

Oral Questions

allowances will be increased next year by six per cent. That is not a decrease. I want to tell the hon. member also, that if he joins with the rest of us in trying to bring inflation down to six per cent, then, of course, he will minimize the effect of that move on all groups in the country.

If I may answer the final question of the hon. member, I should like to draw to his attention the various measures in housing and in job creation that will add substantially to job opportunities in the economy this year and next. I believe that that is a very solid contribution that was made last night in this budget.

Mr. Broadbent: Madam Speaker, I say it is the Minister of Finance who is trying to mislead the people of Canada. He knows as well as anyone in this House that every pensioner in the country who will not get the GIS will get less of an increase than he or she would have without this budget.

Some hon. Members: Oh, oh!

• (1430)

Madam Speaker: Order.

Mr. Broadbent: Madam Speaker, it would be nice if every pensioner in this country, rich, poor or average, could see the smirking faces in the Liberal caucus.

Some hon. Members: Hear, hear!

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ENERGY**REQUEST THAT SCHEDULED OIL PRICE INCREASE BE POSTPONED**

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have another question about one of the main concerns of ordinary Canadians, namely, inflation. Considering that the thrust of the budget, according to the minister, was to bring down inflation, and considering that not one price increase was stopped and not one rollback took place, my question this time is to the Prime Minister who will be meeting with the First Ministers tomorrow.

On Thursday oil prices are scheduled to go up 10 per cent at the wellhead, which increase will lead to a 1 per cent rise in the cost of living and 22,000 fewer jobs in Canada. At that meeting will the Prime Minister urge the premiers of the producing provinces to forgo, along with the federal government, the 10 per cent increase on Thursday?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I first want to thank the Leader of the New Democratic Party for having recognized in posing his question that there will be no decrease, as seems to have been alleged, in old age pensions and that there will be an increase—not as large as might otherwise have been expected, but there will be an increase, not a decrease, and I thank him for having put the record straight on that.

Some hon. Members: Hear, hear!

Mr. Trudeau: As regards the price of petroleum at the wellhead, the hon. member knows that price was reached after long and arduous discussions between the producing provinces and the federal government. I would be happy to carry the representations of the hon. member to the premiers tomorrow, but naturally that is not an area in which we can assert jurisdiction alone. It is a negotiated agreement which, incidentally, was adhered to by the former New Democratic Premier of Saskatchewan. I repeat, I would be happy to carry that representation to them, but I certainly would not want to indicate that the federal government alone would go back on that contractual arrangement.

POSITION OF GOVERNMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, so that we are perfectly clear on this point, the agreement, as the Prime Minister knows, was negotiated late last summer or into the fall and, as this whole country knows, things have changed considerably for the worse since then. Is the Prime Minister saying to the House, on behalf of the federal government, that in his meeting with the premiers tomorrow he is prepared to forgo the federal government's share of that proposed increase? I would like him to make that very clear, and in so doing will he be then saying to the premiers and the oil industry that he expects them to do the same so that at last we can have some concrete action which will be a positive step to reducing inflation in this country?

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I find the suggestion a little bit bewildering because for months the New Democratic Party, indeed the members of the official opposition, argued that what this country needed was the certainty and security of knowing what the prices would be. The hon. member knows that not only were those prices reached after long and arduous negotiation, but in some cases there was a refusal to continue production by the producing provinces. He knows that the agreement meant prices for Canadian consumers substantially below world prices, and I do not see it as being in the public interest to reopen that contract at this time.

I can understand the suggestion now made by the Leader of the New Democratic Party, but I think he has to bear in mind the some 18 months of difficulty during which these negotiations took place. He has to bear in mind the consequences of the Alsands project being stalled and eventually stopped for that period of time, the consequences of the fact that eastern Canadian refiners and importers had to sign contracts for offshore oil, and the consequences due to the fact that therefore a lot of the production was shut-in in Alberta and Saskatchewan. I do not think that I can, simply on the basis of a question, now say that these 18 months of arduous negotiations will be swept away just because the Leader of the New Democratic Party has a suggestion in mind.