this bill an amendment, by way of unanimous consent, to the ways and means motion and the bill to substitute a maximum level of, say, $10 in place of the presently proposed $4 limit.

I am confident that all members of the House will agree that this bill should be dealt with on a basis which sensibly reflects not only the current realities but also the range of future possibilities. There is no intent, in suggesting that figure or any figure, to lead prices but merely to assure enough flexibility in this measure to meet possible future international price moves. If the House were to allow the amendment to be put and, further, agreed to the amendment, then the governor in council would likely set the charge at an average rate in the range of $6.50 for February. Hopefully, it will not be necessary to set a higher charge for subsequent months. However, I cannot emphasize too strongly the need for parliament to enact a statute which permits the government to pursue a course of action which properly meets the situation as it may emerge in the months ahead.

The voluntary price restraint, combined with the export tax, has produced substantial benefits for Canadian users of domestic oil. I recognize, however, that it has also reduced the oil revenues which the governments of the four western provinces would otherwise have received. The bill provides, therefore, for sharing the proceeds of the export tax to January 31 on a 50-50 basis with these provinces. The shared revenues would be distributed among these provinces according to each province's share of total oil production. I feel that the bill provides for distribution of the export tax revenues which is clearly equitable. The 50-50 division would compensate provincial governments for the revenues forgone as a result of the price freeze. They would be reimbursed for royalty revenues and the corporate income and other tax revenues forgone in respect of their total oil production during the relevant period of four months.

On the other hand, it is evident that a new national oil policy based on a capacity for self-sufficiency in oil and oil products will require certain commitments and important financial outlays at the national level. Such measures would include research and development expenditures on western oil and other energy resources, the provision of additional oil pipeline facilities and a guarantee of expanded domestic markets for western oil. Requirements such as these provide a clear case for a reasonable national share in the export tax revenues already collected, and in future export charges.

More broadly, however, I believe that the great majority of Canadians fully support the principle that there must always be a reasonable sharing of income and wealth among all our regions and all our citizens. That is a principle which goes to the heart of national unity in a federal system of government. It is the basis for the whole fiscal system of taxation, spending and transfer payments which has steadily evolved over many decades. Certainly, confederation is not based on any notion that federal revenues derived from economic activity or wealth in a particular province should as a matter of course be returned solely to that province. If that were to be the nature of confederation, we would be hard put to call ourselves a country.

As I mentioned previously, the export tax would be replaced after January by the tariff of charges as the means for securing appropriate export revenues for Canadians. The level of those revenues, and their disposition, will be related in part to the petroleum legislation recently enacted by Alberta and Saskatchewan. The Alberta legislation provides for the establishment of a petroleum marketing commission with the power to sell, as owner or as agent, all oil produced from Crown lands. That province has also indicated its intention of introducing substantially higher royalty rates on oil and gas production. In Saskatchewan's case, the new legislation provides for a royalty surcharge on all production from Crown rights.

Either of these provincial instruments could be used to influence the ultimate price to Canadian consumers of Canadian oil and thereby undermine the domestic price freeze. Such action would affect, in turn, one side of the equation which determines the level of the export charge. The application of these provincial instruments, as well as other factors bearing upon the level and disposition of the export charge revenues, will also be discussed by first ministers at the energy conferences in three weeks' time.

In summary, Mr. Speaker—and I thank the House for its patience—the bill provides for an export tax on crude oil covering the period October, 1973, to January, 1974, the revenues from which would be shared with the oil exporting provinces. It also provides for a flexible tariff of charges on oil exports commencing February, 1974. As I have said, however, I am hopeful that the House will be prepared to give unanimous consent to amendments necessary to bring the bill into line with the new situation precipitated by the most recent jump in international prices.

In these proposed measures we have attempted to strike a balance between the interests of the Canadian consumer and those of the oil producing provinces. We have also tried to ensure a reasonable return for all Canadians from the export of our oil resources. Having in mind the importance of the principles at stake and the major dimensions of pricing, taxation and revenue involved, I trust that the bill will be received with understanding by the members of the House.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in addition to dealing with the bill before the House, the Minister of Finance (Mr. Turner) made certain references to and discussed briefly, at least, some of the international problems—probably of increasing intensity—which result from the rapid and very substantial increase in the price of oil being exported by the oil producing countries. There seems to be no doubt that this situation will produce international exchange problems of massive proportions. It is difficult to see how this will not have important consequences for Canada although it may be difficult to foresee exactly what they are. Anything that threatens to disrupt international monetary stability of the scale these price increases for oil are likely to create, anything that brings about such worldwide instability in terms of international exchange is bound to have very important consequences for a trading nation like ours.