

I do not think I can add very much more to what I have already said. I should perhaps make reference to the question of the powers that exist in this bill to implement certain policies by order in council. As Senator Roblin implied, the implementation of some of the provisions in the statement of May 31, effective June 1, will, of course, be done by regulation. In particular, the incremental oil revenue tax adjustment that was announced will be implemented, once this act is passed, by regulation. The Governor in Council has the power to define "income"; therefore, by changing the definition of "income," the alleviating aspects of the changes to the IORT can be implemented.

Honourable senators, in conclusion, I share with Senator Roblin his hope that the suggested changes, effective June 1, 1982, will be beneficial. I hope they will be beneficial to the industry as a whole and not just to the large producers. Certainly, the \$250,000 tax credit will be beneficial. In many cases the IORT change will be beneficial, as will the reduction of the tax rate from 16 per cent to, in effect, 14.67 per cent.

Before closing the debate, there is one further point I should like to clarify. Last evening, during my remarks on second reading, I said that I understood the bill was already the subject of pre-study by the Standing Senate Committee on Banking, Trade and Commerce, and Senator Roblin doubted that I was correct. I have verified that I was wrong and he was correct. It is part of the National Energy Program, but not part of the package that was referred for pre-study.

I commend this bill to honourable senators on second reading. If it receives second reading, I will move that it be referred to the Standing Senate Committee on Banking, Trade and Commerce.

The Hon. the Speaker pro tem: Is it your pleasure, honourable senators, to adopt the motion?

Senator Roblin: On division.

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

REFERRED TO COMMITTEE

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

Motion agreed to.

● (1520)

[Translation]

PETROLEUM INCENTIVES PROGRAM BILL CANADIAN OWNERSHIP AND CONTROL DETERMINATION BILL

SECOND READING

The Senate resumed from yesterday debate on the motion of Senator Perrault for the second reading of Bill C-104, respecting petroleum incentives and Canadian ownership and control determination and to amend the Foreign Investment Review Act.

Hon. Guy Charbonneau: Honourable senators, as you know, Bill C-104 is an act respecting petroleum incentives and

Canadian ownership and control determination, and it also amends the Foreign Investment Review Act to that end. When the Minister of Energy, Mines and Resources introduced this bill in the House, he said its purpose was to achieve specific goals of the National Energy Program, namely, energy self-sufficiency and security of supply, Canadianization of the petroleum industry and the establishment of a fair pricing system. According to the minister, this legislation would ensure that Canadians would control the development of their energy resources and it would also enable the government to fulfil its 1980 campaign promise, namely, to create a comprehensive energy program that would help the country become energy self-sufficient. In fact, the government had made considerable progress in this direction, and Canadians had, according to the minister, shown a real desire to achieve these objectives.

[English]

The minister then said that the government intended to achieve these goals through Bill C-104, and that the Canadian people were behind it. He particularly singled out the subsidies contained in the bill which are meant to benefit Canadian-controlled companies, other Canadian investors and foreign companies which are willing to co-operate by allowing increased Canadian control of their enterprises.

This sounds eminently inspirational and commendable, and I only wish that I could have stayed on that "high" before I was asked to speak on this bill today. However, these days, reality has a habit of intruding into the best dreams.

The latest intrusion, of course, comes from the suspension of the Alsands project and the delay—if not the demise—of the Alaska Highway gas pipeline.

While it is true that the world oil situation and price deterioration have much to do with the cancellation of Alsands, I could not help but recollect a column by Ronald Anderson in the *Globe and Mail*, written on April 29 last. The article was entitled: "Pressures increase for changes in NEP." In this article Mr. Anderson made quite a case for changing the NEP following what he called weakening world oil prices and serious cash flow problems being experienced by Canadian oil companies. He pointed out that foreign-controlled companies, which are discriminated against in the NEP, were loudest in their plea for change, but that others were coming to acknowledge that the oil industry has a convincing case.

He pointed out that falling oil prices have exposed a number of anomalies in the method of determining import subsidy payments, allowing eastern refiners to buy foreign crude more cheaply than western Canadian crude. This, he said, has resulted in a steep decline in western Canadian oil production.

Meanwhile, Premier Lougheed, in a candid interview with a national columnist, spoke of the bitterness of westerners with regard to imports. He said:

Confederation has to work both ways... They're importing oil into Montreal... our wells are shut down, so our service people can't work—while they're paying for imported oil.