

present price until a new pricing agreement has been reached, so there is no immediate impact on our earnings from this decision."

In effect, this means that the tar sands plants are receiving, at the present time, the same price as they were receiving in the past, and I have indicated that while negotiations are taking place with the producing province we intend to continue to pass on the necessary increases which would come under the formula. So nothing has changed, except it has been clearly indicated to the companies concerned that in the future we will not be tied to the international price or to the price fixed by OPEC which, as hon. members know, is the equivalent of an international cartel.

Right Hon. Joe Clark (Leader of the Opposition): I have a brief supplementary. I would preface it by asking the minister, if he was quoting from a formal document and not from a press clipping, whether he would follow the rules of the House and lay it on the Table.

My question has to do with the so-called consultation with the producing provinces. Would the minister confirm that what he and the Prime Minister the other day referred to as consultation was, in fact, a telephone call of advice to the minister of energy of Alberta roughly one hour before the decision which had already been taken was communicated to the press?

Mr. Lalonde: As to the first point, if the Leader of the Opposition is interested, I will table the copy of *The Globe and Mail* of April 17 in which this statement is reported. I am sure the Leader of the Opposition has full confidence in *The Globe and Mail*.

Some hon. Members: Hear, hear!

Mr. Lalonde: As to the second part of the question, I want to advise the Leader of the Opposition I had an extensive exchange of views with the minister of energy for Alberta on March 17 and I phoned him on March 26, I believe, which was two days before the announcement was made; if I remember well it was made on March 28.

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FINANCE

CONSUMER PRICE INDEX—EFFECT OF HIGH INTEREST RATES

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Finance; it concerns the consumer price index which was announced this morning by Statistics Canada, showing that the price of basic products such as home heating fuel has gone up by 19.5 per cent, year over year, and dairy products by 14.5 per cent, year over year.

Can the hon. gentleman tell us whether it is still his view that the way to fight this kind of inflation is by having 20 per cent interest rates, when there is increasing evidence from a

number of observers that pouring gasoline on interest rates only fuels inflation rather than fighting it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The hon. member has asked for my views on inflation. There are a number of aspects to my views which I could not possibly put forward during the question period.

An hon. Member: Bring down a budget.

Mr. MacEachen: One of my jobs as Minister of Finance is to fight off proposals which would add to the inflationary pressures in this country. I am grateful to the House of Commons that the proposal put forward by the hon. member's leader, which was inflationary and, if accepted, would add an immediate and appreciable increase in prices to Canadians for food, clothing, transportation and other commodities, was rejected. That is one view I would like to convey to the hon. member, but I do not want to accept the outlandish proposals his party is putting forward at the present time.

● (1140)

Mr. Rae: Madam Speaker, I want to thank the minister for that clear and frank reply to my question which, I am sure, will clear the air for those Canadians who are very concerned about knowing the direction of government policy. The government is running on a unique blend of fog and cynicism, which has become its characteristic.

I wonder if the minister can give us a guarantee that consumers who are being so hard hit, not only by inflation but also by interest rates—which are contributing to inflation and not fighting it—will be protected in an economic statement, a budget or whatever the minister wants to call it, as soon as possible by means of a cost of living tax credit or some similar device to ensure that those Canadians who can least afford it are protected from the effects of inflation and higher interest rates, which are now clearly the policy of his government.

Mr. MacEachen: Madam Speaker, obviously one of the objectives of the government is to cushion every possible group, and particularly those groups which need protection most, against the effects of inflation. We have announced in the Speech from the Throne that the government does not wish to revive the 18-cent excise tax on gasoline, which would have been quite inflationary.

We have announced in the Speech from the Throne that we intend to introduce as quickly as possible the guaranteed income supplement, which will be of major assistance to the elderly in this country who are suffering from the effects of inflation. We have already indicated that we are taking steps to assist home owners to meet this particular crisis—

An hon. Member: What are they?

Mr. MacEachen: —as a result of extraordinarily high interest rates. So I tell the hon. member that these are three immediate proposals which are designed to meet and cushion the effect of inflation in this country.