

Oral Questions

increasing competition in the rubber industry with a \$50 million DREE grant to the Michelin tire company, and did he take into account that with the slowdown in the automotive industry, with which he is very familiar, there would be substantial lay-offs in the tire industry?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, when looking at these questions it is customary to examine all aspects connected with them. I should point out to the hon. member that the decision of the government on this matter was made in March, before a final decision was taken on the Michelin application.

Mr. McLean: Madam speaker, I should like to put a supplementary question to the minister, in light of his response. Is it part of the foreign investment policy of this government to let non-North American rubber companies establish in Canada at the expense of workers employed by North American-owned subsidiaries?

Mr. Gray: Madam Speaker, the purpose of the law is to provide significant benefit to Canada for transactions covered by it, and this is the way the law is applied by this government.

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[Translation]

AGRICULTURE

FINANCIAL ASSISTANCE FOR HOG PRODUCERS

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, I should like to put a question to the Minister of Agriculture, but in his absence I will direct it to the parliamentary secretary.

With regard to hog producers who made representations through organizations such as the APU and the Federation of Pork Producers to the effect that they had problems due to the difference between the cost price and the real selling price, I would like him to tell us what is the situation of those people and what are the alternatives offered to them by the Department of Agriculture and the Agricultural Stabilization Board?

Mr. Marcel Ostiguy (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, the Department of Agriculture is now considering the data, that is, the number of hog producers throughout Canada, and as soon as those studies are completed, we will advise the House of its decision.

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[English]

INDUSTRY

HAMILTON, ONT.—EXPANSION OF FIRESTONE TIRE AND RUBBER PLANT

Mr. Bill Kempling (Burlington): Madam Speaker, my question to the Minister of Industry, Trade and Commerce relates

to the question put by my colleague. Was the minister aware that Firestone Tire and Rubber, of Hamilton, had committed \$12 million to expansion of their facility to manufacture earthmover tires and other large tires of the same type as will be imported into Canada from Finland as a result of the approval by FIRA of the request by Nokia of Finland?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, unfortunately, I am inhibited by the present terms of the Foreign Investment Review Act from going into the details sought by my hon. friend. It is customary for the agency to seek the views of other departments which have knowledge of these matters, and these procedures were followed.

Mr. Kempling: Madam Speaker, the Minister of Industry, Trade and Commerce has on his desk a study prepared by the rubber industry of Canada, recommending that he allow the industry to rationalize production in order that it may develop economies of scale and so reduce its costs and receive the benefits of those economies of scale. The minister has had that study on his desk for several months. When is he going to reply to the Canadian rubber industry?

Mr. Gray: Very soon, Madam Speaker.

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ENERGY

ROYALTIES ON OIL FROM CROWN LANDS—GOVERNMENT POSITION VIS-À-VIS ALBERTA

Mr. Bill Yurko (Edmonton East): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources, but it could just as easily be answered by the Prime Minister or the Minister of Justice.

The minister knows that the government of Alberta passed legislation in 1974 to take its royalty share of oil in kind. Therefore, approximately 40 per cent of all oil from Crown leases leaving the Alberta border is royalty, or Crown-owned oil. May I ask the minister if the province of Alberta can legally and unilaterally establish the Alberta border price of the royalty share of the flowing oil and be within the constitutional correctness of the nation; that is, without circumventing the federal powers over interprovincial trade and commerce?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, in view of the hon. member's experience as a legislator, I am sure he knows that the rules of the House prohibit a minister giving a legal opinion on the floor of the House. There are paid lawyers who are trying to get clients to get this kind of information. But I think Beauchesne ruled a long time ago that this is unfair competition.

Mr. Yurko: A supplementary question, Madam Speaker. Has the minister, or has his colleague the Minister of Justice, done a major legal analysis of a province's constitutional right to establish the border price of the province's ownership share, or royalty share, or Crown share of a resource such as elec-