

## REFERRED TO COMMITTEE

**The Hon. the Acting Speaker:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Andreychuk, bill referred to the Standing Senate Committee on Transport and Communications.

• (1620)

## INVESTMENT CANADA ACT

## BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

**Hon. Ron Ghitler**, moved the second reading of Bill C-89, to amend the Investment Canada Act.

He said: Honourable senators, I am pleased to rise for the first time in this honourable chamber to propose second reading of a bill that will be of great benefit to the community in which I live.

Before I make my brief comments with respect to this bill, may I extend to all members of this chamber my sincere appreciation for their friendliness and the many courtesies extended to me as a new member.

I very much look forward to working with all members in our common endeavour to make the work of this chamber better understood and recognized by Canadians, and to enhance the prestige and integrity of this institution.

For those of us who have either been directly or indirectly involved in the oil and gas sector over the past 20 years, we are all aware of the sensitivities and the roller coaster-like atmosphere in which this business community has endeavoured to survive. The oil and gas sector is fundamental to the economic prosperity of my province in this country. In Alberta, it represents 20 per cent of the GDP.

During the past number of years, we have been buffeted by OPEC price wars, National Energy Programs, confiscatory federal budgets, high interest rates, an overvalued Canadian dollar, the FIRA, the PGRT and low oil and gas prices. For a number of years it was the thinking of the Government of Canada that the natural resources of the West, particularly oil and gas, should not be sold at world prices but should be marketed at a discount to the rest of Canada. I vividly recall being in government from 1971 to 1979 in Alberta when these issues were very much on our minds, and when relationships between the East and West of this country were at an all-time low.

It is to the credit of this government that all these narrow discriminatory and confiscatory programs of the old regime are no more. Gone is the hated NEP, gone is the PGRT, gone are budgets that single out our oil and gas industry for special tax treatment, gone is Petro-Canada as a totally

government-controlled agency of policy, gone is FIRA and gone are high interest rates.

**Senator Corbin:** Gone is Mulroney.

**Senator Ghitler:** To be replaced again, Mr. Speaker, by a wonderful leader who I am sure will lead us one more time to victory.

Today we welcome a reasonably valued Canadian dollar. We welcome stable oil and gas prices, we welcome lower interest rates, we welcome the National Energy Board headquarters to the west where it should be and, above all, we welcome the return of a viable oil and gas industry and the revised positive economic climate it has created in regions of western Canada. The recovery has not occurred by fluke or inaction. The recovery has occurred because the Mulroney government has the vision and the understanding of the oil and gas industry to undo all the wrongs levied upon this industry by past governments.

Today, in Calgary, the oil and gas industry is surging. Many new junior oil and gas companies dot the TSE. Drilling activity creating thousands of jobs has surged and the service sector is prospering again. Bill C-89 is but one more example of the desire of this government to assist the oil and gas industry in every way possible.

There are basically four aspects of the bill, Mr. Speaker, that I wish to bring to members' attention. The first and most significant aspect was announced in March 1992 by the government —

**Senator Frith:** Senator Ghitler, we use "honourable senators" and not "Mr. Speaker" here.

**Senator Ghitler:** Thank you, senator. I appreciate your mentioning that.

One of the changes that was announced at the time, honourable senators, involved the raising of the review threshold for acquisitions reviewed under the Investment Canada Act. As a result, in the legislation before us today, changes are shown whereby the current review threshold for direct acquisitions in up-stream oil and gas of \$5 million and for indirect acquisitions of \$50 million have now been changed.

The proposed amendments to the Investment Canada Act will extend to U.S. investors acquiring oil and gas businesses in Canada the same FTA-established review thresholds that apply to other sectors. As a result, the review thresholds for U.S. investors and sellers in other sectors will become \$152 million, which was \$150 million in constant 1992 dollars, for direct acquisitions with no review for indirect acquisitions. The threshold is being raised to encourage even greater investments to explore and develop Canada's oil and gas reserves and to allow Canadian oil and gas companies to grow and prosper with the assistance of external capital.