

funds over and above the amount received in previous years. They have received this as a result of a change in the equalization policy. I believe they have some responsibility toward their own citizens, and I am a little surprised that federal Members of Parliament sitting opposite have no more concern for the federal taxpayers than they do.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacKay: Mr. Speaker, I have what I hope is a reasonably non-argumentative supplementary for the right hon. gentleman. I am not suggesting to the Prime Minister that the federal government bear the entire responsibility, but I should like to ask him whether he is prepared to consider on a short-term basis a measure, for example, reducing to some extent the federal sales tax on gasoline, or something else to help us, because it was the neglect of this government to build a pipeline that put us into this position in the first place.

Mr. Hees: We suggested it four years ago, and you know it.

Some hon. Members: Oh, oh!

Mr. Trudeau: I certainly accept the representation made by the hon. member, but I put it to him and, indeed, to the provincial governments that they, too, might consider reducing their gasoline taxes.

Mr. Hees: And if they did, would you?

An hon. Member: Give your backbenchers a chance.

Mr. Speaker: Order, please. The Prime Minister might be allowed to reply to the question. There are a number of supplementaries. For the moment the Prime Minister has the floor.

Mr. Trudeau: This is the kind of subject we shall be discussing at the federal-provincial conference. I hope the provinces will come to that conference prepared to pay some money. The easy solution of equalization would mean we would take all the money from Alberta and redistribute it to the eastern provinces. I see the hon. member is shaking his head. I hope he and his friends will indicate whether they have some alternative approach which might be useful for the federal-provincial conference in January.

Mr. James A. McGrath (St. John's East): In view of the fact the five eastern provinces have taxed their people to the limit of their capacity to pay and in view of the additional expenditures these provinces have to undertake because of excessively high unemployment, may I ask the Prime Minister whether he is prepared at the federal-provincial conference in January to increase equalization payments to these five provinces so they can reduce their taxes on gasoline?

Mr. Trudeau: Mr. Speaker, the House should realize that as the revenues to Alberta go up because of eventual increases in the price of petroleum the consequences in regard to equalization payments will be of very great

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magnitude, and that through the very operation of the equalization system these massive new revenues to Alberta will be redistributed through that system to the have-not provinces. This should be kept in mind by members over there who are always urging the federal government to place an even heavier burden upon federal taxpayers so as to help their own provinces. I must urge them to act as representatives of all Canadians and not only of one particular province.

Mr. Speaker: Order, please. Perhaps we might have a last supplementary on this subject, after which I will see the hon. member for Fraser Valley West.

● (1130)

APPLICATION OF EXPORT TAX TO DOMESTIC OIL SHIPPED VIA PANAMA CANAL TO EASTERN CANADA—PRICES AT WEST COAST AND MONTREAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct two questions to the Minister of Energy, Mines and Resources. Will he give the House an assurance that both export charges and export taxes on crude oil moving from the west coast through the Panama Canal either to Portland and into the pipeline there or to Halifax or Port Hawkesbury will in fact not be included in the final price of the oil when it winds up on the consumer's doorstep, and at the same time will he indicate the difference in the price of oil as it comes out of the Trans Mountain pipeline on the west coast and the price when it comes out of the pipeline at Montreal?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, in reply to the first question, the export tax would, of course, be applicable in respect of exports to foreign locations only. To the extent that oil was received through the Portland pipeline the tax would not be applicable or would be subject to a drawback. It would seem to me that the hon. gentleman's second point was not a question. Could he reformulate it? I did not quite follow him.

Mr. Forrestall: Mr. Speaker, I asked the minister whether he could advise the House as to the cost of oil per barrel or ton coming out of the pipeline on the west coast as opposed to the cost of oil coming out of the pipeline at Montreal? I would suggest that you do have to pay an export tax in order to move oil through the Panama Canal.

Mr. Macdonald (Rosedale): You do not have to pay a Canadian export tax for this purpose.

Mr. Stanfield: Yes, you do; you are collecting it now.

Mr. Macdonald (Rosedale): With regard to the question of cost, Mr. Speaker, the cost difference depends really on the tanker charges through the Panama Canal, which vary from tanker to tanker. I cannot give the hon. gentleman a figure this morning, but it would certainly be possible to compare the tanker charges from Sarnia and Toronto to Montreal with the tanker charges through the Panama Canal.