

its turn, ought to be prepared to deal with the matter of discriminatory freight rates against western Canada, the development of secondary industries and agricultural stability—

Mr. Speaker: Order, please. I wonder if the hon. member wishes to ask a question?

Mr. Douglas: I want to ask the minister whether it is the intention of the government to hold discussions with the provinces prior to the first ministers' conference in order to deal with some of these matters which are of such vital concern to the western provinces.

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): As I indicated in reply to the hon. member for Grenville-Carleton, I would expect there would be consultation between officials and it might well be desirable to consult at the ministerial level before the meeting, but it does seem to me that the most appropriate level for such discussions would be at the conference when all the provinces are there. If Saskatchewan is indeed in favour of lower prices for Canadian consumers I would hope these would be available unconditionally. In any event, as I understand our constitution, the question of trade and commerce being under federal jurisdiction, it should not be a matter of condition as to whether any commodity is offered for sale on the Canadian market or not.

Mr. Fairweather: Blackmail!

OIL—DISPOSITION OF REVENUE FROM POSSIBLE PRICE INCREASES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In his speech to the House on December 6, as reported on page 8480, the right hon. gentleman indicated that if and when the freeze on oil prices expires it is not intended that at any time the price should go beyond what is needed to ensure the development of the Alberta oil sands and other Canadian resources. If there is any increase in the price of oil, will this money go to the provinces or is it his intention that it should go to the oil companies in the hope they may use the additional revenue for the purpose of developing the oil resources of Canada?

Right Hon. P. E. Trudeau (Prime Minister): I am surprised that the hon. member, a member of the federal parliament, should have forgotten the third possibility, that some of it might go to the people of Canada through the federal treasury.

Some hon. Members: Hear, hear!

OIL—PRICE INCREASE BY IRAN—IMPACT ON CONSUMERS OF EASTERN CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a supplementary for the Minister of Energy, Mines and Resources. Inasmuch as Canada imports 117,000 barrels of crude oil per day from Iran, and noting that Iran

has increased the price of crude to between \$16 and \$17 a barrel, can the minister state what is likely to be the impact of this price increase on the consumers of eastern Canada, and whether he has any relief measures in mind to recommend to cabinet?

● (1450)

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, my understanding is that the recent price was an oil auction price for participation oil from Iran, and the oil imported into Canada from Iran comes on long-term contracts with various Canadian refineries. I have had no indication yet that this auction price will find its way into the general price for crude oil in this country.

OIL—LEVEL TO WHICH GOVERNMENT WILL ALLOW PRICE TO RISE BEFORE TAKING ACTION TO ASSIST PEOPLE OF EASTERN CANADA

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a further supplementary for the Prime Minister. Would the right hon. gentleman tell the House whether he has yet determined to what level the government will permit offshore prices to rise before considering the implementation of some sort of domestic pricing policy to protect the people of eastern Canada, perhaps some sort of partial subsidy or measures of that nature?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I may have misunderstood the question, but surely offshore prices are not determined by the federal government but by the producers of oil offshore.

Mr. Speaker: The Chair will recognize the hon. member for Central Nova on a supplementary question and then try to complete the first round of questions by recognizing representatives of the other two parties. I will then return to the number of hon. members who wish to ask supplementary questions on this matter.

Mr. MacKay: Thank you, Mr. Speaker. I will be brief. I am sorry if I did not make my question clear to the Prime Minister. I realize, of course, that offshore prices are not determined by the federal government, but I am wondering whether the Prime Minister has in mind any unacceptable level beyond which he will not permit the people of eastern Canada to be victimized by these prices? Does he have any plan that, if necessary, he will eventually introduce some sort of relief measures such as a partial subsidy or other domestic assistance?

An hon. Member: Like removing the federal sales tax.

Mr. Trudeau: Again, Mr. Speaker, we may be on different wave lengths. It seems to me that the federal government can in no way determine the price—

Some hon. Members: Oh, oh!

An hon. Member: No policy.

An hon. Member: I could get you a bumper sticker to describe that policy.