

ORAL QUESTION PERIOD

[English]

ENERGY

SEEKING OF AGREEMENT WITH ALBERTA ON MECHANISM FOR STAGED PRICE INCREASES IN PETROLEUM PRODUCTS IF FREEZE LIFTED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

Mr. Guay (St. Boniface): We want Horner.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, with my voice as it is today I certainly will not try to shout out the hon. member for St. Boniface (Mr. Guay). I would like to ask the Minister of Energy, Mines and Resources, in view of the replies he gave earlier in the week that discussions were going on with the government of Alberta about the pricing of oil following the freeze, whether he has been pursuing and seeking an agreement on a mechanism for staged price increases in regard to petroleum products following the end of the freeze, whenever that may be?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, because of my involvement in the House yesterday I was not able to meet with the Alberta officials, but my deputy minister did have occasion to continue the discussion which has been going on for the last two weeks or so with regard, among other things, to the appropriate pricing mechanism for Canadian oil and also the impact of the legislative changes the Alberta government has proposed with regard to oil royalties. I would have to say that to the moment there has been no conclusion to these discussions, or no agreement concluded. I anticipate that there may be a basis for further discussions in the coming week.

● (1450)

Mr. Stanfield: Would the minister tell the House whether he, the department or the government, have taken any initiative in this matter and whether the government is presenting any specific proposal with regard to price increases after January 31, staged or otherwise? If so, what is the proposal that the government of Canada has put forward?

Mr. Macdonald (Rosedale): Mr. Speaker, we have put forward a number of proposals. Since this is still a matter of discussion, and as the proposals were really put forward *ad referendum* for the cabinets of both sides, that at the moment I am afraid I cannot say what they are.

INCREASE IN OIL EXPORT TAX TO \$2.20 FOR JANUARY—
INTENTION RESPECTING INTRODUCTION OF WAYS AND
MEANS MOTION—DISPOSITION OF INCREASE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources arising out of the fact that last Friday the National Energy Board informed the oil companies that the export tax for the month of

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January would be \$2.20, raised from the \$1.90 figure for December. I assume this is the differential that the National Energy Board anticipates there will be between the Canadian and Chicago prices. Does the minister intend to bring in a ways and means motion to implement that tax, and will that tax be levied on exported Canadian crude oil for the month of January?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, if I may correct the hon. gentleman, the National Energy Board advised the industry that the differential between the Canadian price and the export price would be increased by a further 30 cents, to \$2.20. There has been no decision yet as to the appropriate treatment of the additional 30 cents from the taxation point of view, or how that is to be dealt with. I might say that this matter comes under the discussions we are having with Alberta concerning the export tax and also the price.

Mr. Douglas: In view of press reports that the minister outside the House said that the government may let this 30 cents a barrel flow through to the exporting oil companies, is that the government's intention, and why does the government find it necessary to give a windfall of something over \$300,000 per day or \$120 million per year to the oil industry at this time?

Mr. Macdonald (Rosedale): Mr. Speaker, it was in response to a question as to the possible ways in which the additional 30 cents would be dealt with that I mentioned three possibilities: an increase in tax by that amount, an increase in the domestic price by that amount, or neither an increase in the tax nor in the domestic price, which would result in the amount flowing through. At the moment there has been no decision on which of the three will be implemented.

Mr. Douglas: In order that this matter may be put in some legal framework so that we do not have constant decisions and changes of decision by the government as to where this money is to go, how soon does the government intend to bring in a bill to establish clearly the fact that the differential between the Canadian frozen price and the Chicago price will constitute the export tax as an ongoing process?

Mr. Macdonald (Rosedale): Mr. Speaker, as the hon. member knows, there has been a ways and means motion for the month of December and we would anticipate bringing forward one for January as well, I hope at an early date. If I might ask the hon. member to wait with regard to the taxation treatment of this \$2.20 until later this day, he would have a fuller answer to his question.

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[Translation]

COMMUNICATIONS

TELECOMMUNICATIONS—POSSIBILITY OF SURRENDER OF
POWERS TO QUEBEC—FEDERAL GOVERNMENT POSITION

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to put a question to the Minister of Communications.