

Oral Questions

government's oil price increase would be less than \$4 a barrel this year.

Given the fact that the Minister of Finance, in his mini-budget statement, indicated a \$1 billion reduction this year in the oil import compensation payments, and given the second commitment by the Minister of Energy, Mines and Resources on April 16, when he stated that it was his intent to collect not less revenue this year from the new oil pricing agreement than would have been received under our December 11 budget, and given the fact that these ministerial commitments—the two of them in total—cannot be achieved under any formula without price increases in excess of \$4 a barrel, has the Prime Minister asked both, or either, of his ministers to review or withdraw their respective commitments?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I do not agree at all with the premises of the question. We have discussed this and I am surprised that members opposite agree with the premises of the question.

Mr. Crosbie: You are on the ropes, Pierre.

Mr. Jarvis: Madam Speaker, if the Prime Minister does not agree with the premises, he questions the accuracy of *Hansard*. I direct his attention to those two days.

Does the Prime Minister recall that earlier this week his Minister of Energy refused to rule out a special oil levy, or special oil tax, at the refinery level which, of course, will be passed directly on to the Canadian consumer; and does the Prime Minister's commitment of less than \$4 a barrel include any special levies or taxes imposed by the federal government on oil after it leaves the wellhead?

Mr. Trudeau: Madam Speaker, on the first part of the question, when I said that I did not agree with the premises, I was not agreeing with the hon. member's statement based on statements by the minister. It was a statement in the question of the questioner that this money cannot be raised without increasing prices beyond what the Conservatives did. That is the premise with which I do not agree, and that is something that will not be happening. That is the answer to the second part of the hon. member's question.

● (1420)

What I said was, rather than an increase of some 32 cents a gallon which was planned by his minister of finance and his government, we will have an increase of less than that. It will be an increase less by at least the 18 cents of the excise tax and of the other 14 cents which was the increase corresponding to a barrel at the wellhead. Our increase will be less than that.

Some hon. Members: Hear, hear!

Mr. Jarvis: Perhaps the Prime Minister failed to understand me. If I put the question badly, I apologize. I will rephrase it. The less than \$4 a barrel commitment given yesterday, does that commitment include, as a matter of principle or as a matter of government policy, any special levies or taxes that are within his government's constitutional jurisdiction to

impose on oil, the handlers or consumers thereof, after it leaves the wellhead.

In other words, I want to know whether the \$4 commitment includes a commitment that any additional taxes or levies will not result in a price in excess of \$4 a barrel at the wellhead.

Mr. Baker (Nepean-Carleton): That is very clear.

Mr. Trudeau: It is not clear at all, Madam Speaker. I think I know what the hon. member is trying to ask, but it is certainly not clear from what he says that he knows what he is asking.

Some hon. Members: Oh, oh!

Mr. Trudeau: He wants to know, when we say our price will be less than \$4 a barrel increase, if we will try to make up for that "less" by some other taxes elsewhere. The answer to that is "no".

Some hon. Members: Hear, hear!

HONOURING OF COMMITMENT ON FUTURE PRICES OF OIL

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a supplementary question for the Prime Minister. Yesterday, the Prime Minister demonstrated his facility with arithmetic. Surely he must realize that the statement he has just made, the statement by the Minister of Finance regarding a billion dollar reduction in the import subsidy, and the statement by the Minister of Energy, Mines and Resources regarding the same "take" to the federal government as what they would have received from the December 11 budget, makes it impossible to honour the commitment of a \$4 increase this year and \$4.50 in each of the next three years. Will the Prime Minister have the honesty to admit that to the House and stop playing the shell game with Canadians?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is not a question; it is a rhetorical argument. When the hon. member says it is impossible to do that, he is forgetting one thing, that the Tory budget and the pricing policies for oil of the former government was based on a principle which would sock the consumer. We are not going to sock the consumer.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: We believe that the companies themselves and the producers themselves have some contribution to make in this.

Mr. Andre: Madam Speaker, I gather the Prime Minister is indicating, without saying so in a forthright way, that in fact his price increases will be more than \$4 this year and \$4.50 in