

recognizes that while we will try to urge the United States to minimize the amount of tanker traffic out of Valdez, or wherever down the coast where it could naturally hurt our west coast, we really do not have the authority to impose that on the United States authorities.

PRICE OF DOMESTIC OIL—FEDERAL-PROVINCIAL
NEGOTIATIONS

Hon. C. William Doody: Honourable senators, I have a question for the Leader of the Government. The Minister of Finance has stated that \$1 billion would be cut from the deficit as soon as the oil-pricing agreement is finalized with the provinces. I would assume from that that the government must already know what oil-pricing formula it intends to have the premiers accept. I wonder if the Leader of the Government would share the formula with us.

Hon. Raymond J. Perrault (Leader of the Government): Honourable senators, I must say that the hope for a deficit reduction expressed by the Minister of Finance is limited to the process of oil-policy negotiation lying ahead.

Senator Doody: I appreciate the candor of the answer given by the leader. I would assume, however, that the figures in the statement made by the Minister of Finance a few days ago, and the subsequent comments made by the government, indicate that these hopes must be based on some premise. Could the leader indicate what these projections or premises are so that we can get some indication as to how these numbers are arrived at?

Senator Perrault: It is evident that the implications of the question are detailed and very profound. I assure honourable senators, however, that the negotiations with the provinces will proceed in the finest spirit of co-operative federalism.

Senator Doody: Well, then, in the spirit of co-operative federalism, would the Honourable Leader of the Government indicate what the price would have to be to achieve this \$1 billion hoped for saving?

Senator Perrault: Well, honourable senators, the development of an oil-pricing formula proved to be extremely elusive for the preceding government; consequently, I know that the honourable senator would not expect me to offer an immediate, offhand judgment on this occasion.

● (1415)

Senator Doody: I have a supplementary question. I am not asking for an offhand judgment, in all fairness to myself and to the government. I am asking for some clarification or elucidation of the statement. As for references to the previous government, I rather think they are irrelevant right now. I know that I tried to restrict myself to comments about the previous government when I was on that side of the house and I really think yours is not a productive line to pursue.

Senator Perrault: I am pleased to answer that question directly, then, in the new circumstances. The price will be fair and equitable to both sides.

[Senator Olson.]

Senator Flynn: What do you mean by "both sides"? Name them. What are the "both sides"?

Senator Olson: The consuming provinces. That is obvious.

Senator Asselin: You refuse to answer the question?

OWNERSHIP OF CANADIAN OIL INDUSTRY

Hon. Duff Roblin (Deputy Leader of the Opposition): Honourable senators, I should like to continue to pursue the question of oil; from a slightly different standpoint, however.

I recall that in the gracious Speech from the Throne reference was made to a policy of Canadianizing the ownership of the Canadian oil industry within a certain period of time. I wonder if, as a result of that policy, the government has made a calculation of what funds would be involved, if that program were to be fully realized.

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I do not think the calculation of the amount of funds in the first, second, third or any of the fiscal years involved between now and 1990 has been worked out. I suppose it would depend on the nature of the incentive to have that happen. I am sure the honourable senator agrees that an increase in the equity ownership by Canadians of Canadian resources is a desirable thing. It depends, therefore, on when it starts. My hope is that it will be soon. How rapidly it is accelerated towards the 50 per cent objective by 1990 will, of course, have to be taken into account year by year. I do not think that there are any figures available at this time.

Senator Roblin: Well, I am rather surprised, honourable senators, that a policy like that would be announced without any calculation having been made of what is involved. That is what my honourable friend appears to be telling me.

I would ask him whether he would agree that, if it were to be done today on the basis of today's current market prices, it might be in the neighbourhood of \$4 billion. That is the estimate that has been made by people in the marketplace. I offer that piece of information to him because he does not seem to have any himself. Would he agree that that figure is in the ballpark?

Senator Olson: Well, honourable senators, I think that a government has the right to state its objectives without having calculated in detail the ten-year projection of expenditures necessary in each of those expenditure years.

Senator Flynn: For a Liberal Government, that is right.

Senator Olson: If the honourable senator is suggesting to me that \$4 billion would buy all of that, I would suggest that that figure is low.

Senator Roblin: Of course, I find it incredible to think that the minister who is in charge of the economic development policy, which obviously depends on the use of money and the money that is available in the economic system, would find it unnecessary to make such a calculation before announcing the policy. However, as that seems to be the case I will pursue the matter a little further by asking another question.