

Oral Questions

Mr. Gillespie: On the last question the hon. member has asked, Mr. Speaker, there was no understanding of that kind about the excise tax. Let me make this quite clear when he raises the question of taxes. This is not a measure to increase the federal government's tax take. It is a measure designed to increase exploration and development in Canada, particularly in the frontier areas, the cash flow. If that investment takes place, the federal government's tax take will be only 3 per cent of the increase.

Mr. Gillies: Can the minister tell us whether in the discussions with which took place with the industry he received the impression the industry was satisfied that this change in price was sufficient to develop the cash flow the hon. gentleman believed to be necessary to get the exploration projected in the energy strategy report tabled on May 4?

Mr. Gillespie: As the hon. member must know by now, if the industry reinvests 50 cents of each dollar of the increase in the oil price in exploration they will have the benefit of that 50 cents and they will retain 3 cents in addition. The federal government backs right off so that its total take is only 3 per cent. That is only one of the measures the federal government has taken to stimulate exploration and development in Canada. The other set of measures I shall be bringing forward this afternoon; they will be announced jointly by myself and my colleague, the Minister of Indian Affairs and Northern Development (Mr. Buchanan). They deal with the fiscal regime, the land tenure regulations, Canadian participation, and a number of other important matters, all specifically focused upon additional exploration and development in Canadian lands and waters.

OIL—GUARANTEE FROM COMPANIES THAT ADDITIONAL
MONEY GENERATED BY PRICE INCREASE USED FOR
EXPLORATION

Hon. George Hees (Prince Edward-Hastings): As the oil and gas companies will be quite free to spend the increase in oil and gas prices in any of three ways, that is they can devote it to exploration, they can put it into reserve funds or they can pay it out in additional dividends. May I ask what guarantees the minister has received from the companies that this additional money which comes out of the pockets of the consumers of Canada will be spent only on exploration for additional resources?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Perhaps the best reason it will be spent on exploration and development is that it will be in the self-interest of the companies to spend in this direction.

Some hon. Members: Oh, oh!

Mr. Gillespie: If I might be permitted, I should like to finish my answer. I believe the hon. gentleman who asked the question is perfectly well aware that self-interest, the profit motive, is the most important generating force as far as business decisions are concerned and I think there is a built-in incentive for engaging in exploration.

The second reason I think there will be reinvestment in exploration is that we shall require, through legislation,

mandatory reporting of their cash flows and how much of their cash flow is directed to exploration and development. The public of Canada will then be able to see whether or not those funds are in fact being devoted to the purposes which they, the companies, and we, the government, say are necessary.

Mr. Hees: As the government will obviously not know for many months, until it has had a chance to monitor the expenditures of the oil companies, how the money has been spent, I ask the minister how in the world he could agree to allow these companies to raise prices in absence of iron-bound guarantees from them that they will spend this extra money only in the way that they should, and that is by exploring for additional resources.

Some hon. Members: Hear, hear!

Mr. Gillespie: It comes to me as a great surprise that the hon. member should have forgotten all about incentives. He spends a good deal of his time in this House telling the government that they ought to put more incentives into our whole system; he has now turned his back on this completely.

● (1420)

Mr. Hees: The minister is absolutely right, Mr. Speaker. Any incentives that I have urged are the sort that are paid in exact proportion to the efforts that the people who are asked to do these things expend, not some vague promise that makes it possible that the money will be spent in some other way. Obviously the minister is wasting the consumers' money.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

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INDIAN AFFAIRS

REQUEST FOR INVESTIGATION OF CHARGES OF CORRUPTION IN CALGARY OFFICE—SUGGESTION DEPARTMENTAL POLICIES NOT HELPING NATIVES

Mr. Wally Firth (Northwest Territories): Mr. Speaker, in the absence of the minister of Indian affairs may I direct a question to the Prime Minister. Not very long ago there was an apparent suicide of one Nelson Small Legs of Alberta. Before Mr. Small Legs apparently took his own life, he wrote the following words:

I give my life in protest to the present conditions concerning the Indian people of southern Alberta. I also give my life in the hope of a full scale investigation into the department of Indian affairs corruption and also the resignation of Judd Buchanan, Minister of Indian Affairs and Northern Development, and the divide and conquer tactics present on each reservation.

I should like to ask the Prime Minister whether he will take this symbolic act of violence as notice that that department and its policies are not helping the native people as they should; and more specifically, would he see that an investigation is launched into the charges of corruption and mismanagement laid against the Calgary