

Oral Questions

November 18 budget. I wish the hon. member would read that budget carefully rather than playing his usual game of selective statistics.

* * *

FINANCE

**ALBERTA ANNOUNCEMENT OF INCREASE IN PRICE OF OIL—
CONSULTATIONS WITH FEDERAL GOVERNMENT—INTENTIONS
WITH REGARD TO BILL C-32**

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Finance. It arises out of the announcement by Premier Lougheed of Alberta that his government intends to reduce the royalties on oil and gas and to increase the price of oil next spring. Since the federal government has contended it has the power to set the price of commodities that enter into interprovincial and international trade, have there been any negotiations with the province of Alberta and were any informal understandings arrived at by which the federal government is concurring in an increase in the price of oil next spring?

Hon. John N. Turner (Minister of Finance): The answer to that question is no, Mr. Speaker.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since Bill C-32 seeks to give the government power to fix the price of both oil and gas and since the Alberta government has indicated its intention to raise the price of oil, is it the government's intention to remove these mandatory provisions from Bill C-32 or am I to understand that the government of Alberta announced this increase without any agreement, understanding or indication from the Minister of Finance that the federal government would agree to such an increase?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the bill to which the hon. member refers remains on the order paper. It is the government's intention to proceed with the parliamentary disposition of that bill. The announcement of the intended price rise on the part of the province of Alberta was made without any agreement from the federal government.

**ALBERTA ANNOUNCEMENT OF INCREASE IN PRICE OF OIL—
POSSIBLE CONCESSIONS BY FEDERAL GOVERNMENT**

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have one final supplementary. The Minister of Finance has repeatedly said that in the matter of resource taxation the federal government has moved 25 per cent. Since the Alberta government has indicated its willingness to make some concessions, is it the minister's concept that the provinces should move the other 75 per cent or does the Minister of Finance now intend to make some concessions, such as removing the non-deductibility in order to avoid a constitutional impasse in the future?

Hon. John N. Turner (Minister of Finance): The position I have taken throughout the discussions is that this is not a constitutional matter; it is a matter involving the sharing of revenues. As a result of the budget of November

[Mr. Turner (Ottawa-Carleton).]

18 we pulled back 25 per cent, as the hon. gentleman suggested, which reduced our share of revenue from production profits at the wellhead over a mature taxation period, say, from 1975 to 1985, from roughly 23 per cent down to 18 per cent. The action announced yesterday by the premier of Alberta would pull the provincial share back by a substantial amount. In total, we moved the industry's share from 24 per cent to 29.5 per cent on November 18. I would think, now, on preliminary analysis of the figures, that the industry's share is somewhere between 33 and 35 per cent of production profits at the wellhead, perhaps more, and that the petroleum industry now has sufficient funds available to it to get down to business and bring in the reserves and new development that the country needs.

[Translation]

**SUGGEST REDUCTION OF INTEREST RATES RATHER THAN
GRANTING SUBSIDIES TO PURCHASERS OF HOMES**

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the absence of the Minister of State for Urban Affairs, I should like to put my question to the Minister of Finance.

Owing to the information that the federal government could be granting subsidies of up to \$50 monthly to lower income families to help them pay the interest on mortgage loans, can the minister tell the House when the government will reduce the interest rates and refrain from indirectly subsidizing the finance companies by helping citizens pay usurious interest rates which are more profitable to the lenders than to the borrowers.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is a rather complex question to be answered during the question period, but perhaps my colleague the Minister of State for Urban Affairs could give a detailed answer to the hon. member.

[English]

* * *

FISHERIES

**POSSIBLE ACTION BY UNITED STATES TO EXTEND
JURISDICTION 200 MILES OFFSHORE—REASON FOR DELAY BY
CANADA IN TAKING SIMILAR ACTION**

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of State for Fisheries. Considering that the United States senate has just passed a bill by a vote of 68 to 27 unilaterally extending U.S. jurisdiction over fishing stocks from 12 to 200 miles offshore, would the minister advise the House why a similar action would not be a useful stand as a means of demonstrating Canada's resolve to get international agreement in Geneva, and why Canada is waiting until next March to take a firm position?

Hon. Roméo LeBlanc (Minister of State (Fisheries)): I assume the hon. gentleman is referring to the same article as I have read. The resolution to which he refers has come