

Oral Questions

I want to ask the hon. gentleman about order in council PC-1978, No. 3243, dated October 26, 1978, published in the *Canada Gazette* on November 8, 1978. In view of the fact that the order in council usurped directly the provisions of a clause in Bill C-14, which is now before the House, would the Deputy Prime Minister tell us whether it is his intention either to withdraw Bill C-14 or to cancel the order in council to which I have referred?

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, the bill to which the hon. member refers is still before the committee; it has not yet been reported to the House. When the bill is reported, that will be the appropriate time at which to deal with questions relating to its provisions.

Mr. Clarke: The Deputy Prime Minister seems to forget that the order in council has been proclaimed. In case he is not aware of it, I wish to remind the hon. gentleman that both the Minister of Employment and Immigration and the Deputy Minister had their attention drawn to their wrongdoing, and both of them apologized to the standing committee yesterday.

The Deputy Prime Minister may or may not be aware that the Department of Justice advised the Department of Employment and Immigration not to proceed with this matter. I would like to know whether knowledge of these factors would cause the Deputy Prime Minister to rethink his answer.

Mr. MacEachen: Mr. Speaker, I do not intend to transfer to the floor of this House matters which are presently before a standing committee. I have greater respect for the work of the standing committee than to have it duplicated in the House of Commons.

Some hon. Members: Oh!

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ENERGY

FUTURE OIL PRICES—NEGOTIATIONS WITH ALBERTA

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

In the light of the announcement today by the minister of energy in Alberta, Donald Getty, that Alberta will increase the price of crude oil by \$1 per barrel if a pricing agreement is not completed by January 1, could the minister advise the House whether he has been successful in negotiating a new pact on oil prices with the province of Alberta or whether we will be faced with a massive increase in oil prices on January 1?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to announce that we have reached an agreement with the Alberta government with respect to a deferral of the price of oil come January 1.

[Mr. Clarke.]

• (1122)

I have an exchange of letters which, with the consent of the House, I would be prepared to table now. If the House will consent, I would like to table copies of my letter to Mr. Getty and Mr. Getty's to me.

Mr. Speaker: Is it agreed that the minister shall have leave to table these documents at this time?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed and so ordered.

Mr. Leggatt: Mr. Speaker, I wonder if the minister could be a little more forthcoming. Can he confirm that this new agreement will have the effect of raising oil prices on July 1 of next year, and again on January 1, 1980, a doubling of the increase we were anticipating for January 1, 1979? Can the minister advise that the government has adopted a policy of "No increase today if you vote for us tomorrow"?

Mr. Gillespie: Mr. Speaker, I made it clear in an answer in this House last week that there would be no automatic increases on July 1 of next year or January 1 of 1980. We have agreed to a set of conditions which would protect Canadians: we have agreed that increases would take place only if Canadian prices were kept below the United States price and below the international price.

Mr. Leggatt: Mr. Speaker, the impact of these increases will clearly be to reduce by half the stimulus in this government's budget. Can the minister confirm that his officials have come to the same conclusion? Can he also confirm that the impact of these increases next year will be to drive the price of gasoline to the consumer up by at least three cents at the pump, and the consumer price index right across this country up nearly one point?

Mr. Gillespie: Mr. Speaker, the hon. member has his facts quite wrong. The reason for deferring the price increase, or the price freeze on January 1 is to assist the economy in holding down the rate of inflation. The effect of this deferral should amount to about one-half of a percentage point on the consumer price index, probably the single most significant item which can effect the CPI during the course of next year.

The second point which the hon. member should understand is that as a result of this deferral we will be making Canadian industry more competitive, rather than less competitive. Therefore, it will have a very favourable effect on growth and stimulation. It will also have a very favourable effect on employment.