

Oral Questions

sensation. This letter was sent out at a time when the government was considering contingency plans and inflation was due to many different factors than it is today.

Mr. Alexander: Mr. Speaker, the Prime Minister has evaded the question. In light of the fact the prices review board has not been any great success, and in light of the fact the consensus seems to be mythical and elusive, notwithstanding what the Minister of Labour is talking about, can the Prime Minister now advise whether the government has a contingency plan involving a form of wage and price controls such as they had in June of 1973 and what it takes in order for the government to face reality and bring in the same?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to assure the hon. member that I was not evading the question by allowing the Minister of Labour to stand up. I knew that, if given a chance, he would point out the shabby practice in which members of the opposition indulge.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, this matter is too important for me to be playing games with the Prime Minister. Will the Prime Minister now answer my question or are we to conclude that he and his government are bankrupt in terms of presenting any type of plan in order to deal with inflation?

Mr. Trudeau: Mr. Speaker, I have the impression that the hon. member is playing games by reading a quotation without indicating the date of it. It is something which goes back a considerable amount of time.

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PUBLIC SERVICE

INQUIRY WHETHER GOVERNMENT PROPOSED REGIONAL WAGE RATES FOR AIRPORT FIREFIGHTERS—GOVERNMENT POSITION ON FAIRNESS OF REGIONAL WAGE RATE SYSTEM

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the President of the Treasury Board. Has the government proposed regional wage rates in the collective bargaining that is now going on with firefighters who are employed by Transport Canada airports across the country? I will ask my supplementary at the same time.

Some hon. Members: Oh, oh!

Mr. Fairweather: I can sit down and get up again as everybody else does or save time. It does not really matter to me. Is there any evidence where the regional rates are paid that the cost of living is any higher than in the rest of the country? Where is the fairness in the regional wage system?

[Translation]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, with regard to those negotiations, I believe the problem was this: the union chose to go to arbitration and the matter is now before an arbitrator, if I am not

[Mr. Munro (Hamilton East).]

mistaken. As for the policy on regional rates, there are pros and cons. The government favours a policy of regional rates for federal employees in general.

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[English]

ENERGY

OIL—AMOUNT BY WHICH GOVERNMENT INTENDS TO INCREASE PRICE AND JUSTIFICATION THEREFOR

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Prime Minister. It arises out of his statement at his press conference yesterday to the effect that if no agreement can be reached with the provinces, the federal government intends to raise the price of crude oil unilaterally under Part II of the Petroleum Administration Act. I have two brief questions. First, by how much per barrel does the government intend to increase the price of crude oil? Second, what justification is there for any increase in price in view of the exorbitant profits which the oil companies have made out of the present price of \$6.50 a barrel?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, what I indicated at the conference and at the press conference following was that we were still hoping a consensus would be reached. However, since it is impossible to predict that with certainty, I indicated that we would be proceeding with the Petroleum Administration Act. This would put the government in a position where it would be able to exercise its constitutional powers, if and when this consensus could not be reached, and if and when some provinces unilaterally envisage or contemplate a raise in price which we felt was not in the public interest.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since the Prime Minister has said the government has decided reluctantly that an increase in price is warranted, will he now advise what justification there is for an increase in price in view of the substantial profits which have been made on the basis of the present price and if the reason for an increase in price, as the Prime Minister indicated to the conference, is the need for increased exploration? What steps does the government intend to take to ensure that any increased revenue to the oil companies will be used for exploration when they have not used their present profits to bring about increased exploration in this country?

Mr. Trudeau: Mr. Speaker, every premier and myself, at the conference and publicly over television, gave reasons why the price would have to go up. Some said at this time and some said subject to various conditions. I do not see any possibility in the space of the question period of summing up all those arguments which were made publicly. I will send the hon. member a copy of my speech if he has not had an opportunity of reading it.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have read the Prime Minister's speech several times. The House is entitled to some information. If the government is convinced that an increase in price is