Income Tax

I believe he supported the view expressed by the ministers of other provinces with regard to the constitution. To the best of my recollection, he was not exactly against another position. I think it was really from a constitutional point of view that he stated Quebec's position, but he did not express opinions on my colleague's theory.

Mr. Fortin: Mr. Chairman, it is a shame to witness such disorder in the House!

An hon. Member: That's the way it goes in Quebec City!

Mr. Fortin: Indeed, that's the way it goes in Quebec City.

Mr. Chairman, I would like to put one last question to the Minister of Energy, Mines and Resources. He probably knows that in some ridings of Quebec, but particularly in the riding of Lotbinière which I have the honour to represent, several oil companies are making exploration on enormous oil resources. Would the minister tell us whether these companies will be affected by clauses 4(2) and 4(5), as the companies in the western provinces of Canada will be? Did the minister assess the implication of those clauses on the eastern provinces, where exploration is now being made? Did employees of his department consult with the representatives of the companies, which, in fact, are the same as in the west? Did the minister have any discussions on that matter with his provincial counterpart, the Quebec minister of resources?

Mr. Macdonald (Rosedale): Mr. Chairman, I must say that for the time being and from all our available information, the exploration he mentioned is under the jurisdiction of the province of Quebec, which has no wells, oil or gas resources at this time, be it in the riding of Lotbinière or elsewhere in the province. If such discoveries take place, this law will apply in Quebec as well as in the other parts of Canada. In fact, there may be a 20 per cent federal tax and a provincial levy as established by the provinces. But general taxes in Canada will apply to Quebec as well as to the other provinces.

[English]

Mr. Peters: Mr. Chairman, while this general discussion is taking place on Clause 4 and the amendment thereto, I should like to ask the Postmaster General what arrangements he has been able to arrive at in order to handle the delivery of pension cheques. It seems to me that this is a fairly general debate in which the Minister of Finance and other members have taken part, and I do not see why I should not be able to put my question to the Postmaster General.

The Chairman: Order, please. I would hope the hon. member would not substitute himself for the Chair in respect of the matter of relevancy of debate. The Minister of Energy, Mines and Resources was asked a direct question relating to Clause 4. That does not permit the hon. member to ask questions of the Postmaster General at this time.

Mr. Peters: Mr. Chairman, to bring this within relevancy I should like to ask if there are any royalty cheques being handled by the post office at the present time? It

may be that some of these companies have sent out their royalty cheques in that unorthodox way.

An hon. Member: And unemployment insurance cheques.

Mr. Peters: Yes, perhaps there are some unemployment insurance cheques in the mail as well, and they are certainly the product of one of these resources we are discussing.

Some hon. Members: Oh, oh!

Mr. Mackasey: I was going to add, Mr. Chairman, that there are no royalty cheques coming from Saskatchewan since they have effectively killed the industry in that province.

Mr. Peters: Mr. Chairman, I have heard little complaint about the health and the wealth of one of the adjacent provinces. Perhaps I could ask if there are any royalty cheques going out in Alberta?

Some hon. Members: Question.

The Chairman: The question is on the amendment to Clause 4 as proposed by the hon. member for Qu'Appelle-Moose Mountain.

Amendment (Mr. Hamilton (Qu'Appelle-Moose Mountain)) negatived: Yeas, 77; nays, 107.

The Chairman: I declare the amendment lost. Shall clause 4 carry?

• (2140)

Mr. Symes: Will the Minister of Energy, Mines and Resources who is here and who has been answering questions related to resources and to this bill, tell us whether the oil produced by Syncrude will be in any way exempt from any kind of export control?

Mr. Macdonald (Rosedale): No, Sir, it will not.

Mr. Peters: Mr. Chairman, I was interested in the remarks by the hon. member for Nipissing not as related to oil but as related to mineral production. As has already been pointed out by the hon. member for Témiscamingue, a large number of companies have been in touch with members of the House indicating that some of them are really hard pressed to meet the commitment that is demanded in this bill in terms of the double taxation of those companies.

The government has indicated that it does not have too much sympathy for the oil industry and, if it is necessary for the provinces to get a reasonable tax from their resource, then the federal government will take its share anyway. Some charges have been made that as a result oil rigs are leaving Alberta and Saskatchewan. It is my opinion that that is not so. I believe that no new oil development will take place in either of those provinces. All the oil reserves are probably well known.

Some hon. Members: No.

Mr. Peters: Members of the Conservative party are saying that that is not so. Let me ask one of them what he