companies, the provinces which own the resources and the federal government can benefit.

We have come up with an appropriate agreement for the benefit of all. Nobody will lose as a result of this particular negotiation. Again, it was not a negotiation with only one of the producing provinces; in effect, we reached an agreement with Alberta, Saskatchewan and British Columbia. Therefore, as the minister said earlier, this House has been asked to approve the agreement signed by the Government of Canada and those producing provinces. This agreement has already been reached and we are simply being asked to endorse an agreement by the people most directly involved in the benefits accruing from oil production in Canada.

In another area, I am hearing the suggestion that “Canadianization” means “nationalization”. Maybe this suggestion is deliberate and maybe it is not. We all know of this, we must

consider it and I think we must be careful. I would say to the official opposition, stop trying to fool the Canadian public. Stop calling it nationalization. The Conservatives know what nationalization is. They know—

Mr. Huntington: It is nationalization, Bud. Be honest.

Mr. Cullen: —what Canadianization is, and there is a significant difference. “Canadianization” means something which will be beneficial to Canadians, not just Canadians in the producing provinces, but Canadians right across the country, all of whom have made tax concessions so that we could, in fact, have an oil industry in Canada.

Mr. Huntington: That’s state ownership, Bud. You know it.

Mr. Cullen: Now we hear another hon. member from the opposition yelling. Unfortunately, he is not yelling into a microphone; I can only hear the noise. I cannot hear his words, so it is very difficult to respond.

I am simply saying, Mr. Chairman, that it is inappropriate, either in hyperbole or in deliberately making these comments, to suggest that Canadianization is nationalization. I would not be in favour of that. I doubt that there are many Liberals who would be in favour of nationalizing the industry, although I know the little blue rump over there does not feel that way.

• (1700)

We should be very careful not to underestimate the Canadian public, particularly in the province of Alberta. They recognize what Canadianization means. They realize it is not nationalization. The people know the benefits that will accrue to Canada, not to other countries, as a result of multinational involvement.

Another area that should be highlighted is conservation of oil, our depleting natural resource. We have to find other areas where oil can be produced. One does not have to be a genius, which seems to be the suggestion of the hon. member for Mississauga South, to determine the difference between new oil and old oil. It may become complex and there may be some areas where it is necessary to have an honest debate and where a judgment call will be made. It will not be made in a unilateral fashion but as a result of discussion with the industry, the producing provinces and the federal government.

With regard to the Constitution, the criticism we are now getting is for all of those things that we took out of the Constitution as a result of negotiating a settlement. All the criticism I have heard about the content of the Constitution has been about those things we have taken out of it. That is because we could not get agreement with the opposition or the provinces.

Mr. Taylor: You took out property rights.

Mr. Cullen: I wondered how long it would take my hon. friend to start interrupting. I do not want to get into another debate on the Constitution, but it was a criticism from a member opposite. The record should be clear that the provinces were not very keen about property rights. They said that property and civil rights were their jurisdiction.