

*Oral Questions*

National Revenue, but I will try and get some precise figures for the hon. gentleman.

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**ENERGY****GASOLINE—ALLEGED INCREASE OF TEN CENTS BY RETAILERS—GOVERNMENT ACTION TO PROTECT CONSUMERS**

**Mr. James Gillies (Don Valley):** Mr. Speaker, in the absence of the Minister of Consumer and Corporate Affairs may I put my question to the Minister of Energy, Mines and Resources. In view of the fact that there are reports that already the price of gasoline at the retail level has been raised by 10 cents, is the minister and the government making any move to stop this practice in order to protect consumers?

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** Mr. Speaker, as the hon. gentleman knows, the federal government has neither the power to control nor has attempted to exercise any control over the price at the retail level. The control that has been exercised in Canada for the last year and a half has been at the wholesale level. Some provinces, such as Nova Scotia, have enacted means of controlling the retail price. Other provinces, such as the province of Ontario, if there is general concern in this regard, will presumably follow Nova Scotia's example.

**Mr. Gillies:** A supplementary question, Mr. Speaker. Given the fact that the government introduced just the night before last a 10 cents increase, which we all realize is at the wholesale level and is already being passed through—obviously inventories are being sold now at this higher price—did the government put out any guidelines or give any premature indication to the provinces so that they, in fact, could make recommendations for control at the retail level?

**Mr. Macdonald (Rosedale):** Mr. Speaker, it has been a parliamentary tradition both here and in the United Kingdom that the contents of the budget not be broadcast in advance to anybody else. The obvious answer to the question is, of course, there was no broadcasting to the associations, to the individual companies or to the provincial governments on the nature of the tax, the guidelines or how it should be administered. The tax, in fact, will be levied on the particular companies on the basis of deliveries made after the effective date. Of course, inventories now in place at the retail level would not be exigible for tax. If the provincial governments have any concern about the administration at the retail level, of course, they will take their own responsibility.

**Mr. Gillies:** Mr. Speaker, I understand what the minister has said, but even though the government brought in the 10-cent increase in the price of gasoline last Monday night it made no provision, set no guidelines and did nothing to prevent the increase in the price being charged on inventory on hand, and accepted absolutely no responsibility for that situation.

[Mr. Turner (Ottawa-Carleton).]

**Mr. Macdonald (Rosedale):** No, Mr. Speaker, that is a false statement. I have just stated the guidelines to the hon. gentleman, that the gas tax will be exigible on the gas delivered after the effective date of the tax. What the hon. gentleman is talking about is unfair trade practices that might be engaged in by retailers at the retail level. If this practice is engaged in, then, it being primarily the responsibility of the provincial governments, we assume they will take action.

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**FINANCE****EFFECT OF BUDGETARY PROPOSALS ON ENERGY COSTS—REQUEST FOR ASSURANCE EXTRA REVENUE USED FOR EXPLORATION**

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, in view of the fact that the budget proposals will add nearly \$2 billion to energy costs in this country on the grounds that this will stimulate the exploration for and the finding of new supplies of oil and gas, I should like to ask the Minister of Finance whether he has made any estimate of how much of this added cost will go to the oil and gas companies, and whether he agrees with the figures which come from his budget that the resource tax will give the companies an additional \$40 million, that the rise in the price of oil, assuming they get at least 40 cents a barrel, will amount to \$240 million, and the increase in the price of natural gas will bring in another \$120 million, all being low estimates, totalling some \$400 million? What assurance does the minister have that this \$400 million windfall to the oil and gas companies will be used to stimulate further exploration for and the finding of supplies, over and above the present levels of exploration?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, the way the resource allocation allowance is cast and the way the incentives for exploration and development are designed, the companies will only benefit from the tax arrangements announced in the November budget, modified in the budget on Monday night, if they explore and develop in Canada. In other words, this tax system is now heavily levered in favour of incentives for exploration and development, and if that does not happen the companies will not receive the cash flow. Because the cash flow is tightly related to exploration and development, I am confident that the companies will react in this way.

**INCREASED REVENUES FROM OIL AND NATURAL GAS—AMOUNT TO BE ALLOCATED TO PETRO-CAN**

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, the exploration and development applies only to the \$40 million at the present level and will go up, of course, if exploration is conducted. Since the increase in the price of oil will reduce the government's deficit on its oil compensation payments to \$350 million, which will be met entirely by the 10-cent excise tax on gasoline, and the government will get additional revenue from the increase in the price of oil amounting to \$350 million, and \$100 million from the increase in the price of gas, meaning that the government will get \$450 million in additional reve-