

*Petroleum Administration Act*

making the speech. I think Your Honour has clarified the matter already.

**Mr. Speaker:** The point is well taken. I have to call for the co-operation of hon. members to give an opportunity to the hon. member who has the floor, and who has been recognized by the Chair, to be heard by all members of the House who want to follow his speech and take part in the debate.

**Mr. Schellenberger:** Thank you, Mr. Speaker. I will try to make my speech as interesting as possible so hon. members may listen to my words of wisdom. The Leduc field, discovered in 1947, lies entirely within my riding, and the people in that area are becoming concerned that in 10 or 12 years' time this oil supply will be entirely depleted. Many of these people depend entirely for their livelihood on production of this oil. They are raising families and would like their youngsters to stay in the area. Therefore, it is essential for the government of Alberta to provide alternative sources of employment, to provide industries for the area when this oil runs out. I think the province intends to use some of this revenue to establish industry that will keep these young people in the area.

If I may return to the bill, I should like to make some comments on Part IV. As provided in the bill, the import subsidy is indiscriminate. It seems that the subsidy is paid to the importing oil companies no matter what this refined oil is used for. I think it would be far better for the bill to provide some mechanism whereby we could apply a discriminate subsidy so that people who use petroleum products for luxury items, such as cars, boats and similar vehicles, would not be subsidized. Only oil used for essential purposes should be subsidized. Surely, it is not beyond the capabilities of the minister or his department to devise a mechanism whereby a more discriminate subsidy, rather than the wide open one now proposed, is applied.

At the same time, Mr. Speaker, I suggest there is a notable exception made in the bill. I refer to the fact that individual oil importers are not required rationally to compete in the purchase of offshore oil. According to my understanding of the bill, it is left up to them to buy offshore oil at whatever price without first trying to make the best possible purchase. These companies know they are going to be subsidized at the expense of the taxpayers so that the cost of the oil is brought down to \$6.50 a barrel. I suggest that when the bill goes to committee this part of the bill should be carefully scrutinized and perhaps amended with a view to being fair to both parties, and so the oil companies will rationally compete for oil in the market.

Parts II and III of the bill give me the most concern since the government is being given a wide range of powers. In fact, an attempt to document them verbatim from the bill required almost nine full pages of foolscap. Why do they need these powers and are they really necessary? It seems to me we are looking at the same type of powers we were asked to approve in the oil allocations bill. I hope this party will not allow the government to again force this big brother attitude on the Canadian public.

[Mr. Barnett.]

● (1510)

Among the powers required by the government in Clauses 2 and 3 is the freedom to establish the export price of oil at any level at any time. Basically, then, what we would have would be a flexible tax subject to government whim and variable from month to month. The government has also asked for freedom to grant exemptions from the tax to anyone should it so desire. If these powers are granted, surely it is not too much to ask that they be scrutinized by a parliamentary committee, with its findings presented to the House.

Furthermore, the federal government would be in a position under Clause 36 of this legislation to fix the price of oil within provincial boundaries if it so desired. We feel this is a provincial responsibility, and that provincial governments should be brought into the picture in order that they would be at least consulted and asked to grant approval of the fixing of such a price, should it be necessary. Powers of the sort to which I have alluded are just not necessary, but could quite easily lead to a precedent whereby other industries or resources could be brought under similar legislation, such as our coal resources or perhaps even hydro electric power for that matter.

This bill also gives the government the power to unilaterally establish the price of oil in any province should that province wish to withdraw from the agreement. Let me refer in *Hansard* to a statement by the Prime Minister (Mr. Trudeau) just after the Federal-Provincial Conference. He stated on March 28:

—the pricing and other arrangements I will now outline will last for a period of 15 months, beginning on April 1 and therefore going to the end of June next year.

I went to the Alberta *Hansard* since and this is the only way we can tell whether this bill is in line with the conference decisions, and I found that the Premier of Alberta stated immediately following that conference:

I made one interim undertaking—but only one. I agreed that in the interest of stability of the Canadian economy, we would ask the Alberta Petroleum Marketing Commission to hold the average price of \$6.50 per barrel to that level for a period of one year. The request was made by the Federal Government and it is our understanding that they—for their part—agreed that any proposed Federal legislation involving the interprovincial trade and movement of petroleum would be enacted in such a manner as to complement and not conflict with the Alberta Petroleum Marketing Commission Act.

Looking at the bill, I fail to find any clause that states there is to be a 15-month termination date. Instead, I find a clause which states that the government has the power to unilaterally set the price of oil if at such time a province wants to get out of this agreement. In other words, the government has the power to say that it is sorry, but if things change within the next year or so that is too bad; they will have to keep the price at the same level. That is the power this government wants, and I think we should thoroughly look into it to see whether these agreements were in fact made. The provinces should tell this parliament whether this bill is in line with the discussions that took place at the conference.

Other clauses, in particular Clause 60, give the Minister of Energy, Mines and Resources (Mr. Macdonald) the power to appoint people to look at the records of any company or province importing or exporting oil. It seems to me that under this clause the government is asking for