House very shortly, and his Parliamentary Secretary is in the House, I believe.

Mr. Speaker: Does the Hon. Member for Vancouver Centre want to defer?

Miss Carney: No, Mr. Speaker. I should like to point out that the PIP grants were a subject matter introduced by the Minister of Finance, so he should be able to support his own legislation.

PETROLEUM INCENTIVES PROGRAM GRANTS PAID TO DOME CANADA

Miss Pat Carney (Vancouver Centre): Mr. Speaker, Dome Canada says it has invested $910 million in the Beaufort in the years 1982-83, but only $35 million was funded by the company. The bulk of the rest of the $910 million was funded by the federal Government and the Canadian taxpayer. If the company will not put up more of its money to explore for oil and gas, how can the Government justify giving Dome more money in PIP payments than any other company in the oil patch?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Minister of Energy, Mines and Resources has arrived in the House and I am sure that the Hon. Member will be happy to ask him questions.

I should like to point out to her, however, that the PIP grants are used for exploration purposes. The money has been spent on research for oil and gas resources in Canada's offshore and northern Territories. The money has been spent in Canada by a Canadian controlled company, to find oil and natural gas in this country. The money has not been wasted; it has been used for that particular purpose.

As to her second point, I remind her that the PIP grants replaced the previous system which was even more generous and in some instances allowed some companies to get extremely large compensation; as a matter of fact, some would argue even more than they were actually putting in. What we have done is institute a system which favours Canadian owned and controlled companies which the Leader of the Opposition wants to do away with, which the Leader of the Opposition has said he would remove in order to treat the multinationals in the same way as Canadian companies. We have said that we are going to favour Canadian companies, and this is what we have done and will continue to do.

Mr. Dick: You lie.

Mr. McDermid: When did he say that?

CANADIAN OWNERSHIP CHARGE

Miss Pat Carney (Vancouver Centre): Mr. Speaker, although the Minister of Energy, Mines and Resources is now in the House, I feel that my third supplementary is more properly directed to the Minister of Finance.

Through the Canadian Ownership Charge on gasoline, Canadians have built up a $500 million safety net specifically earmarked for refinancing Dome Petroleum which, as the Minister knows, has not yet signed a deal with its banks. In last week's Budget the Minister of Finance said it was unlikely that Dome would require federal assistance and that the $500 million earmarked for Dome was lumped in with general revenue. How can the Minister justify withdrawing the safety net which was specifically earmarked for Dome's use in an emergency situation, which it may now face?

● (1420)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have provided a fund to help Dome, if it is needed. I said in my Budget that it was unlikely that the company would need it because it has taken steps to refinance itself purely through private arrangements. However, we have an agreement with Dome and with the banks involved in financing Dome, which would provide for a safety net. If it is required, obviously we will live up to that agreement. However, at the present time the Dome corporation has indicated that it was not interested in this particular arrangement which was arrived at and that it was working at arriving at another arrangement, without government support and participation, which we welcome.

TRANSFER OF CANADIAN OWNERSHIP FUND INTO GENERAL REVENUE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Minister of Finance. When the Canadian Ownership Charge was instituted in 1980 in the Budget of that year, the Government said that the Charge would go into a separate fund, the Canadian Ownership Fund, and I quote, "And this would in no way affect the Government's deficit." However, in the Minister's Budget of less than a week ago, the Minister has not only taken $500 million from the fund earmarked for Dome, but he has abolished the fund and put all of the proceeds for this year, $840 million, into general revenue in order to reduce his deficit. How is that justified in view of the purposes of this fund? How can the Minister take the risk?

How can he say, as he said, "It is very unlikely that Dome Petroleum will require federal assistance", when just six days later it is becoming evident that Dome Petroleum will very likely require federal assistance, and the $500 million is gone, taken by the Minister to reduce the deficit artificially?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have just indicated to the previous speaker that in the view of the Dome corporation, it was not going to need the support which had been provided for in a previous agreement arrived at a couple of years ago. We have acted, and we are still acting on that basis. As I stated, it is unlikely that the support provided for will be required and, if it were to be required, obviously the Government would live by the agreement which we arrived at before.