

ENERGY

OIL—GOVERNMENT POSITION ON FEDERAL PARTICIPATION
IN DEVELOPMENT OF TAR SANDS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question arising from an answer given by the Minister of Energy, Mines and Resources just a few minutes ago to the hon. member for York South in which he indicated that the government would be leaving it to the provinces to use their capital funds to encourage exploitation of their petroleum resources, which represents some change in policy. Do I take it from the minister's statement that it is not the intention of the government of Canada to participate with the provinces in the development of the tar sands except through such enterprises as the national petroleum corporation if it is set up?

● (1510)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we will, of course, be participating with the producing governments in relation to that portion of the export tax from its inception to the end of January, 1974, and we have for this purpose indicated that a fund of \$40 million will be available for research into the oil sands. Further federal funds for participation either in the oil sands or other petroleum endeavours would be under the aegis of the national petroleum corporation. I should also say by way of parenthesis that further proposals with regard to the uranium field would be handled by Eldorado Nuclear Limited.

ELECTRICITY—SUGGESTED NEED FOR FORMULA TO
EQUALIZE COST IN PRINCE EDWARD ISLAND AND NOVA
SCOTIA

Mr. David MacDonald (Egmont): Mr. Speaker, I have a supplementary for the Prime Minister or the Minister of Energy, Mines and Resources. With regard to some of the eastern provinces—I am thinking particularly of Prince Edward Island and Nova Scotia—and the increased cost of thermal generated electricity and the real problem there is in trying to maintain an equitable price for electricity in the provinces, I wonder whether any formula of assistance will be worked out whereby there could be some equalization of this important cost both in terms of industry as well as consumer utilization?

Right Hon. P. E. Trudeau (Prime Minister): Not as part of any discussion we had yesterday, which was purely on matters concerning all provinces. I would be fair to add, however, that I have had representations not only in the course of yesterday but previously. Indeed, I believe the representations the member refers to were made in January by the premier of Prince Edward Island. These things have been considered by the government, and discussed with the premier, and I am sure there will be further discussion. I would merely add that there is a desire on the part of consumers and, indeed, the provinces in many parts of the country to have greater subsidies for various purposes. The Leader of the New Democratic Party a moment ago suggested a form of subsidy to producing provinces out of the export tax. I just want to make

Oral Questions

the point to all hon. members opposite that funds are not unlimited.

Mr. MacDonald (Egmont): Mr. Speaker, I have a further supplementary for the Prime Minister. In view of the fact that the province of Prince Edward Island is 100 per cent dependent on thermal plants for generating electricity and has already experienced a 40 per cent increase in electricity costs in the last half dozen months and expects a further increase shortly, would the Prime Minister say whether serious consideration is being given to an equalization of the cost of electricity as well as the hoped for construction of a submarine cable which would allow Prince Edward Island to become part of the hydroelectric and perhaps of the nuclear-generated electricity system that is to come on stream within the maritimes or the Atlantic region.

Mr. Trudeau: I repeat, Mr. Speaker, that both these subjects have been raised by the premier of Prince Edward Island. Very forceful representations have been made to myself by him and I am sure to other ministers equally. The hon. member may not understand that there are other provinces in the maritimes which have similar requests, and there are provinces in other parts of Canada which are also asking for subsidies. For that reason, I am not able to make any commitment at this time along the lines the hon. member is talking about. I told Premier Campbell we would be in further discussion with his office, and indeed, even today I asked that such discussions be pursued.

OIL—USE OF EXPORT TAX REVENUE IN DEVELOPMENT OF
TAR SANDS—PARTICIPATION BY PROPOSED NATIONAL
PETROLEUM CORPORATION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources which is supplementary to the question asked by the hon. member for York South. In view of the fact that the \$2.50 increase in the price of oil to be received by the producing provinces will do little more than compensate them for the fact that they are losing 50 per cent of the export tax revenue and therefore they will not have any more funds than they had before, may I ask the minister, in view of the fact that originally 50 per cent of the export tax was set aside for development, whether the government is committing or earmarking any amount of money for development of the Athabasca oil sands and heavy oil in northern Saskatchewan to be spent through the national petroleum board or in any other way? Is there any amount set aside—

Mr. Speaker: Order, please. Perhaps the hon. member might allow the minister to reply, after which I will see the hon. member for Vegreville.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, it seems to me that the hon. member is asking the same question as that just raised by the Leader of the Opposition. My previous answer was, of course, that there is the federal share of the export tax at the early stage of its operation. There is the intention there to put \$40 million into oil sands research in co-opera-