

● (1425)

Mr. Trudeau: Yes, Madam Speaker. I do not know if "fair game" is the proper expression, but I have told the House many times, as has the minister, that when you are preparing a budget, you have to look at the panoply of instruments which are available to you. Sales tax is one, indexing is another, and direct taxes is another.

Mr. Nielsen: Petroleum taxes is another.

Mr. Trudeau: Petroleum taxes and excise taxes. If the minister was not looking at all these instruments to determine which would help the economy best, at least cost to the people, then he would not be doing his job either.

Mr. Stevens: Cut your spending; that is all you have to do.

* * *

ENERGY

INCREASE IN PRICE OF ENERGY PRODUCTS—DETRIMENTAL EFFECT ON CONSUMERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. The Prime Minister knows that the 2.5 cents per gallon increase imposed by the government on Friday on consumers of gasoline in Canada involves multinational oil companies in tar sands projects, and guarantees virtually the world price to these companies.

Considering that Imperial Oil, in its application for the Cold Lake project, said specifically—and not very long ago—that \$14.75 a barrel would be sufficient to make that project profitable, how does the government now justify imposing the \$1 million a day additional charge on Canadian consumers which is involved in bringing the price up to \$36 a barrel? How has the government reached its estimate? Why is it so charging Canadian consumers?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there are two questions involved in the problem posed by the Leader of the New Democratic Party. The levy is not there in order to help the multinationals; the levy is there to ensure that Canadian consumers of oils produced from the Syncrude project are compensated for international prices.

An hon. Member: What?

Mr. Trudeau: It is for the same reason that we have oil compensation payments for oil which is imported from abroad. We also have oil compensation payments for oil which is brought out of Syncrude because of its higher cost. That has been the policy which was established by this government when it was the government in the past: I think it was some five years ago. So much for the meaning of the levy.

As to why this is happening now, the reason is that the new policy which this government fought for during the campaign, and which it is attempting to negotiate with the provinces, has not yet been adopted, but I can assure the Leader of the New

Oral Questions

Democratic Party—and he knows this—that when we bring it in, our policy is a blend of prices, and that there is no intention to pay world prices for oil which does not cost anything near world prices. When that time comes, I hope we will have the support at least of the New Democratic Party, which is doubtful because it is usually on all sides of the fence.

Mr. Broadbent: Madam Speaker, I can tell the House that we are listening to the master on that one. The Prime Minister was vociferous and active in the campaign in saying that the Liberal pricing policy on oil would be that the replacement cost includes both the cost of production and a reasonable profit, if I understood the Liberals clearly on something. The Prime Minister is nodding in agreement.

If this is still the policy, could the Prime Minister tell us what the replacement cost is for tar sands oil, and where he got this estimate; or does the government have no criteria at all for the tax it imposed on Friday, other than giving unneeded additional profits to the multinationals involved?

Mr. Trudeau: Madam Speaker, I thank the hon. member for describing me as a master. I have not been masterful enough in explaining what I thought was a rather simple point. We are presently under a pricing policy which had been established by this government some years ago.

During the campaign we indicated that we would want to change this pricing policy. We are in the process of attempting to change it now by discussions mainly with the oil producing provinces. We have not yet been successful. Until we are successful, we are acting under the old policy which made some conditional commitment to pay to Syncrude world prices. I repeat that we have not yet been successful in bringing in our new policy because the debate and discussions are going on with the provinces.

● (1430)

I am saying that when the new policy is brought in, we hope with the agreement of the provinces, then the kind of preoccupation mentioned by the hon. member will not be justified because we will have a pricing policy which we hope will bring the NDP in agreement with us. I understand that during the campaign we were saying more or less the same thing on this subject. Even the Tories concede that. I hope that members of the NDP will recognize in all humility that they were following us during the campaign.

Some hon. Members: Oh, oh!

Mr. Trudeau: Madam Speaker, we all notice on this side that the hon. member for Broadview is smiling broadly. I think he is looking forward to the prospect when his party will ally themselves with us in this debate.

Some hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister did, indeed, hear me correctly when I described him as a master, but he did not hear the rest. I said he was the master of the non-answer and vanity, and he has demonstrated both here today.