

## ORAL QUESTION PERIOD

[English]

### ENERGY

#### PRICE OF OIL

**Mr. Pat Nowlan (Annapolis Valley-Hants):** Madam Speaker, I had a question to ask the Minister of Energy, Mines and Resources, or the Minister of Transport, or the Minister of Finance. Perhaps, in honour of the day, there may be an Irish wake somewhere, although it is a little early.

**Mr. Hnatyshyn:** Here comes the Minister of Finance.

**Mr. Nowlan:** Here is the Minister of Finance.

**Some Hon. Members:** Hear, hear!

**Mr. Nowlan:** I wish that I could welcome the Minister in Gaelic, but my question really was to be directed to the Minister of Energy, Mines and Resources. In light of his absence, I would like to ask the Prime Minister a very short simple question which will hopefully invoke a very short reply. As world prices come down, why do Canadian prices go up?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, the Hon. Member has not understood what has been happening in the past ten years. We have always had prices below world prices. World prices are tending to come down, but ours were so far below world prices that they could still continue to rise and still be below world prices. It is very simple, but the Hon. Member seems not to have understood.

**Some Hon. Members:** Hear, hear!

**Mr. Nowlan:** Madam Speaker, I am very glad to have had an economic lesson from the Prime Minister, so I will now turn to the Minister of Finance.

#### GASOLINE TAXES

**Mr. Pat Nowlan (Annapolis Valley-Hants):** Since the Minister of Energy, Mines and Resources is apparently to negotiate the price of crude, which is one-eighth the cost of a gallon at the pump, is the Minister of Finance prepared to take care of the taxes which amount to two-thirds of the cost of a gallon at the pump, in his forthcoming budget?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, as the Hon. Member knows, depending on the Province, a large share of that difference is under provincial control—

**Mr. Hnatyshyn:** How about Saskatchewan?

**Mr. Lalonde:**—either in the form of royalties for the Government of Alberta or provincial sales tax, such as in my own Province of Quebec, which is about 40 per cent; and it is quite substantial in the Province of Nova Scotia as well. Surely he knows that there is nothing I can do about that.

### Oral Questions

As far as the federal taxes are concerned, I will examine this issue in the context of the budget, and I would be very happy to hear the Hon. Member's views.

#### FUEL IMPORT COMPENSATION TAX

**Mr. Pat Nowlan (Annapolis Valley-Hants):** Madam Speaker, having set up the two preliminary questions, I now come to the crunch.

**Some Hon. Members:** Oh, oh!

**Mr. Nowlan:** This is completely within the control of the Minister of Finance. Has the Minister received representations from his colleague, the Minister of Transport, to eliminate the fuel compensation tax which was imposed to stop Americans from coming to Canada to top off here and going back to the States, because our gas was a little cheaper than it is now? Does he intend to do something about that fuel compensation tax, which is solely federal, in his forthcoming budget, or even in Bill C-139? I am sure that with discussion between House leaders we would agree to eliminate that facet of Bill C-139 so that those involved in the aviation industry and the marine industry would not be at an unfair disadvantage with regard to their competitors, who are basically American.

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, considering the type of so-called co-operation by the Opposition on Bill C-139, I would not expect too much from any discussions with regard to that matter. However, I can tell the Hon. Member that I always listen very carefully to the representations of my colleague, the Minister of Transport. I can assure him that any representations he may have made, and even those coming from the Hon. Member, will be very carefully examined.

#### PRICE OF GASOLINE

**Mr. Mel Gass (Malpeque):** Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. During the 1980 election campaign the Government ridiculed a tax of 18 cents per gallon. Today the federal Government tax amounts to 67 cents per gallon. Tourism in Canada has suffered because of the high price of gasoline. Canadians were advised that, as the world price of gas went up, the price in Canada must go up. Now that the world price is coming down, why is the price in Canada not coming down?

**Hon. Jean Chrétien (Minister of Energy, Mines and Resources):** Madam Speaker, we have an agreement with the producing Provinces and have fixed the price as of January 1. We will have another decision to make in July, a determination of the price for the second part of the year. I am glad to see that the Conservative Party does not agree with Premier Lougheed to the effect that we should not roll back the prices. I will take the opinion of the Official Opposition into consideration when I make my views known.