

pride, that they cannot afford to continue to function, there are members of the bench who are in desperate straits and who need those increases. I do not think it is good enough for us as citizens of Canada to demand from our best legal brains in the country tremendous sacrifice and a tremendous workload, and then say, "However, you understand, we don't make any adjustments if we don't pay you as well as a plumber or a labourer, and we cannot give you a decent salary." We must recognize that most judges are on the bench during their peak earning years, and are making a sacrifice of at least two or three times the salary they receive, which they are contributing to the people of Canada whom they serve. I do not think it is good enough for the people of Canada to expect that kind of sacrifice by way of talent, family, and so on, from judges, and from members of the House of Commons and members of the Senate, and also expect those people to work for less than the average scale.

Honourable senators, I am not going to propose any amendments or attempt to impede the progress of the bill, but I think the government made a mistake in not putting in at least 37.1 per cent, which would do nothing more than restore us to the 1970 purchasing power. But the decision has been made, and they have at least now provided a formula which is going to improve the situation in the future, and I hope they will move speedily on the Judges Act. I think we should be simply saying, loud and clear, that the people of Canada are well served by their members in both houses at considerable sacrifice, and they are getting an excellent return on their investment.

On motion of Senator Flynn, debate adjourned.

● (2100)

PETROLEUM ADMINISTRATION BILL

SECOND READING—DEBATE ADJOURNED

Hon. Harry Hays moved the second reading of Bill C-32, to impose a charge on the export of crude oil and certain petroleum products, to provide compensation for certain petroleum costs and to regulate the price of Canadian crude oil and natural gas in interprovincial and export trade.

He said: Honourable senators, this is intended to provide various mechanisms for the better governance of the oil industry in Canada. It is in some respects a successor to Bill C-18, which died on the Order Paper with the dissolution of Parliament on May 8 last year. In some other respects it contains additional features which take account of changing circumstances and developments in international and domestic trade in oil and gas. The changes and stresses which have occurred in the international oil industry since the fall of 1973 are matters of common knowledge. They have seriously challenged the economic base of the world's trading community. Canada has participated in a response at the international level, as indicated by the agreement on an international energy program.

Because of its geographical and geological good fortune, Canada has been less seriously affected than a number of other countries. We are nonetheless affected by the change in the world situation, and we wish to play a constructive role as a member of the international community while at

the same time taking action to protect ourselves as Canadians.

I have referred to the international action being taken. In the bill before us this evening we are dealing with domestic action contemplated to protect ourselves in this new situation. Bill C-32, the Petroleum Administration Act, is intended to provide the federal government with a statutory basis for the management necessary in the interests of all Canadians of important areas of international and interprovincial trade in petroleum and natural gas. Enactment of the legislation is essential if the government is to guide the Canadian energy economy safely in the present turbulent global environment.

The bill before us is lengthy and is complex in parts. However, honourable senators will perhaps be familiar with many of the aims and much of the content of the measure. The portions of the bill dealing with (a) petroleum export charges; (b) domestic oil price restraint; and, (c) petroleum import cost compensation, are essentially unchanged from the corresponding parts contained in Bill C-18 which was introduced to the last Parliament in April of last year. A new part deals with natural gas. The objective of this part is to provide for that commodity a regime similar to that proposed for oil. The intention is to provide an equitable pricing regime for Canadians in both producing and consuming provinces. In addition, this part looks to an eventual equalization of commodity value between natural gas and other fuels.

The bill is in five parts and I will attempt to explain it by these parts. Part I deals with petroleum export charges. This part of the bill is intended to replace the Oil Export Tax Act, 1974, by which Part III.1 was added to the Excise Tax Act.

It had been intended during the last session of Parliament that Bill C-18 would replace the Oil Export Tax Act. With the death of Bill C-18 on the dissolution of Parliament, industry was asked to continue paying the "charge" on a voluntary basis by a telex of May 9, 1974, from the Minister of Energy, Mines and Resources. Industry has complied with that request. The rates of "voluntary charge" were recommended and the charge collected by the National Energy Board. Instead of the flat rate imposed by the Oil Export Tax Act on all oil grades exported, different rates were set selectively on varying kinds of product.

The "voluntary charge" and the selective rates on product kinds are established by clause 6, and implemented with retroactive effect by clause 95.

The administration of the charge, and the duty of advising the minister on the amount for a given month, rests with the National Energy Board. The minister is then empowered to apply his own judgment following which he recommends the tariff to the Governor in Council. The charge is payable by the person under whose export licence the export is made. This is exactly as under the Excise Tax Act, Part III.1, and the Oil Export Tax Act. If there is no "exporter" the charge is nevertheless payable by a person who in fact exports oil.

The minister responsible for administering Bill C-32 is the Minister of Energy, Mines and Resources, to whom the export charge is payable, although it is provided that the