

*Oil Export Tax*

member of the federal House of Commons on a matter of great concern to all Canadians. I was a little surprised that, having made such a statement, he should have gone on to make less than complimentary remarks about people from other provinces. Nevertheless, I think it important to remember that we are not here today debating provincial rights or similar issues, but the evolution of a policy which will be fair and appropriate for all Canadians.

It seems to me that in his speech yesterday the Minister of Finance (Mr. Turner) did succeed in stating the problem. The situation is now clearly defined. The position, as put forward by the Leader of the Opposition (Mr. Stanfield), is that we in this party support the proposition that the export tax should continue through a further two months; we would do everything necessary in the House of Commons to make this possible, so that the government would not be left without the capacity to deal with any situation which might arise in the course of the next quarter of the year.

It is an entirely different proposition, however, to ask parliament to give permanent sanction to a proposal which would change dramatically the whole budgetary procedure upon which this House has operated in the past, especially in the absence of further information as to what is involved. The Minister of Finance has been placing great emphasis lately upon the uncertainty in the economy. I agree with him that there is uncertainty, and it seems to me this is one of the major reasons the government should not be pushing, now, for the permanency of any proposal, but should be supporting flexibility.

My heart was warmed yesterday when the Minister of Finance intimated, during an answer given in the question period, that he would have something to say about the Canadian economy in the course of the debate. Indeed, in the opening part of his address he said he would talk about the Canadian economy. He did remark that we probably are facing the most unique situation we have faced in the recent history of the economic development of Canada, and that the policies we are going to follow now, or that may be followed now, will have deep ramifications for the development of the nation.

• (1410)

I was very disappointed that beyond those opening remarks, and that genuflection toward the economic situation, he did not say much more about it; he did not give us much more of the government's thinking on what is going to happen to the economy as a whole. I agree with him that we are possibly at a watershed in terms of economic development in Canada. What we do here in the next few days may have a great impact on the way this nation develops in the future and I am sorry he didn't say more. About his thinking on the economic issues. There is no question, now that the energy crisis has evolved, that there is a whole new pattern of economic forces operating in the world, forces we have a great responsibility to deal with in an effective and responsible fashion. The minister mentioned only one but I should like to mention four.

The first thing that has happened as a consequence of the oil crisis, as it is now known, has been a major change in the international balance of payments of a great many

countries. I do not need to review or recite again the difficulties which are going to be experienced and are being experienced by the European Common Market countries, by Japan and by the United States. The increase in the price of energy and in the price of petroleum products from OPEC countries is bound to have an enormous impact, either directly or indirectly, on the balance of payments positions of these countries. But the problem for these nations is nothing compared to the difficulties which are coming about for some of the less developed countries. It is hard to keep up to date with the statistics because prices change so rapidly, but some of the prices now being quoted could result in taking the entire surplus balance of trade of some countries, simply to pay for energy imports.

Associated with the balance of payments difficulties is the fact that the OPEC countries are going to have enormous surplus reserves. What are they going to do with them, where are they going to put them and what will happen to them? Those are questions about which every nation is enormously concerned. Moreover, what happens to the exchange rates if in fact the United States buys energy in the future at the high prices now being set in world markets. The net result will be that the value of the United States dollar will decline dramatically in world markets and there will be surpluses of United States dollars floating all over the world.

If that happens the price of U.S. goods sold outside the U.S. will be cheap compared to the prices of goods from other countries. Will countries be willing to have the United States flood the world with low priced goods and services because of the oil problem? Not likely! The possibility of increases in tariffs along with other measures designed to impede world trade will be great and cannot be under-estimated. The other possible impact of such an international monetary situation, could be, if we have that sort of devaluation, enormous inflation. People keep wondering why there is so much inflation in Canada and in the United States; certainly one of the reasons has been the devaluation which has taken place in our currency in foreign markets. This condition could be exacerbated if the international situation with respect to balance of payments deteriorates.

I am slightly distressed at the position Canada is taking in this matter—one of wait and see. During periods of uncertainty, it is important to watch how a situation is developing, how it is going and how it is moving, but Canada has a long, important and significant tradition as being a leader in the development of ideas for dealing with international monetary situations. I am sure the Minister of Finance will recall that when the Breton Woods Agreement was established it was often known as the "ABC" agreement; The American, British and Canadian agreement. Canada, for a long time, certainly after World War II, was a leader in developing ideas as to how to deal with international problems.

One of the reasons we in this party were very disappointed that before the Canadian delegation went to Nairobi last spring we were unable to get a statement in the House of Commons as to Canada's position, was that we were therefore unable to debate international monetary matters in the House. We felt it was important for