

Oral Questions

city of Toronto in particular, proceeding with the Pickering airport and bring an end to this question.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I think the right hon. gentleman knows how this country works.

Some hon. Members: Hear, hear!

Mr. Fairweather: Explain.

Mr. Marchand (Langelier): Yes, I will explain. Airports are under federal jurisdiction, but that does not mean that we should not take into account the recommendations made by an important body in the city of Toronto. I know very well that in Toronto there are many other institutions which support the airport, and the federal government will have to make up its own mind. I know that in Quebec, for example, there was a fight as to whether the new airport was to be in the south or the north part of the province, and we had to decide. It is our responsibility to take all these factors into consideration, but we are not ready, and I think the right hon. gentleman would not have been ready, to switch the responsibilities of the federal government to any of the municipalities in Canada.

Mr. Diefenbaker: Mr. Speaker, I make the general observation that the hon. gentleman knows how things work. I am not trying to find out how things in this country work, but how things in the cabinet work when the cabinet arrives at a decision. In view of the definite recommendation of the people representing the city of Toronto who know something of the problem—it would be interesting to know the views of the minister in charge of housing in this connection—will the minister give reconsideration now to a matter which looks, on the face of it, to be a vast waste of money for this country as a whole.

Mr. Marchand (Langelier): Mr. Speaker, the government is taking this problem very seriously; otherwise, it would have said, "The Gibson report just confirms what we thought; let us proceed." Notwithstanding the report of Mr. Justice Gibson, we decided to take a third look at the problem, to be sure we do not make mistakes and that we are acting for the welfare of the country.

Mr. Diefenbaker: Mr. Speaker, we now have the answer. The government is again looking over the matter. That is what I endeavoured to find out at the beginning and I compliment the minister for letting the House know what is going on; because, if this is properly looked into, they will not proceed with that airport.

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FINANCE**POSSIBILITY SYNCRUDE PARTNERS CAN WRITE OFF INVESTMENT—GOVERNMENT POSITION**

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a question to the Minister of Finance—

Some hon. Members: Good bye, Barney.

Mr. Hees: He is getting out while the going is good.

[Mr. Diefenbaker.]

Mr. Broadbent: Mr. Speaker, I am sure the minister is opposed to the airport, as well. May I direct a question to the Minister of Finance. Will the minister clarify for the House the precise nature of the tax benefit available to the partners who have entered into the Syncrude project. Specifically, will the minister confirm that as a result of the partnership structure of Syncrude, the oil companies will be able to write off the amounts they have invested in the Syncrude project and deduct that amount from their other corporate income.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if the hon. gentleman reviews the tax law as it existed when the Syncrude agreement was signed, namely, before both the May and November budgets, he will ascertain the tax régime which was in force before that particular agreement. Basically, it provides that the income attributable to the province of Alberta under the joint venture agreement will not be attributable to the companies for the purpose of federal income tax.

REQUEST FOR ESTIMATE OF TAX REVENUE IF SYNCRUDE A CORPORATION RATHER THAN PARTNERSHIP

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I take it that the minister's answer is, yes, they will be able to write off their expenses. May I ask a supplementary question. Perhaps the minister will clarify this answer. Presumably, his department did an estimate on how tax revenue would be affected, depending on the kind of structure adopted by the companies engaged in the Syncrude development. Did the department estimate what the revenue loss would be if Syncrude were established on the basis of a partnership, as against the amount which would accrue to the public treasury if Syncrude had been set up as a normal corporation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there are lots of variables in any estimate, including cost, marketability, tax régime, eventual price, and volume, so that estimates would be available to the government but would depend on a wide range of assumptions.

POSSIBILITY OF ATLANTIC RICHFIELD RECOVERING INVESTMENT IN SYNCRUDE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I thank the minister sincerely for his skilful answer. May I ask a final supplementary question. Has Atlantic Richfield lost all the money it originally invested in Syncrude, or is the company to be compensated for it in any way as a result of the new agreement entered into by the government and the companies.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, subject to confirmation, my understanding is that the Atlantic Richfield investment, which is variously estimated at between \$30 million and \$50 million, will be lost to that company.