

Oral Questions

Mr. Hees: No one, of course, has ever suggested that the permission of the United States should be obtained for an action of this kind. However, in view of the fact the United States has stated flatly that no prior notice was given, how does the minister justify his answer?

Mr. Macdonald (Rosedale): Mr. Speaker, I will have to re-examine the statement to see if the Americans said they had no notice because I think I can produce some facts to the contrary.

OIL—TWO-PRICE SYSTEM—REQUEST FOR CLARIFICATION
OF COMPROMISE—POSSIBLE ELIMINATION OF OTTAWA
VALLEY LINE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources arising out of his statement at the Liberal convention over the weekend.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Perhaps the hon. member for Nanaimo-Cowichan-The Islands might like to ask his question directly. I would hope the question period today would not be a series of questions based on statements made outside the House during the weekend.

Mr. Douglas: Can the minister give some clarification with regard to his statement that there has been a compromise on the two-price oil system? What change has there been, apart from the agreement to give to the oil-producing provinces some share in the 40 cents a barrel export tax, with which I think everyone would agree? Has there been any change in the pricing policy? Will the present freeze, announced on September 4, still stand and will the posted Montreal price come into effect only when a pipeline has been built into the province of Quebec?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, with regard to the latter part of the question, as I indicated to the Leader of the Opposition, the matter is under discussion at the present time.

Mr. Stanfield: It wasn't on Friday.

Mr. Macdonald (Rosedale): Read *Hansard*. With regard to the compromise, it was with the position that had been taken by a certain group at the convention that there should not be a two-price system. We were able to satisfy them that there should be such a system and, indeed, that the province of Alberta would share in the proceeds of such a system. I was glad that the Liberal leader in Alberta was able to give the premier of that province some leadership with regard to good compromising as a Canadian.

● (1450)

Mr. Douglas: In view of the minister's reply to a question put by my colleague from Sault Ste. Marie on September 10 to the effect that one million barrels of western crude had been moved to Montreal refineries, may I ask

[Mr. Speaker.]

the minister whether it is now his plan to virtually wipe out the Borden line so that petroleum and petroleum products can move freely across that line until such time as the pipeline is built, making the Borden line no longer necessary?

Mr. Macdonald (Rosedale): It certainly is one of the concepts, Mr. Speaker. Quite clearly the policy reasons for establishing the Borden line between 1959 to 1961 are no longer apposite. Very likely in due course the line may be eliminated. This is one of the questions that is to be dealt with in the context of determining the appropriate Canadian basing point.

OIL EXPORT TAX—CONSULTATION WITH ALBERTA PRIOR
TO IMPOSITION

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask the minister a supplementary question. In light of the questions put by the Leader of the Opposition on Friday asking whether there was consultation with Premier Lougheed and the Alberta government and the answer that they made no substantive comment about the matter, may I ask the minister whether there was definitely consultation with the Alberta government prior to implementing the 40 cents surtax on a barrel of crude petroleum? If so, when did the consultation take place and where?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it was the Minister of Mines and Minerals of Alberta and the discussion took place late Thursday morning and early afternoon.

Mr. Horner (Crowfoot): That was not consultation.

Mr. Macdonald (Rosedale): We presented the documents to him then and he accepted them, as I said, without substantive comment.

Mr. Woolliams: A further supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary North for a last supplementary at this point. Hon. members will appreciate that we are still on the first question after ten minutes. I will then recognize the hon. member for York South and the hon. member for Témiscamingue.

Mr. Woolliams: Thank you, Mr. Speaker. Before I put my question, I have in my hand the speech that the Premier of Alberta made to the Canadian Club of Calgary in which he said that this was a unilateral action on the part of the federal government, that there had been no consultation, and that this was thrust on the Canadian people by the government unilaterally. What does the minister have to say about that?

Mr. Macdonald (Rosedale): Mr. Speaker, I suggest that Premier Lougheed talk to his Minister of Mines and Minerals.

Mr. Speaker: I am sure that the hon. member for Calgary North and the minister will appreciate, as will all