

industry in Canada should Saskatchewan increase the price of its crude oil as suggested by about \$2 per barrel?

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, the impact of further price increases at the instance of any of the producing provinces is a matter that has been under study.

#### OIL PIPELINE EXTENSION TO MONTREAL—STEPS TO AVOID DELAY IN COMMENCEMENT OF CONSTRUCTION

**Mr. David Lewis (York South):** Mr. Speaker, I should like to ask a question of the Minister of Energy, Mines and Resources arising out of a story in this morning's *Montreal Gazette* that the president of Interprovincial Pipe Lines, Mr. Waldon, appears to be of the opinion that work on the extension of the pipeline to Montreal may not be started or will not be started until the spring of 1975, with the result that there will be another year's delay in the pipeline coming on stream. Is the government taking energetic steps to avoid the delay which the president of Interprovincial Pipe Lines apparently expects and perhaps even welcomes?

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, it strikes me that Mr. Waldon's comments were related to the length of the regulatory proceedings that would precede construction and the possibility of telescoping the time frame of those proceedings without doing prejudice to the public interest required by the National Energy Board Act. This is something that we have had under discussion with the board.

**Mr. Lewis:** May I ask the minister what precise steps, if any, have been taken to make sure that the hearings by the National Energy Board will not take the time that Mr. Waldon suggests they might, and whether in fact the two sets of hearings might not be held simultaneously by panels of the board in order to avoid the rather dangerous delay suggested by the president of the pipeline company?

**Mr. Macdonald (Rosedale):** Mr. Speaker, we will want to respect the responsibility of the board toward its procedures, but we are bringing to the board's attention the general public concern that there should not be undue delay in this regard.

#### REPLY TO DEMANDS BY SYNCRUDE CONSORTIUM

**Mr. David Lewis (York South):** The Minister of Energy, Mines and Resources is, of course, aware of the fact that Syncrude made certain demands on the federal government. They first asked for a reply by November 16 and then decided to extend that a month to December 16, which is next Sunday. What demands has the Syncrude consortium made and has the federal government replied to any of those demands?

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, I believe my colleague, the Minister of Finance, has dealt with the response in relation to the taxation problem. I think a brief summary of that would be that the parties to the transaction have amended the nature of the transaction so that it would fit

#### Oral Questions

within the federal income tax law as it exists rather than requiring an amendment or some kind of special exemption. With regard to the question of pricing in particular, the companies had inquired as to the prospects of there being an assured price for the Syncrude product at a level which would enable the development to go ahead. We have indicated to them, in line with the comments made by the Prime Minister in his statement of last week, that a pricing policy would be envisaged which would enable higher cost resources to be brought on stream. One further element would be the risk of the project having to be run at less than optimum capacity because of shut-in requirements. We have agreed that the tar sands project, because of the necessity to have an optimum operation, would not be subject to the same risk of being shut in as would, for example, a conventional well.

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[Translation]

#### MANPOWER

##### LOCAL INITIATIVES PROGRAM—REPORTED KIDNAPPING OF TWO PUBLIC SERVANTS IN RIMOUSKI

**Mr. Réal Caouette (Témiscamingue):** Mr. Speaker, I have a question for the right hon. Prime Minister.

In view of the delays of the Department of Manpower and Immigration in accepting local initiatives programs, because of which two federal employees were kidnapped in Rimouski this morning, does the Prime Minister intend to intervene directly with the department to get those projects approved on the double?

[English]

**Mr. Mark MacGuigan (Parliamentary Secretary to Minister of Manpower and Immigration):** Mr. Speaker, the department is aware of this matter. The minister is returning from Toronto to give personal attention to it and in the meantime all proper steps are being taken.

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#### ENERGY

##### OIL—MEASURES TO ASSIST EASTERN CANADIANS TO COPE WITH HIGH PRICES

**Mr. Elmer M. MacKay (Central Nova):** Mr. Speaker, I have a question for the Prime Minister. In view of the right hon. gentleman's advice to eastern Canada two days ago, "If you cannot afford foreign oil, don't buy it," I wonder if he could indicate briefly what plans the government has for this winter, perhaps in conjunction with provincial administrations, to provide some alternative source of fuel, or does he have any policy in this regard?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I think the hon. gentleman has misconstrued my remarks.

**Mr. Hees:** You said it. We heard it. It is that simple.

**Mr. Trudeau:** The question seems to have been, what would we do to make sure that the price of offshore oil