homes which have urea formaldehyde foam insulation in them. The minister knows that, and his statement is misleading.

TAX FREE NATURE OF GRANTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, I want to ask a final supplementary question of the minister responsible for CMHC. The minister said today the grant is non-taxable. Is the minister now saying to the people of Canada that he is providing grants to households earning up to $48,000, tax free?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the plan is designed in major part to serve families with incomes of up to $30,000.

Mr. McDermid: Tax free.

Mr. Cosgrove: Tax free, and for families earning over $30,000 the amount of the subsidy drops off on a declining basis. Yes, the program is designed to be tax free. If it were otherwise, I am sure the question I would be asked by the hon. gentleman would be on why we are taxing a benefit and why we are slowing down a job-generation program. Hon. members opposite cannot have it both ways. Are they in favour of employment? Are they in favour of our assisting Canadians? Are they in favour of our generating jobs?

Some hon. Members: Hear, hear!

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ENERGY

ALSANDS PROJECT—GUARANTEES OFFERED TO PARTICIPATING COMPANIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question, directed to the Minister of Energy, Mines and Resources, concerns the Alsands project. In its attempt to bribe Gulf and Shell to maintain their position as partners, the government is offering to these advocates of competitive free enterprise a guaranteed market, guaranteed price, guaranteed financing and, finally, a guaranteed profit of 20 per cent. Where is the risk in this package for these companies which really believe in the spirit of competition? Where is the enterprise?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, the Leader of the New Democratic Party is right in pointing out that the Government of Alberta and the Government of Canada together have put forward a very attractive proposal to the private sector, but I want to remind him, on the other hand, that he is wrong in some of the points he has made. First, there is no guaranteed price in this offer. Second, there is no guaranteed return in this offer either, since there is no guaranteed price.

The hon. member asked what the risks are. Obviously the risks are mainly in terms of being able to build a plant on time which would produce the quantity of oil it is planned to produce. The experience with the two existing plants, Suncor and Syncrude, has demonstrated that those plants are having some difficulties regularly in terms of production and that all the technological problems have not yet been solved, although many of them have. There are risks involved, and they are not insignificant.

• (1125)

REQUEST THAT ENERGY PROJECTS BE MADE PUBLIC ENTERPRISES

Hon. Edward Broadbent (Oshawa): Madam Speaker, the home owners who are losing homes all across Canada would like to have the so-called risks that the oil companies are being offered by the government in this deal, I can tell you. I stand by my earlier question.

Considering the whole range of concessions that the government has offered, particularly when it comes to financing, including the fact that the government is getting only 50 per cent of the equity and is putting up 85 per cent of the financing, why does the government not do what the vast majority of Canadians think is desirable, namely, that we should really be operating energy resources as public utilities and not as profit maximizing entities? Why does the Government of Canada not be courageous and straightforward when it comes to putting up this kind of money and, jointly with the Government of Alberta, make them into public enterprises?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I want to remind the Leader of the New Democratic Party again that under this proposal there is no guaranteed price. If the price of oil were to decline or not increase as much as inflation, for instance, over the next ten to 20 years, the rate of return to the industry would be much lower than the one that is otherwise anticipated. There is a significant risk involved there. On the other hand, if there is a profit to be made, if there are significant benefits to be gained, then my hon. friend has partly answered the question himself by pointing out that the governments are equity participants for 50 per cent of the deal.

The people of Canada and the people of Alberta are going to benefit from the project in terms of return on their investment, not only in terms of getting oil. The Governments of Alberta and of Canada, contrary to the position of the New Democratic Party, still believe that it is better to have joint public-private partnership in this regard. We do not believe that the economy of Canada is necessarily going to be better just because it is run by the government, as the NDP would like us to do.

REQUEST THAT GOVERNMENT HAVE HIGHER SHARE OF EQUITY

Hon. Edward Broadbent (Oshawa): Madam Speaker, the minister knows very well that the people of Canada, as taxpayers, are putting up a disproportionate amount of money and they are not getting equity for that. The multinational companies are once again taking the Liberal government to the