

Exploration and Development

So I think that clearly sets out the situation. I would draw Hon. Members to a ruling of the Speaker as recorded in 1964. Speaker Macnaughton was in the Chair and this exact point was raised. I might read this.

Objection was raised by the honourable Member for Bow River (Mr. Woolliams) who proposed a motion "That the Right Honourable the Leader of the Opposition be now heard". We have had a vote on that motion. Therefore, I now have before me an Order of the House directing the Chair, according to my view, that the Right Honourable the Leader of the Opposition be not now heard but that the Right Honourable the Prime Minister be now heard. I must have regard to the effect and terms of citation 167, paragraph 2, of Beauchesne which is in these words: "If a Member has taken the floor at 12.55 o'clock, he is entitled to speak for 20 minutes, but no Member 'shall rise to speak' after one o'clock.

I hope this helps to clarify the situation for all Hon. Members. Again, I want to thank the Hon. Member for Trinity-Spadina for the careful way in which he assisted the Speaker by putting the point of order to me this morning.

GOVERNMENT ORDERS

• (1510)

[*English*]

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM ACT

MEASURE TO AMEND

Mr. McKnight (for Mr. Epp) moved that Bill C-19, an Act to amend the Canadian Exploration and Development Incentive Program Act, as reported (without amendment) from a legislative committee, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. McKnight moved that the Bill be read the third time and passed.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I place before you today the third reading of Bill C-19, an amendment to the Canadian Exploration and Development

oment Incentive Program. The purpose of this Bill is to implement the decision announced by the Minister of Finance (Mr. Wilson) in his recent Budget to terminate CEDIP incentives on April 27, 1989, except for certain activities under way or required to be undertaken pursuant to written agreements in place as of that date.

CEDIP was created in March, 1987 as a temporary financial bridge to assist the oil and gas industry in adjusting to a precipitous decline in world oil prices. Oil prices have dropped from \$30 U.S. a barrel to \$10 U.S. a barrel in a very short period of time. The Government of Canada was sensitive to the disruption in the cash flow and investment caused by the rapid fall of oil prices. CEDIP was brought in to assist the industry in maintaining upstream investment and employment. It provided cash incentives to maintain exploration and development activities. The program was primarily intended to help the smaller to medium-sized companies, the part of the sector that was facing the most difficulties.

Current projections are that the program would provide \$1.25 billion in assistance to the industry. The program will have supported over \$3.7 billion in exploration and development activity, the bulk of it in western Canada. For 1987-1988, the first year of CEDIP and the only one for which the deadline on applications has lapsed, industry will have been provided with roughly \$500 million dollars in incentives.

The decision to terminate CEDIP, I would again stress, was not an easy one. We know that the oil and gas industry is upset by the lack of notice provided on this decision. But coming to grips with our deficit problems means making difficult decisions.

The termination of CEDIP will save the Government of Canada \$80 million. We have instituted grandfathering provisions in order to honour activities under way or committed to underwritten agreements. This grandfathering regime will cushion the impact of program termination. Incentives will be provided on grandfathered activities through to December 31, 1989 when the program will be completely terminated. The grandfathering will help many companies. We fully realize that by asking the oil patch to contribute \$80 million toward the deficit, some companies will have more difficulty than others in adjusting their investment plans to take into account the Budget decision.