

QUESTION PASSED AS ORDER FOR RETURN

LIP AND OFY GRANTS

Question No. 2,472—Mr. Alexander:

1. For the years 1971, 1972 and 1973 to date, how many LIP grants, as well as OFY grants, related to the constituencies of Hamilton East, Hamilton-Wentworth, Halton-Wentworth, Hamilton Mountain and Hamilton West, were submitted, rejected and approved?

2. By constituency (a) how much money was involved in each of these categories (b) how many and what LIP projects were (i) extended (ii) for what length of time (iii) how much money was involved?

Return tabled.

● (1440)

Mr. Clark (Rocky Mountain): Mr. Speaker, I draw the attention of the parliamentary secretary again to starred question No. 2436 which has been standing in my name since June 21, relating to the staff, if any, of the Minister of State responsible for multiculturalism.

ORAL QUESTION PERIOD

[English]

ENERGY

OIL EXPORT TAX—GOVERNMENT POSITION IN LIGHT OF OBJECTION—PROVINCIAL SHARE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Are the minister and the government firmly committed in principle to the export tax on petroleum that has been announced, or is this an interim measure that is subject to review and revision upon consultation with the provinces particularly the producing provinces?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think I would have to say that the separation of the price for sale in the United States from the price in Canada, so that Canadians will not have to pay whatever accelerating prices American customers will have to pay from time to time, is a matter of principle with the government. As the Prime Minister indicated in his announcement, an export tax is one of the control mechanisms that could be used. Of course, as I indicated to the House on Friday and as I indicated to the Alberta minister, it is certainly within our concept that the proceeds of either a tax or the return of a marketing board would be shared with the provincial governments concerned.

Mr. Stanfield: Recognizing that, according to the minister's announcement, the price of crude in Canada will be based upon the price of crude landed at Montreal, may I ask the minister whether the export tax technique is an essential part of the minister's program, and what propor-

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tion of the export tax does the minister propose to offer to the producing provinces?

Mr. Macdonald (Rosedale): Mr. Speaker, if the hon. gentleman will reread *Hansard* he will see that I said the proposal of a Montreal basing price was one of the proposals being considered. I already answered the rest of the hon. member's question by pointing out that whether it be an export tax or a marketing board is a matter for discussion. Indeed, the question of the form it would take and the share is one of the aspects upon which we expect the government of Alberta to respond, as Mr. Dickie, the Minister of Mines and Minerals, promised to respond on October 3 when we see them again.

Mr. Stanfield: As the government's policy in this field seems to change so much from day to day, will the minister explain why he and the government found it necessary to behave in such a heavyhanded way in connection with this program rather than following the method of consultation which the minister previously announced the government was committed to follow?

Mr. Macdonald (Rosedale): Mr. Speaker, I think it can be said I followed the process of consultation. As the hon. gentleman knows, we published an elaborate analysis of the energy situation, including this particular question, in June. We had consultation with the Alberta representatives in July. At that time Alberta undertook to respond to our analysis and to the conversation on that occasion. Up to this moment no such response has been received from the province. On that basis I am quite prepared to carry on a dialogue and consultation, but it seems to me there is a mutuality required for the effective operation of the process.

OIL EXPORT TAX—NOTICE TO UNITED STATES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Minister of Energy, Mines and Resources. As the maintaining of good trading relations with the United States is of obvious importance to this country, can the minister advise the House why no prior notice of this added tax on crude oil was given to the United States, particularly in view of the fact this lack of action appears to have caused by far the greatest resentment in the vociferous protest made by the United States government?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would correct the hon. member by saying there was no lack of notice. I concede it was done at almost the last minute. However, on a matter of this kind I do not believe we should have felt it necessary to seek the permission of the United States government before taking action.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Prince Edward-Hastings, the hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Calgary North on this matter and then try to go on to the next question.