

estimate of the Economic Council of Canada was based on the deregulation of gas, which is not yet in effect. It was not in effect yesterday when the Minister of Energy, Mines and Resources gave us her figures. Because the people of Canada are interested in fair prices on the one hand, and job creation on the other hand, I ask the Minister has his Department done a study on the job effects of the energy accord? If so, will he produce the figures? If not, will he quit making up fanciful figures to mislead the people of the country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I am not making up fanciful figures; I am relating the words of the Economic Council of Canada which reports to Parliament. If the Hon. Member wishes to press the Economic Council, maybe he should go across the street and get the Economic Council to produce its figures. From a range of studies which have been done by the industry and by objective observers—

**Mr. Riis:** Who are they?

**Mr. Wilson (Etobicoke Centre):**—it is very clear that the jobs will be created. I would tell the Hon. Member that if he has a little patience he will see them created very soon.

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#### HOUSE OF COMMONS

##### PRESENCE IN GALLERY OF DELEGATION FROM THE CALIFORNIA STATE ASSEMBLY

**Mr. Speaker:** May I indicate to Hon. Members the presence in our gallery today of a delegation from the State Assembly of California, led by that State's Lieutenant Governor, the Hon. Leo McCarthy.

**Some Hon. Members:** Hear, hear!

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#### ENERGY

##### WESTERN ACCORD—JOB-CREATION PREDICTION

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, I would like to direct a supplementary question to the Minister of Finance. The Minister of Energy, Mines and Resources first adopted the figure of the Canadian Petroleum Association which said that up to 300,000 jobs could be created in the energy sector. Then she adopted the figure of the Economic Council of Canada which indicated that as many as 100,000 jobs might be created. The Economic Council is now saying that it did not carry out simulations on the new oil and gas agreement. On what basis is the Government predicting the creation of even 100,000 jobs?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I will take the Hon. Member through it very carefully. First, the Economic Council said in its statement:

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—the impact of deregulating oil and natural gas prices, without other changes in taxation or royalties, was simulated. Based on this assessment, we concluded that as many as 100,000 jobs might be created.

The Economic Council further stated:

—it is well known that tax cuts usually have a stimulative effect.

A number of tax reductions were made as a result of the energy agreement, plus a wide range of deadening regulations was removed. The combination of the 100,000 jobs which have been identified, plus the simulations which have been made, certainly put us in the ballpark figure. I make no apologies for doing something which creates 100,000 jobs.

**Some Hon. Members:** Hear, hear!

#### JOB STUDIES

**Mr. Russell MacLellan (Cape Breton-The Sydneys):** Mr. Speaker, one would think that before the Government gave billions of dollars to the multinational oil companies it would at least do some studies on how many jobs would be created.

I asked the Minister of Energy, Mines and Resources in December for the studies which were done by her Department, and I have not received anything. I do not feel that any studies were done. I ask the Minister of Finance were studies done? If those studies were done, will he table them in the House?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I have got a study here, I have got another study here, and all sorts of studies have been done by the industry as well as objective observers. Surely the Hon. Member can accept the range of 100,000 to 300,000 jobs. That's pretty good for a country which is suffering with 1,343,000 unemployed, primarily as a result of the legacy of the previous Government.

#### DEPARTMENTAL STUDY

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I would like to direct a question to the Minister of Finance. I have obtained one of those studies from the Department of Energy, Mines and Resources, which is dated February, 1985. It was done by the macroeconomic division of the Department and is entitled *Comments on Recent Macroeconomic Studies on the Impact of Oil and Gas Price and Tax Changes on Employment*. In that study it states:

Decontrol leads to higher employment in the ECC case but it is only temporary and most additional jobs appear to be in the non-energy sector. Moreover, the increase in jobs in the ECC simulation is mostly explained by a fall in energy prices.

Does the Minister of Finance have a copy of that study? Does he not agree that the study shows that there is some real doubt as to whether 100,000 jobs will be created? Does he think that the Economic Council of Canada is correct?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member has identified one way of creating jobs, and that is by the drop which is expected in moving to world price, because there will be a downtrend in price. Surely the Hon. Member will agree that, if taxes are dropped, activity will be