

Oral Questions

The minister has already stated in the House that he had had discussions with the Quebec government and, among others, with the Minister of Natural Resources who was then on vacation. Could the minister tell us—

An hon. Member: Before his victory!

Mr. Fortin: That is true, before his victory, because he was not there.

Would the minister tell us the outcome of his discussions with the Quebec government among others? Moreover, can he tell us which consultations he had before his statement of tonight and ensure the House that he will see to it that the region east of the Borden line gets the necessary supplies for the next season in the light of the announcements made by the Quebec government during the last election campaign? This is no longer a question of election but a question of life.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I am sorry but I am not quite certain I did understand the hon. member's question. In any event, we have discussed with the provincial government the question of the pipeline extension. As you know, a proposal for the building of a supertanker harbour has been drafted.

We know that both projects could be implemented so as to ensure that the Quebec consumer will be supplied through an oil pipeline as well as enjoying the benefits of overseas supplies. I must say that the current priority is to ensure crude oil supplies to the Montreal refineries. For this reason and in the light of the international situation, the issue is supplies and not prices.

[English]

DOMESTIC CRUDE OIL—SUGGESTED STAGED PRICE
INCREASES—CONSULTATION WITH INDUSTRY

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is supplementary to that of the Leader of the Opposition, the only party leader who has seen fit to be here this evening to listen to this discussion.

Some hon. Members: Hear, hear!

Mr. Andre: When does the minister intend to implement his promised Montreal-based pricing policy for domestic crude, and is he consulting with industry and the provinces to seek a means of achieving a staged series of domestic crude increases up to the Montreal-based international price starting now, rather than a massive price jump on February 1?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we would expect that this would become active on February 1. Certainly the question of staged increases has been considered. On the whole, the consideration was that the protection of several months would be advantageous from the consumers' standpoint.

Mr. Andre: I have a supplementary, Mr. Speaker. In answer to a question by the hon. member for Nanaimo-Cowichan-The Islands, the minister indicated the government's position in respect of the disposition of the reve-

nues from this export tax. Is this a firm position and has it been accepted by the producing provinces? Is the minister still in discussion with the producing provinces in respect of this tax, and why is there no revised tax figure for November and for the massive increase in December, which does not appear to make much sense?

Mr. Macdonald (Rosedale): Mr. Speaker, on the latter question, the hon. gentleman will have noted that there has been a dramatic increase in the international cost in just the last 15 days. With regard to the attitude of the provinces, I can say with reference to Alberta that I think its position is that the tax is absolutely immoral but it is very keen to have the proceeds.

OIL AND GAS—INCREASES IN PRICE—EFFECT ON COST OF
LIVING

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance. I ask the Minister of Finance what measures he intends to introduce to offset the additional burden this will place on the highly overburdened Canadian consumers, especially in the five eastern provinces where this latest move will contribute substantially to the already high cost of living.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the government has already taken measures both at the pension level and the family allowance level—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —to protect the interests of the Canadian consumer. The primary motive behind the statement by my colleague, the Minister of Energy, Mines and Resources, tonight was not only to protect the price to the consumer but to protect the supply to the Canadian consumer.

Mr. Speaker: Order, please. I remind hon. members that there are exactly three minutes before the end of the question period.

Mr. McGrath: Mr. Speaker, is the minister prepared to meet with the governments of the provinces to enter into ways and means of offsetting this additional increase in the cost of living?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, that is an interesting question. I suppose one of the most substantial inputs into the cost of gasoline for consumers in most of the provinces of Canada is the very substantial sales tax taken by the provincial governments.

KEROSENE AND STOVE OIL—GOVERNMENT INTENTION IN
RESPECT OF PRICE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, on the same line may I ask the Minister of Energy, Mines and Resources whether the government has any plans for specially reduced rates on sales of kerosene and stove oil products which are extensively used by low-income Canadians?