

duced amendments through the ways and means motion which will shortly be before the House in the form of legislation. They are being inserted by the federal government for the plain purpose of compelling the producing provinces to decrease the amount of the rental they are charging for their own property. I say through you, Mr. Chairman, to the members of the committee, surely this constitutes an obvious interference with the enjoyment of property by the provinces.

In the same vein, the Minister of Energy, Mines and Resources contends that the federal government must have the unchallengeable and unquestionable right to reach into a province, fix prices in the province and determine the disposition of these provincially-owned resources whenever the federal government sees fit to do so. Surely these two federal assertions demonstrate the true purpose of the present government to interfere with the rights of ownership given by sections 109, 92 (5) and 125 and for all practical purposes will be aside by the unilateral decree of the Trudeau administration.

I ask members from the province of Quebec, particularly those on the government side who have applauded so loudly the action of the government, what would be their view if the federal power of taxation were to be utilized for a different purpose and the federal government were to say that they would impose an additional excise tax of 100 per cent on all construction material going to schools or universities which do not give predominance to the teaching of English, or were to amend the Income Tax Act so as to grant a deduction of some amount in respect of those students who attend only English-speaking universities? This would be a use of the taxing power for a purpose which I would not like. I say to hon. members from Quebec sitting on the government side: you would object to it; you would say it is unconstitutional; you would say it is wrong—and I would agree with you.

Let us come to the present impasse. In dealing with it, I shall deal particularly with the province of Alberta because the hon. member for Nanaimo-Cowichan-The Islands, in a thoughtful and knowledgeable speech derived not only from his experience in the House but from his knowledge as a former premier of the province, has dealt most effectively with the case of Saskatchewan.

● (1540)

According to the correspondence filed by the Prime Minister on November 28, on March 4 this year Premier Lougheed told him privately, in advance of publication, of the intention of the Alberta government to impose royalties at a given rate. This has not been contradicted by the Prime Minister. We must then assume that on March 12 when the Prime Minister sent a letter to the Premier of Alberta, and on March 27 when the federal-provincial agreement was being made here in Ottawa, and on March 28 when the Prime Minister made a statement in the House, he was in full possession of this particular information which he had been given by the Premier of Alberta.

It is true that the Prime Minister has told the House that he said to the Premier of Alberta that he was unhappy with royalties of this kind, and also said the same in his letter of March 12. He does not claim, however, that he

Oil and Petroleum

made it clear that the federal government intended to meet this attitude on the part of the provinces by bringing in a budget, as was done in May of this year and repeated on November 18, which would disallow the provincial royalties; nor did he say he was going to bring in Bill C-32, which in April of this year was Bill C-18.

Mr. Chairman, I say that when the first ministers met at the residence of the Prime Minister on March 27, he owed it to the premiers, to Premier Lougheed, Premier Blakeney and the others, to display the same frankness as was displayed by Premier Lougheed. He should have said outright that the Minister of Finance, in his budget shortly to be announced, was going to disallow provincial revenues represented by the royalties outlined on March 4 by the premier.

Let us not delude ourselves. There can be no doubt at all that on March 27 the nature of the budget and the extent of the amendments to the Income Tax Act must have been within the knowledge of the Prime Minister. This is a document several inches thick, translated from French into English and English into French, with a bill following it. It was not prepared overnight. The effect of the budget, its intentions and its terms must have been within the knowledge of the Prime Minister on March 27 when he had the meeting in his residence on Sussex Drive, and on March 28 when he made the statement in this House.

Mr. Chairman, he also owed it to the producing provinces to tell them that, even though by their meeting on March 27 they had agreed to a Canadian price mechanism for petroleum products, there was at that time in existence Bill C-18 which gave vast, unilateral authority to the federal government to fix prices without regard to the provinces in spite of any agreement which had been or would be reached in future as to price structure. There is no question that such authority was in effect in that bill, and presently exists in Bill C-32.

I suggest these admissions show more than lack of candor, more than just sharp practice: they constitute a complete lack of understanding of the federal-provincial relationship. They fall dismally short of that degree of utmost good faith that has to be present if arrangements of this kind are to be of any value. They come within the description that I gave in my speech on November 28 as another example of "the suppression of the truth and suggestion of the false" which is one of the guiding mottos of this government.

I have restrained myself and have been remarkably mild in the things I have said, Mr. Chairman, but I must say that as a result of this we have come to a dangerous situation in Canada on the question of energy and the development of new sources thereof. We face economic problems of a grievous nature—not only with regard to energy but in a great many areas, when we see what is happening all over the world—which will require the utmost degree of federal-provincial co-operation. I do not think anyone on the government side will deny that. The question of federal-provincial co-operation is going to be paramount in the difficult months, and maybe even years, which lie ahead.

There is overwhelming evidence of a shortage of energy not just over the short term but likely over the long term. It is now quite clear that there is confusion and uncertain-