Oil Export Tax

I say this without offence at all, Mr. Speaker, but I think the Minister of Finance is being just a little too casual about the consequences of these international problems for Canada. Although I would agree that it is not easy to foresee exactly what they are, they certainly indicate trouble for us and, I would think, dreadful trouble for developing countries. Our problems by comparison could be quite soluble, with good will, in contrast to the frightening proportions of problems being created internationally, particularly for developing countries.

There are two parts to this bill before the House. There is the export tax in effect for the months of October, November, December and January at various levels for each month, to which the minister made reference this afternoon. This tax really arose from the voluntary freeze adopted by the government in September. The export tax was, in a sense, an afterthought. The reason given by the government for the sudden imposition of the export tax was the desire, as put forward by the government, to maintain the so-called voluntary freeze on Canadian crude sold domestically and at the same time to get a fair, full price for Canadians for oil exported. That was the origin of the freeze and of the export tax. The tax, in other words, arose as a result of the voluntary freeze in Canada. The purpose of the tax was to assist in the maintenance of that freeze and at the same time get a fair price for oil exported.

● (1550)

The government said at the time that it had to act with great precipitation. I hope the Minister of Finance will pardon me for using that word because it might remind him of bad weather and various other troubles. The government felt it had to react very quickly. For that reason it felt it was justified in its failure to consult with the oil producing provinces at the time of the imposition of the oil export tax.

We take the view, and I took the view at the time, that the government ought not to have imposed an export tax on natural resources coming from the provinces, without consultation. I also took the view, and still believe, that with meaningful consultation either at the time or immediately after the imposition of the export tax, agreement on methods could have been worked out with the oil producing provinces which would have achieved the purposes the federal government said it was seeking to achieve, without producing the problems that were produced and without exacerbating federal-provincial relations because of lack of effective consultation.

But the tax has been continued. There has been no effective consultation with the provinces. It has been sort of an off and on affair. There were days, indeed weeks, when the Minister of Energy, Mines and Resources (Mr. Macdonald) seemed to be having real discussions with the governments of the producing provinces; then suddenly the federal government would take some unilateral action on its own again and everything would go back to the starting point.

The federal government made a commitment through the Minister of Energy, Mines and Resources. It was not the commitment made today by the Minister of Finance. The federal government made the commitment that one half of the proceeds of the export tax for those four months would go directly to the oil producing provinces. Whereas the Minister of Finance, as I understood him today, suggested that the balance would be used for federal purposes, or something to that effect, the assurance given by the Minister of Energy, Mines and Resources was that the other 50 per cent would find its way back to the provinces by investment in one way or another. I want the Minister of Finance to listen to me.

[Mr. Stanfield.]

Mr. Turner (Ottawa-Carleton): I am listening carefully.

Mr. Stanfield: The assurance given was that 50 per cent would go directly to the producing provinces and 50 per cent would find its way back to the producing provinces by way of investment. The choice, presumably, would be made by the federal government. That is different from what the Minister of Finance said today.

Mr. Turner (Ottawa-Carleton): Not if you read my words.

Mr. Stanfield: I will read the minister's words carefully. My willingness to support this part of the bill is based on what I thought was the clear understanding given by the Minister of Energy, Mines and Resources that 50 per cent would go back to the provinces directly and the other 50 per cent would go to those provinces, eventually at least, by way of investment. That struck me as being somewhat different from what the minister said today. I ask for some clarification of that point, Mr. Speaker.

We are now in this position. Since October the government has been indicating that the tax for these four months would be collected. The question before the House relating to this part of the bill is whether this tax is to be collected at the rates indicated by the minister or whether it is going to be left in the hands of the oil companies. That is the question the House must face. Whatever may be my reservations about the manner in which the government has proceeded and its lack of consultation, faced with this kind of alternative at this time, namely, of either supporting the export tax for at least four months or leaving this money in the hands of the oil companies, there is really no choice but to support this part of the bill. We shall support the export tax for those four months on the basis of the assurances given by the Minister of Energy, Mines and Resources with regard to the disposition of those funds.

If this was the only part of the bill I should have no particular difficulty with it. On the basis of the assurances given by the Minister of Energy, Mines and Resources I should have no difficulty in choosing my preference with regard to alternatives. The alternatives are either that the money shall simply stay in the treasuries of the oil companies, or our going along with the government despite the reservations I have expressed about the procedures followed by the government and the lack of consultation with the provinces involved.

But there is a second part to this bill. Following January 31, a charge is to be fixed against the export of Canadian oil in an amount to be determined by the government, and this is to be done on a month to month basis. The maximum is to be $4 a barrel, but the minister indicates that he is going to seek consent to raise that level to perhaps