

time. The information which has been collected is available, and the department has been working on the basis of information collected under the Petroleum Monitoring Act as well as on the basis of the information provided by the companies.

Mr. Hnatyshyn: I appreciate very much the report on the negotiations with the promoters of the two new projects, that is Alsands and the Cold Lake in situ plant. I understand that there have been discussions with respect to a reasonable rate of return. I am interested in the application with respect to the agreement and the *force majeure* clause involved in the present agreement with Syncrude and Suncor.

The minister has referred to the fact that Suncor is apparently making a profit. He gave some figures in the course of his statement. However, Syncrude, as I understand it, has not yet made a profit in its operations. Are the same figures which the minister quoted with respect to future operations applicable to the existing synthetic oil project?

Also, I was not talking about the Petroleum Monitoring Act, with which I am acquainted. I am talking about the new agency which was announced in the Speech from the Throne and which was promised during the course of the election campaign, the petroleum price auditing agency. It was indicated in the Speech from the Throne that this agency would be a very large agency which would be in a position to make exhaustive inquiries with respect to the industry and the oil companies. Is it the intention of the minister with respect to determining what a reasonable price would be for synthetic oil, to invoke and use this particular agency which the government has proposed to set up, or has the government withdrawn from that particular undertaking which it made in the Speech from the Throne?

I am interested in knowing what the government will use as a basis for determining a reasonable price and the general guidelines so that the people of Canada can understand how we will move off the international price, if you will, onto another price which is not necessarily the international price.

Mr. Lalonde: Madam Speaker, the petroleum price monitoring agency will be set up. However, it will not be in operation in time for the current discussions which have already begun and are proceeding. It is the intention of the government to proceed with the establishment of that agency in the near future. The hon. member referred to this agency as becoming a large agency. This does not need to be the case.

The idea is that this agency would encompass at least part of the functions which are now fulfilled by the division which performs the monitoring in the Department of Energy, Mines and Resources. It would then operate as an ongoing monitoring agency and would have the powers which Parliament would legislate in this respect.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I noted the very careful decision which you rendered on the point of order. I noticed specifically that you quite explicitly indicated that you were not ruling on the legality of the instrument that is being used here, that you were ruling

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instead on the propriety of the parliamentary practice which is being following. The question of the legality of the instrument still remains open.

I would like to direct questions to the Minister of Energy, Mines and Resources (Mr. Lalonde) flowing from the fact that the legality of the instrument has not yet been resolved. Can the minister tell us whether he has consulted the law officers of the Crown, either before acting as he did today or after the various questions were raised? I have three questions flowing from the point. First, in light of the unusual circumstances and the interest of the House and the country in a \$600 million tax increase which may be illegal, would the minister agree to break precedent and to make available to the House of Commons the legal opinion he received from the law officers of the Crown?

Second, could the minister tell us whether the government is confident that the charge being levied, this \$500 million or \$600 million tax levy increase, is in fact legal in so far as the minister is concerned? Third, could the minister tell us whether the government is now actively considering some other instrument, whether it be an amendment of the act or some other instrument?

Mr. Lalonde: Madam Speaker, on the first question, this ways and means motion was drafted upon the advice and with the help of the law officers of the Crown. The Leader of the Opposition (Mr. Clark) knows how these things are done, and they have been done through the normal process, inside the government. There has been no formal legal opinion given on the matter as such, for the good reason that this is a procedure which has been followed historically on many occasions for decades by this Parliament and the British Parliament.

I am advised that parliamentary procedure has been operating in this manner for many generations. Although the rules do not provide for ministers giving legal opinions in the House, I have little doubt about the propriety of the method which has been followed if, as I said, we look at the countless precedents in this country and in the U.K. in terms of the role and technique which have been used when governments employ ways and means motions.

With regard to the other instruments, if after the discussions which will take place with the producing provinces, particularly the government of Alberta, there is an agreement which requires some amendments to some pieces of legislation, obviously the Petroleum Administration Act would be brought back before the House, and there may be opportunity to make specific amendments to that act at that time. But as the hon. Leader of the Opposition knows, this ways and means motion is specifically drafted as an amendment to the Petroleum Administration Act.

While I am on my feet and not wanting to mislead the House, I referred to a ceiling of \$200 million in the fund. I would like to stress that this is not a ceiling provided by the Petroleum Administration Act itself or by the law, it is a ceiling set up by Treasury Board in terms of administration. They have traditionally avoided allowing the fund to get above