

## CANADIAN ENERGY BANK

**Senator Austin:** With respect to the federal-provincial Canadian Energy Bank, is it the intention of the government that the revenues to be raised by the increases in the wellhead price of oil and natural gas—that being the 30 cents per thousand cubic feet referenced in the budget—go directly to the federal-provincial energy bank as the federal government's contribution to that concept?

**Senator de Cotret:** I am not sure how to interpret the senator's use of the word "directly". The total tax revenue to be derived would not go to the energy bank. The budget does contain a schedule showing the contribution of the tax revenues to the federal-provincial energy bank in terms of equity for each of the fiscal years from 1980-81 to 1983-84.

**Senator Austin:** Is there some relationship between the cash flow that would be moved to the energy bank and the federal government's total equity in that bank? Can it be related at this stage? Perhaps you can begin by telling us what equity position the federal government will take in that bank.

**Senator de Cotret:** I shall have to take the question as notice. I believe that by the fourth year, there would be an equity position on the part of the federal government of approximately \$1 billion, and it grows year by year to that level. But I shall take the question as notice. I shall check the budget papers and provide you with the exact figures.

**Senator Austin:** On that hypothesis—and I appreciate that the answer is not an exact one—is it the intention of the federal government to ask all or certain of the provinces to contribute an amount equal to the contribution of the federal government, or a larger amount?

• (1510)

**Senator de Cotret:** First of all, I would like to correct the answer I gave you just a moment ago. The contribution to the Canadian Energy Bank in 1980 will be \$42 million, and more than \$1.5 billion over the four years will be contributed by the federal government to the energy bank. That is the federal contribution alone. The provinces are also being urged to participate in Canada's energy future by providing equity and loans to the bank. As a result, by 1983-84 we expect to have a substantial amount of money in that bank available for the development of major energy projects.

**Senator Austin:** Has the minister advised us that the Province of Alberta is agreeable to making contributions to this federal-provincial energy bank?

**Senator de Cotret:** I would have to take that question as notice in terms of exactly what the position of the Province of Alberta is to contributions to this bank. There have certainly been discussions between the federal government and Alberta on this matter, and there is an understanding about the establishment of the energy bank. But whether they would contribute in equity form or in loan form, or at all, is something I would have to refer to my colleague the Minister of Energy for a specific answer.

[Senator de Cotret.]

**Senator Austin:** I have one final question on this subject of the energy bank, which is a very interesting one. Will the bank be instructed to make loans only, or will the bank also be entitled, as is possible in commercial banking, to take equity in some of the energy projects as part of the total financial transaction?

**Senator de Cotret:** I think that is a question that will have to await the specific announcement of the creation of the National Energy Bank for a reply.

## ENERGY TAX CREDIT

**Senator Bosa:** Honourable senators, I have a question for the Minister of Industry, Trade and Commerce. I would like him to clarify a statement which is to be found on page 5 of the budget speech, as follows:

I am announcing tonight an income-tested, refundable, energy tax credit of \$80 per adult and \$30 per child per year—

Does it mean that the people who qualify for this income-tested program have to wait until the spring of 1981 before they can receive whatever monies are due to them?

**Senator de Cotret:** Honourable senators, I think that is a very germane question, but, of course, the answer is yes. If the honourable senator knows how to run an income-tested program in any other way, then the government would very much like to hear about it. I have no idea how you run an income-tested program without knowing the income first.

**Senator Bosa:** I did not want to argue with the minister. I just wanted to ascertain whether my interpretation of this question was right.

I have a question of the Leader of the Government in the Senate. The leader has stated on several occasions the reason that this government cannot keep some of the promises it made during the election is because it inherited from the previous administration certain adverse conditions of the economy which prevent it from keeping those promises. I would like to ask the leader if he could tell us what areas of the economy surprised him and his government, and so prevented them from keeping those promises. I know the minister has a great sense of humour and he also has a great ability as an orator, but please, in this particular case, I am not looking for humour or oratory, but a straightforward answer.

**Senator Flynn:** One of these days, honourable senators, I will have occasion to make a very, very long speech.

## FOREIGN AFFAIRS

## IRAN—POSSIBLE INTERNATIONAL ECONOMIC BOYCOTT

**Senator Haidasz:** Honourable senators, I would like to direct a question to the government leader who is very knowledgeable and co-operative. Will the government leader inform this chamber whether the Government of Canada has been approached by the Government of the United States to join