

## ORAL QUESTION PERIOD

[English]

### ENERGY

#### POLICY IN RESPECT OF PRICING

**Right Hon. P. E. Trudeau (Leader of the Opposition):** Mr. Speaker, I have a question for the Prime Minister arising out of a commitment in the Speech from the Throne to make Canada self-sufficient in energy by 1990, a goal that we find commendable.

We intend to co-operate in some of the measures in respect of consumption and the reduction of consumption indicated in the Speech from the Throne. However, in the more immediate future, can the Prime Minister tell us if any arrangements have been made in terms of pricing petroleum in Canada? We know that the Prime Minister has had meetings with various premiers, and for the purpose of planning we would like to know if there are any announcements to be made in the near future.

**Right Hon. Joe Clark (Prime Minister):** Mr. Speaker, we have carried on extensive conversations with all the premiers with an eye to the development of a general energy package, and they naturally included conversations regarding price. There is not at this moment any agreement which I can reveal to the House, and I have no expectation of making an announcement of such an agreement in the next few days.

**Mr. Trudeau:** Mr. Speaker, I know that this is a particularly difficult task since we ourselves in the past have had to seek pricing agreements in Canada and it was not always possible to get the agreement of every province. Therefore, I would not want to press the Prime Minister for an immediate answer. Can he let the country know if it is likely that the agreement put together by our government last winter, which was to be operative till July 1 next, will be left in place, or will some new agreement be brought in before July 1?

**Mr. Clark:** Mr. Speaker, that is another matter that is under consideration in the discussions we are having with the provinces. I would hope that if there is to be a change in the agreement that is now in place, or if there is to be a new agreement based upon the agreement initiated by the former government, that will be announced before the first ministers' meeting in early December.

● (1420)

**Mr. Trudeau:** Mr. Speaker, the right hon. Prime Minister mentions early December. We have been given to understand that there would be a budget in the course of the first part of the session. Should one assume that the oil pricing agreement will be reached before the budget is brought down, or will the hon. Minister of Finance be basing his budget predictions and concluding the very important import compensation funds on the agreement which was brought forth by the Liberal government last winter?

### Oral Questions

**Mr. Clark:** Mr. Speaker, we would prefer to have an energy agreement in place before the budget. However, if that is not possible in the matter of weeks, it is entirely likely that a budget will be brought down before the first ministers meet in early December, and consequently before there is a new agreement on energy.

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### THE CANADIAN ECONOMY

#### POLICY ON INTEREST RATES

**Mr. Edward Broadbent (Oshawa):** Mr. Speaker, my question is to the Prime Minister. Given the government's approval yesterday of a third hike in interest rates over the summer period, could the Prime Minister explain to the House how his government's interest rate policy differs from the policy of the preceding government?

**Right Hon. Joe Clark (Prime Minister):** Mr. Speaker, as the hon. member will know, the degree to which interest rate increases in Canada have followed those in the United States has slackened since the election on May 22. We are dealing with a very, very difficult situation here, as the hon. member knows. That is why members of my party were so pleased to be able to accept the recommendation made by the economic spokesman of the official opposition to have the question of interest rates referred as quickly as possible—we would hope, this week or early next week—to the relevant standing committee where there can be not only an opportunity for the governor of the Bank of Canada and the Minister of Finance to express their views, but also an opportunity for other members of this House and members of the public to express their views as to the appropriate policy for a country in our circumstances at this time.

**Mr. Broadbent:** Mr. Speaker, the Prime Minister knows that no such committee has been formed as yet and that this matter is of profound importance in terms of its impact on the people of Canada. Just prior to the election the Prime Minister, in his role as Leader of the Opposition, stated:

—there is nothing less sensible than the government's determination to increase interest rates to record levels. That idea... has led to the most expensive monetary policy in this country's history.

I would agree entirely with those sentiments. I have not changed my mind.

Will the Prime Minister tell the House what has changed in the country, in the interim, if high interest rates were so disadvantageous to consumers, to people who wish to buy a mortgage, and to virtually everybody in the country, before the election but now that the election has taken place they are no longer disadvantageous?

**Mr. Clark:** Mr. Speaker, high interest rates are welcomed by no one. They are no more welcome or, indeed, satisfactory to this government now than they were to us prior to May 22. We do live in an international circumstance which limits the flexibility of the Government of Canada.