Oil Export Tax

of increased Canadian participation in this future growth—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but the time allotted to him has now expired.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I wish to take only two or three minutes. As my colleague, the hon. member for Nanaimo-Cowichan-The Islands, and I have already indicated, the terms of the amendment to clause 11 which we are now discussing are in accordance with negotiations that took place during the past day or two, so we support this amendment. In fact, it is clear that the tax on crude oil exported will become $6.40 a barrel in the month of February and remain at that level until the end of March, leaving to a later decision what may be done after April 1. We congratulate the government, even though there was some pressure from events and circumstances that forced the government to see things in this very wise way. In any case, we congratulate the government on having come through with this resolution in a difficult situation.

My main purpose in rising is to draw attention to a structural oddity which I think we are creating by the procedure we are now following. Before it was amended, Bill C-245 had in the main two parts, one part establishing a new piece of legislation to be known as the oil export charge act, the other part amending the Excise Tax Act. Once we cut out, as we propose to do, clauses 3 to 10, both inclusive, all that will remain of the oil export charge act will be two sections, one giving it a title, the other setting out definitions. There will not be anything in the oil export charge act that has any operative effect. There is nothing wrong with that. We can put all the acts we want on the statute books that say nothing. Of course, it is being kept there because there is a reference in clause 11 to the fact that all the words and expressions used in that part, in other words that part of the Excise Tax Act, shall have the same meaning as are assigned to them by the oil export charge act.

I realize this is a technical point to raise, but it seems it would have been less structurally odd if the definitions that are now going to be off by themselves in a piece of legislation called the oil export charge act could have been put in the part of the Excise Tax Act which we are amending by increasing the taxes provided by this legislation. It may be the minister has the notion that later in the year he will put some substance into the oil export charge act. However, I think it not out of place to point out we have produced a structural oddity. Nevertheless, as far as the substance of what we are doing is concerned, it has our support.

Mr. Nystrom: Mr. Chairman, I wish to say a few words on the clause before us. First, I am pleased there has been an accommodation with regard to extending the export tax for a few more months. Coming from the province of Saskatchewan as I do, there are couple of things I want to urge on the minister with regard to the federal government's position over the oil industry in this country. I am not trying to be particularly parochial or provincial when I remind the minister that the resources of this country are under provincial jurisdiction and, as much as possible, the benefit of those resources should accrue to the various provinces in which they are found.

I would not be so tempted to raise this point if the policies that are followed by this government applied to other resources as well as oil. As the premier of my province asked the federal government, why just oil? I want to ask why other natural and mineral resources have increased drastically in price in the past year. Just this past weekend International Nickel announced that the price of nickel would increase by 6 per cent in this country. Iron and steel prices have increased in Canada. Many economists, particularly in the United States, indicated recently that other commodities such as iron, steel, aluminum, copper and so on might rise very drastically in price in the next few months.

I am in favour of a domestic price for oil. However, I suggest we should also have a domestic price for other commodities such as iron, steel, copper, aluminum, nickel and so on which are found right across this country. The time has come when we can put domestic price controls on commodities which we produce in this country, even though they are now controlled by multinational corporations. For example, why should we in Saskatchewan have to pay world prices for the steel and aluminum that go into our farm machinery when many items our farmers produce are being sold in Canada at domestic prices. When considering oil, I urge the government to think about all resources. There should be a domestic price for all natural resources in this country and an export tax should be imposed on them as well as on oil. If that were done, the oil producing provinces would not feel as though they were being discriminated against. There would be a greater sense of fairness.

● (1710)

Another point I wish to make is that it is time Ottawa took some of the prairie problems more seriously. If we are to make certain sacrifices in the area of gas and oil, it is about time there was a quid pro quo and Ottawa listened to the grievances we have concerning the freight rate structure, the stabilization of farm income, the development of secondary industry, and so on. If some of these things were done, if the federal government were to act rather than simply make promises, there might be a better atmosphere at the conference to be held in this city later this month.

The previous speaker said there was a lack of confidence among those engaged in the gas and oil industry and that unless we were careful, exploration and development would cease. I do not believe this. In any case, I do not really care, because I think exploration in this field should be carried out under public ownership. This is what the New Democratic Party and the government in my own province would like to see done. Practical steps toward this end were taken in the legislature of my province during the month of December. There is no reason why we cannot move in this direction. Revenues from the export tax could be used to develop the tar sands and to improve transportation facilities. A quick calculation shows that at the rate of $6.50 a barrel revenue from the tax will represent some $180 million. There is no reason why this sum should not be used as equity capital for the development of the frontier areas of this country under joint federal-