

*Oral Questions***ENERGY****GASOLINE—USE THEREOF BY NON-CANADIANS—GOVERNMENT POSITION**

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources: it concerns energy costs. I have a particular concern with respect to Canadian-subsidized fuel being sold for foreign use.

The minister is aware that the Canadian taxpayer subsidizes foreign businesses and foreign consumers for up to at least 50 cents a gallon for every gallon that is used by foreign businesses and foreign consumers. It is my understanding that this practice is costing the Canadian taxpayer in the order of \$100 million. I should like to ask the minister if he can confirm that figure; and, if so, could he advise the House what he is doing about it?

● (1430)

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): On the first point, Madam Speaker, I notice that one hon. member yesterday referred to a figure of \$100 million with regard to car use. The advice I have from my officials is that that figure is much in excess of what it would most likely be: it is more likely about half of that amount, in realistic terms. However, that amount is substantial and is not indifferent, even though out of that the road tax going to the provinces would probably represent something like \$20 million, so there is an element of revenue.

I should like to assure the hon. member that I am reviewing this whole question both with regard to marine and airline transportation. Consultations are going on with other departments at the present time, and I hope to be able to make some recommendations to cabinet before long.

As far as the question of car transportation is concerned, consultations have taken place with the government of the province of Ontario, where most of the problem arises, and also with representatives of the industry. Consultations have also taken place with other departments, and I am expecting reactions from the industry by the end of this month, after which I should be in a position, again, to make recommendations to my colleagues and advise the hon. member of any steps that should be taken, if some steps are required.

Mr. Crombie: Madam Speaker, I appreciate the advice from the minister that he has the matter under review. There are a good number of Canadians who are not aware of the magnitude of the practice and that we are, in fact, now subsidizing both foreign businesses and foreign consumers to a considerable degree.

I would ask the minister if he would bring forward information to the House on whether it is \$20 million, \$50 million or \$100 million, or whatever the figure may be, prior to whatever course of action he is going to take, so that we can at least have the information as it relates not only to cars and trucks but also to vessels and airplanes. Would he make the information public, so that at least Canadians may be aware of how

much they are subsidizing foreign businesses and foreign consumers?

Mr. Lalonde: Madam Speaker, the hon. member recognizes, I am sure, that this is not a piece of statistical information. We have to operate on guesstimates and assumptions. The figure I have given to the hon. member is what appears to be a reasonable guesstimate on car-implied subsidization.

As I said, we must also take into account the substantial contribution to provincial revenues by increased road taxes that would be collected on additional gasoline sales. As far as providing statistical information to the hon. member, I do not think we can do that, because that information is not available on a sure basis. At best, one has estimates.

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THE CANADIAN ECONOMY**STATISTICS CANADA INDICATION OF DROP IN REAL GROWTH**

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of Finance. It touches, obviously, on the very alarming figures released by Statistics Canada today, which indicate that in the first quarter real growth in Canada was down half a point—which is 2 per cent if you annualize it over the four quarters of the year.

Bearing in mind that we have not had such a drop since a similar quarter in 1974 just prior to the last recession, would the Minister of Finance indicate whether he holds to his forecast that real growth this year will be a positive .5 per cent?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, in reply to the hon. member I want to tell him that I have not yet revised these forecasts. The Department of Finance has not produced new projections. It may be that as the year advances, further projections, will be relevant and necessary.

Mr. Stevens: Madam Speaker, I hope that all members of the House noted that the Minister of Finance said he had not yet revised his forecast. Obviously, the war may be over before he gets around to changing his own forecast.

Let me draw the minister's attention to the fact that Statistics Canada says that residential construction is down 6.1 per cent in the quarter. As the Conservative government anticipated there would be a drop in residential construction, and brought in the municipal tax credit and the mortgage interest credit to try to encourage residential construction, would the minister indicate if we may expect comparable legislation or action in order to encourage residential construction in this country?

Mr. MacEachen: No, Madam Speaker, we would not want to reintroduce a comparable measure containing the inequities that were in the measure referred to by the hon. member.