

*Oral Questions*

news—is the minister investigating that trial with a view to developing procedures to prevent a recurrence of events during which the Sons of Freedom group gained complete control of the court proceedings?

● (1442)

[*Translation*]

**Hon. Marc Lalonde (Minister of Justice):** Mr. Speaker, I shall certainly refrain from answering in a way which would suggest that I agree with the hon. member's interpretation of these legal proceedings. As the hon. member is certainly aware, the administration comes under the jurisdiction of the province, and if there are specific complaints about the way a trial was carried out in a province, they should be directed to the attorney general of that province who is responsible, as I have said, for the administration of justice within that province.

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[*English*]

### ENERGY

#### INCREASES IN PRICE OF OIL—EFFECT ON INFLATION

**Mr. Cyril Symes (Sault Ste. Marie):** Mr. Speaker, my question is to the Minister of Energy, Mines and Resources and it relates to the inflationary effects of world oil price increases.

In light of OPEC's announcement to increase the price of oil by some 14.5 per cent—I believe that is in terms of American dollars, so the increase will be higher in Canada—and also the government's stated policy to increase the price of domestic oil in July of next year and January of the following year, a 16 per cent increase, can the minister inform the House whether his government has undertaken studies—and, if not, will it undertake studies—to determine the inflationary effects of these oil price increases, particularly on the consumer but also on the competitiveness of Canadian industry, as well as the general drain on federal revenues?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources and Minister of State for Science and Technology):** Mr. Speaker, work which has been done has indicated that if we had gone forward with the \$1 a barrel price increase on January 1 which had been the basis of an agreement with Alberta, that particular price movement would have resulted in an increase in the cost of living index over the course of the year of one-half of one per cent. We regarded that as too significant an increase, and that was the reason we renegotiated the agreement with Alberta and postponed the increase which would have taken place.

As a result of the OPEC increase, it is fair to say that other countries will now be hit with the kind of increase we were able to postpone. Indeed, over the period of a year other countries—European countries and Japan in particular—will experience increases of that order or perhaps a little higher.

[Mr. Johnston (Okanagan-Kootenay).]

Our policy has been to protect Canadian consumers and Canadian industry. As a result of the measures we have taken, I think the hon. member can appreciate that Canadian industry will be more competitive with European industry and Japanese industry and that we will be able to maintain our competitiveness with the United States, because as a result of the OPEC increase Canadian prices will still be below the level which will exist in the United States.

**Mr. Symes:** Mr. Speaker, the minister has confirmed only that there will be a postponement. Instead of facing one price increase in January, we will face two in the next year, and as a result of the additional OPEC increase I suggest that prices will rise even higher.

In view of the continuing trend of higher world oil prices and also the commitment the government has given Syncrude that it will receive world prices, has the minister undertaken any special plans to offset our dependence on high-priced, foreign oil? In particular, are there any plans to push for an extension of the natural gas pipeline to eastern Canada, and perhaps an oil pipeline as well, so that we can lessen our dependence on foreign oil and hence the inflationary effects on our economy?

**Mr. Gillespie:** Mr. Speaker, the hon. member is paraphrasing the policy announcements we have made and acted on over the course of the last six months. The hon. member will recognize that in August of this year we announced that we were going to renegotiate our agreement with Alberta with respect to the proposed oil price increase in January. We have done that successfully.

We also indicated that we were going to try to work out with Alberta a flexible pricing system so that we could increase the market in eastern Canada for Canadian natural gas, and thus displace foreign imported crude which carries a higher price and which is more vulnerable in the sense that the Middle East is a less secure source of energy for the future. Those are measures which we have already taken.

If the hon. member is suggesting that we should not have postponed price increases, let him say so. It has not been at all clear to me how his party feels about this. It has been even less clear how the official opposition feels about the postponement. The last time—

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

**Mr. Baker (Grenville-Carleton):** We know how we feel about you, Alastair.

**Mr. Speaker:** Order, please. The hon. member for Northumberland-Miramichi.

#### PROPOSED ACTION TO MITIGATE EFFECT OF OIL PRICE INCREASES

**Mr. Maurice A. Dionne (Northumberland-Miramichi):** Mr. Speaker, my supplementary question is to the Minister of Energy, Mines and Resources.