

*Oral Questions*

range of several hundred million dollars. This is a very regrettable expense to add to Canadians' costs at the present time.

At three o'clock today I intend to table a ways and means motion which will impose an additional charge on all oil, imported and domestic, to cover the additional cost of the decision taken by the government of Alberta. The figure will be about 75 cents per barrel, which will be equivalent to roughly 0.5 cents per litre at the pump. I hope the government of Alberta will be agreeable to abandoning its plan later on. As soon as the decision is taken by the government of Alberta to remove this particular cutback, obviously we will remove this additional duty.

**Mr. Waddell:** Madam Speaker, I note that the minister and the Liberal Party have just broken their election promise to stop the price of oil from going over \$4.50 a barrel for 1981.

**Some hon. Members:** Oh!

**Some hon. Members:** Hear, hear!

**Mr. Waddell:** I know that two thirds of my friends to the right are heckling me.

## FEDERAL AND PROVINCIAL NEGOTIATING STANCES

**Mr. Ian Waddell (Vancouver-Kingsway):** Madam Speaker, my supplementary question is for the Minister of Finance. It is with respect to the question of flexibility. Last week I proposed to the Minister of Energy, Mines and Resources three possibilities with respect to making changes in the national energy policy. I put them to the minister of energy because I was referred to him. The first one was to change the 8 per cent wellhead tax, in terms of a general corporate tax. The second was to change the natural gas export tax. The third one was to reduce or do away with the western development fund and let the provinces have that money to spend. Is the minister prepared to be flexible in dealing with Alberta so that Alberta can be flexible, in order to get away from and resolve this incredible confrontation which we have in Canada at the moment?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the government has frequently stated that it is prepared to enter into negotiations with the province of Alberta in order to reach an oil-pricing agreement. Obviously any negotiations that are conducted in good faith must be premised on flexibility, otherwise there is no point in beginning such negotiations. I think the hon. member would agree that one does not begin to declare, prior to the negotiations, the type of flexibility that might be demonstrated. It seems to me that it can only be manifested once the negotiations are in place and once Alberta has also said, in this case, that they want negotiations and that they will also be flexible. That is the kind of atmosphere that is

required before we can begin the very important work that the hon. member wants us to begin.

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## EXTERNAL AFFAIRS

## EL SALVADOR—REPRESENTATIONS MADE BY UNITED STATES GOVERNMENT

**Hon. Allan Lawrence (Durham-Northumberland):** Madam Speaker, I would like to bring the Secretary of State for External Affairs back to the troubled and tragic scene in El Salvador. Obviously the minister's attitude and, I suggest, the attitude of the Canadian government, in respect to El Salvador, have changed drastically—changed overnight—as a result of representations made here in Ottawa by a representative of the United States government who obviously told the minister that the United States had evidence that the Socialist Revolutionary Council was receiving communist arms in its battle against the junta. What proof or evidence did the United States government representative indicate to the minister in support of its claim?

**Hon. Mark MacGuigan (Secretary of State for External Affairs):** Madam Speaker, what changed was our acquaintance with the facts, as a result of my meeting with Secretary Haig. Before that time I had seen the diplomatic commission representing the left in El Salvador. I had received its firm assurances that all the arms they were purchasing were purchased on the open, international market, and that none of the arms were being supplied by the eastern bloc.

Secretary Haig informed me that he had evidence to the effect that the arms which were reaching El Salvador were captured American arms from Vietnam which had been transported by a world communist route including Cuba and Nicaragua. Since that time the American government has sent representatives, not only to Canada but to many other countries in the world, to display the evidence. I have not seen it myself, Madam Speaker, but it has been shown to those in the department. It is based upon documents which have been captured in El Salvador by government forces, and includes letters which show rather conclusively, in the opinion of most observers, the eastern bloc involvement in the supply of arms to El Salvador.

## NATURE OF EVIDENCE RESPECTING ARMS USED IN EL SALVADOR

**Hon. Allan Lawrence (Durham-Northumberland):** Madam Speaker, as the minister now appreciates, there have also been some independent and apparently authoritative reports from South America, certainly over the last three or four days alone, showing that the only foreign arms now being used in El Salvador are western arms, not communist arms. I was really asking the minister to justify his attitude and action by indicating exactly what evidence was presented to him. Was it photographs of captured arms? What was it? We want to know the fact, too. What was the actual evidence that was presented to the minister which brought about this change in attitude?