

*Taxation*

allowances, old age security pensions and guaranteed income supplement and help those who need it the most to assume the burden of cost of living increases which, as I noted earlier, also include energy price increases.

● (1650)

[English]

**The Assistant Deputy Chairman:** I recognize the hon. member for Sarnia-Lambton.

**Some hon. Members:** Hear, hear!

**Mr. Cullen:** Thank you, Mr. Chairman.

**The Assistant Deputy Chairman:** Order, please. It may be that the hon. member for Mississauga South wants to seek unanimous consent to make a last comment.

**Mr. Blais:** No.

**The Assistant Deputy Chairman:** But other than that, the time allotted to him has expired. Perhaps I should explain that in Committee of the Whole, the time allotted to individual members takes into account the time used by the minister in replying.

**Mr. Blais:** Agreed.

**The Assistant Deputy Chairman:** The Chair will recognize the hon. member for Sarnia-Lambton.

**Some hon. Members:** Hear, hear!

**Mr. Cullen:** I thank the hon. member for Mississauga South for being so reasonable in his understanding of the time available. I make no comment on the fact that he is leaving because many of us must attend committees. I have just come from a committee myself.

Needless to say, as an individual who represents an area which has been called, at least in our part of the country, the centre of the petro-chemical industry, I have a very vital interest in the National Energy Program and, more particularly, in the negotiations which were carried on, happily and satisfactorily to the benefit, or at least to the mutual credit, I would say, of the three producing provinces and the federal government.

I read the speech of the hon. member for Calgary Centre with some interest and it made me realize why we sometimes have difficulty getting our messages across in western Canada, because without any Liberal members in the province of Alberta, all we hear, of course, is one side, or all that the people of Alberta are hearing—

**Mr. Siddon:** Why can't you elect any?

**Mr. Cullen:** —is one side of the energy issue, as though the federal government were doing something unique in endeavouring to secure some revenue from the production of oil in the province of Alberta. An hon. member across says to get out and tell them. I certainly do tell them, at every opportunity.

**Mr. Siddon:** How do they receive you?

**Mr. Cullen:** They receive me very well because they are quite often surprised to hear that there is another side to the issue and that countries with oil production feel it is appropriate to receive revenue when they sometimes give depletion allowances and, in other cases, capital cost allowances. They are all significant areas of federal tax concessions which made it possible to discover this oil in the first place. Legislation was passed which stated that we would pay more than the world price for oil so that the oil industry could be developed. I think that that was an appropriate and co-operative effort, and the people of eastern Canada were prepared to go along with that.

When one speaks in a reasonable and rational way with the people of western Canada, they are prepared to appreciate that the federal government, given its myriad responsibilities and the concessions of the Canadian taxpayers right across Canada, is certainly entitled to some revenue from oil production. The hon. member for Calgary Centre has a rather selective memory of the history or sees fit to ignore it, because Premier Lougheed proceeded in the past in a way which was not as democratic as we had a right to expect.

I remember, and it was not that long ago, that we had a one eighth royalty for oil which was allowed by the federal government as an expense of doing business, finding the oil, producing the oil and marketing the oil. Overnight, the government of Alberta made a decision to move from that one eighth royalty to a 45 per cent per barrel share of the benefits from the production of oil. At that time it was not the federal government which took the initiative in condemning this particular move; rather, it was the multinational corporations. I well remember the president of Imperial Oil, and I believe he was the chief executive officer, Mr. Twaits, who said that Premier Lougheed had thrown away the rule book. There was certainly no consultation or discussion with the federal government. As I understand it, there was not even any discussion with his provincial counterparts. Simply on his own initiative, unilaterally, that whole system of one eighth royalty for oil moved up to 45 per cent overnight. What a bonanza there was when the OPEC countries said, "No, we will not allow oil to be priced at \$3 or \$3.50; we will quadruple the price of oil overnight." There was Premier Lougheed with his 45 per cent share, finding that he could not spend all that money. Hence the birth of the Heritage Fund.

I do not begrudge Alberta's Heritage Fund. I do not begrudge the people deriving a significant benefit from a natural resource which is in their particular province. The Constitution was amended because the federal government formerly had title to the natural resources in the provinces. In the interests of giving the provinces some economic benefit, it was amended so that they could have ownership of these natural resources. Surely, in the long run, Canadian federal