

Petroleum Administration Act

between Canada and the United States, but the money belongs to the producing provinces and the industry.

On December 13, 1973, the then federal energy minister, Donald Macdonald, said 50 per cent of the revenue from the export tax, which was then close to \$2.20, would be given to the oil producing provinces and the rest would be invested by Ottawa in the petroleum industry, likely through a national petroleum company. Two weeks later, December 27, when the House was not sitting, the export tax was raised to \$6.50. Macdonald said the commitment to return the tax revenue to the province would end on February 1. That was another blatant break of a promise and a commitment. Naturally there was outrage and indignation from the producing provinces of Saskatchewan and Alberta.

In January they held a national energy conference. There was agreement that the domestic price should rise from \$4 to \$6, and in March all parties agreed that the increase should be to \$6.50 a barrel over 12 to 15 months. About a month and a half later, on March 6, then finance minister John Turner dropped the bombshell in his budget, ending the deductibility of royalties. Companies could no longer deduct such payments from taxable income. That was a blatant contradiction of everything the Prime Minister (Mr. Trudeau) had promised just two months earlier. That was a third violation of a commitment. Under the Prime Minister we now have, there were three broken promises in the fall of 1973.

Then there was an election. The NDP got their just reward. The Liberals, I suppose, got theirs. They were re-elected a majority government. They sat down and produced a new energy policy called "An Energy Strategy for Canada: Policies for Self-Reliance." In it they stated, "It is clear, therefore, that a viable national energy strategy requires consultation and constructive co-operation with and among provincial governments." For a while they lived up to that. In fact an agreement was reached. Finally, there was agreement in 1975 that we move to world prices, there would be an escalation of \$1 every six months, and the federal government imposed a ten-cent excise tax to help finance the subsidy for imported oil.

Lougheed formally declared peace on December 30. In fact for two years everything went along reasonably well. The industry prospered. We started working toward self-sufficiency. Then the end of that Liberal government's term of office came along. On September 27, 1978, energy minister Alastair Gillespie announced unilaterally that \$1 increase scheduled for July 1 would be cancelled. That was a unilateral decision in violation of what was then a written contract. It was the fourth direct violation of a promise. It was a written contract they had violated. They broke their word for the fourth time.

Mr. Lalonde: Lougheed agreed to it.

Mr. Andre: Later, after some concessions. He did not agree to it on September 27.

Mr. Baker (Nepean-Carleton): Marc, you listen to a good speech and stay quiet.

Mr. Lalonde: Agreed.

Mr. Andre: In March, 1979, the Prime Minister called a federal election for May 22, declaring that Canadian energy needs were too vital to be left to Exxon or the Alberta government. There we are. There is the history of broken promises, the chicanery, the dishonesty, the kind of dealings one would not expect from an enemy, let alone your own national government. That is the legacy.

If anyone wants to know the root of western alienation, look at this history of broken promises. If you want to know the root of the distrust shown by the people for the federal government, look at how the federal government has behaved—broken promise after broken promise after broken promise, and violated written agreements. That was up until the election of 1979. Since their return to power, the dishonesty has become worse.

During the summer we had the charade of so-called meaningful negotiations by the minister. We had the details laid out in the Alberta legislature. We know what actually happened at those meetings where the minister said he was negotiating in good faith. There were no such negotiations in good faith.

Then there was the advertising campaign. Incredible! George Orwell's 1984 personified right here in this strategy document for this energy advertising campaign. Then we have the malicious distortion of the energy pricing agreement which had been worked out between the Clark government and the Alberta government when the minister sent out his poor embarrassed officials to make the presentation on what gas prices would be under that agreement.

We then have the utter distortion on revenue sharing. It is interesting to note when various spokesmen from the other side talk about how the revenues from oil and gas are shared, they never talk about it at the pump where the consumer pays for it. When a consumer pays \$1 for gasoline at the pump, 22 cents goes to the federal treasury, 22 cents to the Ontario government, and 18 cents to the Alberta government. Those kinds of proportions are never mentioned. What they keep saying and various ministers keep repeating by rote, even though they know not what they are saying, is that the sharing formula is 45 per cent province, 45 per cent industry, and 10 per cent feds.

What price are they talking? That is the \$16.75 which bears no relation to the market or the world price. They keep saying that in Texas the state government only gets something like 20 per cent, and Alberta is getting 45 per cent. The reality is that the state of Texas gets more per barrel of oil. I believe they get \$6.50 where the province of Alberta gets \$6.10. The state of Texas does not own the oil. It is privately owned.

What is the fair price that we should have? The minister has said many times that world prices have no relationship to reality. There are OPEC prices. Is that the real feeling? I refer hon. members to the November 22 edition of the *Toronto Globe and Mail* and an article by Hugh Anderson:

Pressed to the wall in an argument, and speaking "for background" only, federal energy officials will concede that keeping the domestic price of Canadian oil far below the price of imported oil makes little economic sense. There is currently a difference of about \$20 a barrel.