

Oral Questions

Mr. Waddell: Madam Speaker, this is not some Congressman speaking; it is the text of a letter from the office of the President of the United States.

REQUEST THAT MINISTER HOLD DISCUSSIONS WITH
REPRESENTATIVES OF BRITISH COLUMBIA INDUSTRY

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, perhaps the Minister is confused in this. Yesterday a Bill was introduced by U.S. Congressman Thomas Corcoran to cut off Canadian gas exports if a new, lower price could not be negotiated. In view of what was said in the letter from the President about negotiations, and in view of what has been said about pending negotiations, would the Minister be prepared to discuss the matter with representatives of the British Columbia industry before any such negotiations take place? In British Columbia, for instance, \$200 million is at stake. Would the Minister be prepared to discuss the matter with the industry, which will tell him that if he lowers the price we will not sell any more gas and therefore will not get any more money. In the event of discussions coming up, would the Minister commit himself to discussing this with the industry, especially in British Columbia?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, that is what we are doing all the time. We talk with the industry. I have been meeting with the Association of Producers in Canada and I have received papers from some producers in western Canada. I talked with the Minister from B.C., and on Monday I will meet with the new Minister of Energy for Alberta. There is a lot of consultation.

Of course, Madam Speaker, I do not get scared because a Bill is introduced in the House of Representatives in the United States. I have been around for 20 years and know that many of these Bills never become law in the United States.

Mr. Waddell: Madam Speaker, I would remind the Minister that there is a Bill plus a letter from the President of the United States.

FEDERAL-PROVINCIAL OIL PRICING AGREEMENT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, let me put this question to the Minister apropos of his discussions with the Provinces. The Minister is aware that our gas prices are tied to our oil prices and that the National Energy Program, which he must administer, was premised on oil prices going up. In fact, under the control of OPEC, world oil prices are going down.

Will the Minister guarantee to the Canadian consumer that in his discussions with the producing Provinces he will not change the provision that the Canadian consumer will not have to pay any more than 75 per cent of world oil price at the pump, no matter what the world oil price goes to?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, that is the policy as voted by the

House of Commons, and I will respect the House of Commons. We do not have to introduce a Bill on that subject at this time.

I think the policy is quite clear. We have a Canadian price for old oil, we have the international price for new oil, and we have a blended price for Canadian oil. For the old oil it is 75 per cent of the international price. The policy remains the case.

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CANADIAN TRANSPORT COMMISSION

SETTING OF FREIGHT RATES FOR TRANSPORTATION OF CANOLA
PRODUCTS

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Transport. The Minister will have received a telex from the three prairie Ministers of Agriculture urging him to rescind the very exorbitant 40 per cent increase in the minimum compensatory freight rate as it applies to canola products. They have asked him to use his good offices to rescind this increase until such time as a review of the costing order is conducted, as recommended by the CTC, and until such time as the CTC could hold a full hearing on the whole issue of minimum compensatory rates as they apply to canola products. Is the Minister actively considering taking action as requested by the provincial Ministers of Agriculture?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as former Minister of Transport, my hon. friend will know that, under an order of Cabinet of 1976, canola crushers are given a rate which is the minimum compensatory rate. He also knows that under the Railway Act, Section 276, the minimum compensatory rate cannot be less than the variable cost incurred by the railways in transporting such goods. I have a legal opinion on the subject. Consequently, there was no way the CTC could prevent the increase of the rate by 40 per cent for a period of two years. There was no way anything other than that could be done under the law.

The reference to a review by the CTC is, I understand, only on procedural matters and will not have a direct effect on the final rate.

REQUEST THAT MINISTER TAKE ACTION

Hon. Don Mazankowski (Vegreville): Since the CTC recognized that there were serious reservations about the costing order and the procedure under which the cost was arrived at, it has included in its decision the recommendation that this review should take place. All the Ministers are asking for, and all that we are asking for, is that the Minister of Transport take cognizance of that fact and use his good offices to ensure that a proper costing order is put in place and that the producers and the Provinces have a fair hearing on this matter.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only repeat what I said earlier. The information