

Senator Flynn: Go on. What we have to say does not matter anyway.

Senator Olson: It does matter, because I think the Honourable Leader of the Opposition asked a question, and at the same time gave one of the best answers to that question. He really ought to see the relationship here. He does understand, even though he denies it. The whole idea was to have a gradual change in the value of the Canadian dollar to where the market dictates what it should be, and there has not been a wide or extreme fluctuation, which is exactly what my honourable friend has said. The Canadian dollar has been settling down slightly, but it has done so with some fluctuations in both directions.

Senator Flynn: Does the minister suggest that if the Bank of Canada had not intervened the Canadian dollar would be at a lower point today, compared to the United States dollar? Is he saying, furthermore, that that was the only thing that was preventing a more abrupt downfall? If that is all the intervention accomplished, I do not see the use of it.

Senator Olson: What I am saying, honourable senators, is that it avoided extreme fluctuations. There have been several days, for example, where the change has been more than 0.6, settling down then to an amount less than that. As a matter of fact, I think it has fluctuated nearly 0.5 today.

My honourable friend should also know, of course, that it is not a question of spending the dollars. All that is being done is to effect an exchange in the currency to counteract extreme trends.

Senator Flynn: Some time ago I asked the minister about the statement made by the Prime Minister, about a month ago, that we had the choice of letting the dollar go to 75 cents in order to fight high interest rates. We are getting there now, in any event, and the intervention of the Bank of Canada has not prevented this downfall of the dollar. How can he reconcile that statement of the Prime Minister with a dollar that is going to be at 75 cents pretty soon and interest rates that remain high—in fact, double the rates in the United States?

Senator Olson: Honourable senators, my friend is doing what he does very conveniently, that is, to put things in the wrong sequence, which he did when he talked about this the other day.

Senator Flynn: The Prime Minister said this, not me.

Senator Olson: You put things in the wrong sequence. You indicated the other day that if the interest rates were to be brought down, the dollar may go to 75 cents; but my friend puts things the other way round, and of course that is wrong.

The other thing that is important in all of this is that some changes have taken place in the relative attractions of places where some of the international funds that are highly liquid should be put. It would take a long time to explain that to my honourable friend. If I get an opportunity I will be glad to do that, but those factors have all been at work in what has happened in the last few days.

Senator Flynn: It is no use.

Senator Olson: You will read all about it tomorrow.

EXCISE TAX ACT PETROLEUM AND GAS REVENUE TAX ACT

BILL TO AMEND—SECOND READING

The Senate resumed from yesterday the debate on the motion of Senator Frith for the second reading of Bill C-112, to amend the statute law relating to certain taxes.

Hon. Duff Roblin (Deputy Leader of the Opposition): Honourable senators—

Hon. Royce Frith (Deputy Leader of the Government): Honourable senators, I wonder if I might interrupt for a moment, perhaps under the heading of "Delayed Answers," though it does not really matter, because the relevant questions relate to the subject of this bill.

The questions were asked by Senator Smith. Does Senator Roblin want to have the information arising from those two questions now, or will I provide it when I close the debate?

One question dealt with the definition of a gigajoule, which Senator Roblin probably knows; and the other question dealt with the status of the Alberta reference. Perhaps Senator Roblin knows that the answer is that, on a somewhat narrow factual point with regard to gas produced from Alberta-owned wells, the reference went against the federal government. The argument has been heard by the Supreme Court of Canada and judgment was reserved.

I can give the technical answer to the question as to what is a gigajoule, but I think Senator Roblin already knows the answer. I will deal with the matter more technically when I close the debate.

Senator Roblin: I am rather flattered, honourable senators, to be referred to as an expert on gigajoules. I can say that it is a hell of a lot of gas, but beyond that I will not go.

My task this afternoon is to say something about Bill C-112, which is one of the centre pieces in the taxing structure set up under the National Energy Program. Of course, there are a number of bills which, constitutionally, and from a parliamentary point of view, have to be dealt with separately. I quite concur with that approach. It is also a fact, however, that these bills are all, in another, larger policy sense, related, and it is a little difficult, I think, to confine oneself to the exact terms of this bill because of its wider implications.

The related character of these bills dealing with energy has, I think, been illustrated by the two excellent speeches that I had an opportunity of listening to, one by Senator Balfour and one by Senator Macquarrie, on other bills. I may also say that the only gleam of light on the other side of the house with respect to discussion of energy was that offered by Senator David Stewart, who made some interesting comments the other night on the potash situation in Saskatchewan.

The background of this bill, C-112, leads one inevitably to review an episode in the economic history of Canada that is