

Oral Questions

cover? Was it merely conventional oil or was it to be an average price for all oil bought domestically from Alberta?

● (1120)

Mr. Sharp: Mr. Speaker, the only price that was discussed during the meeting of the first ministers was a wellhead price of \$6.50 plus transportation costs. There was no discussion during the first minister's meeting of any differentials.

Mr. Lewis: In view of what appears to be the fact, that the average price of a barrel of oil at the wellhead during the frozen price period was about \$3.85 rather than \$4, taking into account the lower price for conventional and the higher price for unconventional, can we have an assurance from the government that it will not agree to any further increase per barrel at the wellhead and that \$6.50 is to be the average price for all oil shipped out of the producing provinces?

Mr. Sharp: Mr. Speaker, after the meetings were concluded the province of Alberta decided unilaterally that there should be some small increases for certain special kinds of oil. This was not discussed during the first ministers' meeting. The average increase in price is so small, however, that the government is not disposed to question this action of the government of Alberta.

Mr. Lewis: Do I gather from the Acting Prime Minister that a decision has already been made for increased prices for certain types of oil, or is this still a matter of discussion between the federal government and the Alberta government?

Mr. Sharp: Mr. Speaker, this is not an issue that we think would justify the reassembly of the first ministers to discuss this question. Basically, agreement was reached at \$6.50. The province of Alberta has, as I have said, unilaterally decided to allow certain premiums for certain special types of oil. This was not discussed with any of the prime ministers, including the Prime Minister of Canada, at that time. I repeat what I have said, that in comparison, of course, with the \$10.50 external price, this is a very small margin and we are not disposed to fight with the province of Alberta over such a small amount.

SETTING OF PRICE FOR OIL PRODUCED FROM TAR SANDS OR EXTRACTED FROM NATURAL GAS

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I have a supplementary question for the Acting Prime Minister for the purpose of clarification. What is the position, specifically, with reference to synthetic crude produced from the tar sands and oil extracted from natural gas? Is it the position of the government that the prices for such oil will be set by the provincial government of Alberta without any further suggestions from the federal government?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the province of Alberta has issued a price list which does include some premiums of this kind. This is a decision that is, of course, within the right of the province of Alberta. The figures are so close and involve such

[Mr. Lewis.]

relatively small amounts that, as I have said, we are not disposed to make it a great issue.

* * *

[Translation]

AGRICULTURE

DAIRYING—POSSIBILITY OF INCREASING MILK SUBSIDY

Mr. Gilles Caouette (Charlevoix): Mr. Speaker, I have a question for the Acting Prime Minister.

In view of the expected increase in the cost of milk early this summer, which will bring its retail cost up to 43 cents a quart, can the minister say whether the cabinet is studying the possibility of increasing the 5-cent a quart subsidy that already applies?

[English]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we are not considering this question at the present time.

[Translation]

Mr. Caouette (Charlevoix): Mr. Speaker, I have a supplementary.

Can the minister say whether the cabinet is now studying the possibility of granting a milk subsidy, not to the producers or distributors, but to the consumers?

[English]

Mr. Sharp: Mr. Speaker, the subsidy that the Canadian government has paid, which is very substantial and is helping keep down the price of milk, does go to the producer.

[Translation]

Mr. Caouette (Charlevoix): Mr. Speaker, I have another supplementary.

Can the minister say whether the cabinet has looked into the possibility of granting a compensated discount on food retail costs?

[English]

Mr. Sharp: Mr. Speaker, I will take notice of this representation.

FEDERAL MILK SUBSIDY—APPLICATION TO YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary for either the Minister of Agriculture or his colleague, the Minister of Indian Affairs and Northern Development. Since the milk subsidy of the federal government is, I understand, now applicable to all ten provinces, when is the government going to apply that subsidy to the remainder of Canadians living above the sixtieth parallel?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am not sure if the hon. member means the five cents a quart subsidy.

Mr. Nielsen: That is right.