

better control operations and can draw more revenue and greater state ownership. The standard argument is that 22,000 exploration wells in western Canada will "only" prove between 2.6 billion and 3.3 billion barrels of oil, whereas just 75 wells in the north might prove between 2.4 billion and 2.6 billion barrels.

Whether there is much truth to these suspicions is academic, when we consider how much perception counts in the business of risk investments. It is my belief that the government should be doing everything it can to reassure private enterprise in Canada and to maximize development and job creation. There may come a time when we can afford the luxury of increased Canadian ownership through philosophical approaches. We can hardly afford it now. We might even be happily surprised to find that a dynamic private sector development of the oil industry in Canada will operate its own Canadianization merely by becoming so attractive to Canadian investors, and even to individual taxpayers who are encouraged to invest through incentives, that no buy-back program will ever be needed.

As things are developing now, honourable senators, we will soon have no oil industry to Canadianize, nationalize or buy back if we are not careful and if we continue to confuse illusion with reality.

[Translation]

Honourable senators, in order to achieve its objective of oil self-sufficiency, the government should modify the discriminatory provisions which are not in the interest of oil production in Canada and are contrary to international statements of principle, to which Canada subscribes, on the movement of private capital between nations. The Organization for Economic Co-operation and Development has already expressed its disapproval of such discriminatory policies. The industrialized countries should show their solidarity and respect their commitments if their implementation is to be successful and if they are to be in a position to help less developed countries.

In concluding, honourable senators, I strongly recommend that these changes be adopted in order to make Bill C-104 a successful tool for achieving the government's basic objectives.

[English]

Hon. D. G. Steuart: Honourable senators—

The Hon. the Speaker pro tem: Honourable senators, I wish to inform the Senate that if the Honourable Senator Steuart speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

Senator Steuart: Honourable senators, I simply want to say a few words in closing the debate on second reading of this bill. I should like to remind honourable senators of one or two things which have been brought up in the course of this debate. Honourable senators opposite and many people across Canada are heaping blame upon the federal government with regard to the National Energy Program and with regard to most of the problems we find ourselves facing with respect to oil, gas, and energy in general.

Take, for example, the oil sands. Let us not forget that Premier Lougheed, when he was involved in a quarrel with the federal government over the energy agreement, refused, for months and months, to give the oil companies a licence enabling them to go ahead with the tar sands project. In the meantime, inflation and interest rates rose until the projects became uneconomic.

My feeling is that the blame must be shared by both the federal government, in taking so long to make that deal, and the Government of Alberta, in using delaying tactics as a means of blackmail to attempt to get a better deal.

Hon. Martial Asselin: It is always the fault of others, never the fault of this government!

Senator Steuart: I would also point out to honourable senators that it was Premier Lougheed who shut off the oil to eastern Canada, and who continued to shut it off, in an effort to get a better deal from the federal government. Perhaps that was good strategy on his part, but it forced the federal government to go to Mexico in order to ensure a supply of oil for eastern Canada—including the province of Quebec, Senator Asselin.

Senator Asselin: It is always the fault of others, never the fault of the federal government!

Senator Steuart: Honourable senators, it was after the federal government had introduced the incentives—the super-depletion allowance and all of the other incentives—to the industry that the price started to rise. Both the Government of Alberta and the Government of Saskatchewan moved in and attempted to take 95 or 100 per cent of the increase, leaving little or no room for the companies and no room at all for the federal government. That began the quarrel over energy, in the first place.

Hon. Jacques Flynn (Leader of the Opposition): It was the electoral fraud of 1980!

Senator Steuart: I was convinced then, and I am convinced now, that the federal government is entitled to a fair share of the oil revenue. When you want to cast blame for the situation involving the oil industry and the National Energy Program upon the federal government, I will agree that it has to take responsibility for some of that blame—

Senator Flynn: The federal government lied in 1980.

Senator Steuart: —but the greed and the stubbornness of the provinces added to the problems. The Conservative government in Alberta and the NDP government in Saskatchewan must share some of the responsibility, so I say: Take your blinkers off and put some of the blame where it belongs!

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

Senator Steuart moved that the bill be referred to the Standing Senate Committee on Banking, Trade and Commerce.

Motion agreed to.