

*Price of Petroleum*

\$200 million. This is how much the fund could draw in consolidated revenue if it were in a deficit position.

**Mr. Clark:** Madam Speaker, I have noted the minister's answer. There is no question that ways and means motions have been used to increase taxes where they were legal. The question which was before the House earlier today and which Madam Speaker felt was beyond her competence or requirement to address, was whether in fact this particular legal instrument was legal in this particular case. I gather that the minister is saying that he is persuaded that it is legal, although he has no legal opinion beyond the fact that the ways and means motion was drafted in the normal way by officers of the Crown.

While we cannot expect the minister to answer today, the House, I am sure, would be interested in knowing as soon as possible whether the minister will seek other advice in light of the debate this afternoon to determine whether in fact he is introducing at midnight tonight a \$600 million tax increase which might prove to be illegal.

I would like to turn to another category of questioning. The minister has admitted that the imposition which he is introducing tonight at midnight will have a significant impact upon all users of petroleum, including many people who were exempted from the impact of some of the proposals in the budget of last December. Can the minister tell us whether this government is now contemplating any particular aid to consumers of home heating oil and to low income groups who will be less able than other Canadians to deal with this increase effective at midnight tonight?

● (1750)

Can the minister also tell me whether he is contemplating a special deal for provinces like Nova Scotia and Prince Edward Island, which rely to such a heavy and expensive degree on oil-generated electricity? Is the government contemplating bringing forward some measures to help those Canadians who will be hardest hit by the massive increases that are going to take effect tonight and who are least able to deal with them?

**Mr. Lalonde:** Madam Speaker, first of all I should like to challenge some of the statements made by the Leader of the Opposition. He calls this a "massive increase" but I would scarcely call a half cent a litre a massive increase.

As far as the general point raised by the hon. Leader of the Opposition is concerned, I might also point out that we have been able to obtain an extension of the present arrangement without the increase on July 1 that his government proposed of \$2 per barrel. This would have meant at least a six cents per gallon increase in the price of home heating fuel, as well as gasoline. The present increase is barely two and one-half cents so there is a substantial difference.

Regarding the specific points raised by the Leader of the Opposition, he knows that this government introduced, as one of its very first measures, an increase of \$35 per month in the guaranteed income supplement for senior citizens. That increase, going to those who really need it all across Canada,

represents a very significant improvement in their standard of living and is a step that will compensate for this increase many hundreds of times.

As far as the other aspect of the matter is concerned, it will be discussed and considered in the context of a general energy program and strategy once we have concluded our discussions with the producing provinces. I hope to be able to announce a number of measures which will be of great significance in terms of an energy policy, at that time.

**Mr. Clark:** Madam Speaker, I have two very brief questions. I have to note that the minister has now indicated that the government is planning no new help for those Canadians most hard hit by the increase he is making effective at midnight tonight.

My questions concern some of the statements he made in the course of his earlier presentation. He said notice had been sent to refineries. Could he tell the House at what point in time those notices were sent? What is germane is if people outside the House were advised before the House of Commons was.

Second, in response to something said by the hon. member for Vancouver-Kingsway (Mr. Waddell) about Syncrude, the minister said "we are not stuck with Syncrude," and I believe I am quoting him accurately. I believe the hon. member for Vancouver-Kingsway said, "You are stuck with Syncrude", and the minister said, from his seat, "We are not." I may have misheard, but I wonder if that is the case. Can the minister tell us whether he is contemplating any immediate changes in relation to Syncrude and, if so, can he give us an undertaking that there will be a full discussion either with the other participants in Syncrude or related projects or, if this House is sitting, with Parliament prior to the government acting unilaterally?

**Mr. Lalonde:** Madam Speaker, I am afraid I may have forgotten the first point raised by the hon. member.

**Mr. Clark:** It concerns the moment of notification to refiners.

**Mr. Lalonde:** Madam Speaker, I can advise the hon. Leader of the Opposition that the telex to the refiners had been sent soon after the ways and means motion was tabled in this House. I can reassure him in this respect.

As far as the second point is concerned, obviously the reference to the statement made by the hon. member for Vancouver-Kingsway (Mr. Waddell) and my interjection had to do with the fact that he was implying we were, to use his expression, "stuck with the international price for Syncrude". I indicated that this was not the case because, indeed, I have sent notice of intention to invoke *force majeure* for a review of pricing under the agreement with Syncrude.

This matter is one I have been discussing rather extensively with my colleague, the minister of energy for Alberta, in various meetings. We have examined various possibilities and we are still examining alternatives. I can advise the hon. member that any step taken vis-à-vis Syncrude would be as