

to consider the bill until October 29, 1986, a delay of almost four weeks. In the meantime, the Senate Committee on Energy and Natural Resources had once again begun a pre-study, hearing from the Minister of Energy, Mr. Masse, on October 22.

In the House of Commons, the Legislative Committee met twice before presenting its report to the House on November 6, 1986. True to form, however, the government again delayed. Debate on the report stage did not begin until March 2, a delay of four months.

Why has the government shown such neglect for this bill, which the Deputy Leader of the Government asked last Tuesday to have passed expeditiously "so that funds could flow to Newfoundland", the same phrase used a year earlier by the Parliamentary Secretary in the House of Commons? The reason is, of course—at least one can infer this—that the government has found itself helpless in the face of the collapse of oil prices, and has been unable to adjust a policy which was presented in a bill at a time when the world economic situation—certainly in the energy sector—was totally different.

In February, 1985, the spot price of West Texas Intermediate was \$27.82 per barrel expressed in U.S. dollars. In November of that year, it had actually risen to more than \$31; however, by March, 1986, it had plummeted to \$13.10, and over the last year, prices have remained relatively soft, falling to \$12 in July and only climbing to approximately \$18 as of last week.

That is an important point, honourable senators; the legislation before us was predicated upon a price of \$30 (U.S.) a barrel for oil, and the expressions which the Deputy Leader of the Government used in his speech—namely, the benefits from hydrocarbon exploration projects and the economic activity the bill will generate—might have been relevant when the bill was first put together.

The most charitable thing that can be said, honourable senators, is that it is certainly not the right bill at the right time. It fails completely to address problems now faced by the offshore oil industry. It fails to achieve the goal of encouraging offshore exploration and development. Simply put, it has been overtaken by world events, and the government has not responded. One would certainly not call this a "timely" bill.

In a way, this bill is a symbol of the failure of the government's overall energy policy, a policy of deregulation. Even many of those in the industry who may have originally supported the government's overall thrust are now expressing serious doubts. Mr. John F. Smith, chairman of the board of directors of the Offshore Trade Association of Nova Scotia, stated before the energy committee as follows:

I would say that the timing of it was incorrect. There are times for deregulation and there are times for regulation.

Perhaps it was not a mistake at the time. It certainly is a mistake, in my view, at the moment. I do not know of anyone in the industry who would take issue with what I just said. They want regulations now. They want—I almost hate to use the word—

[Senator MacEachen.]

This is Mr. Smith speaking:

—protectionism. They want guidance. They want control. They also want input into that direction and control.

With direct reference to the east coast, he noted that Bills C-5 and C-6 deal with the development, or, as he called it, "the implementation phase" of offshore development. He expressed concern that, and here I quote him again:

the implementation phase may not reach stage one unless the basic policies are different.

And, of course, Mr. Strong, the president of Newfoundland Ocean Industries Association, began his testimony before our committee with a somewhat colourful introduction. He said as follows:

● (1520)

Thank you, Mr. Chairman. Good afternoon, honourable senators. I bring greetings from what some may call Fantasy Island, but I guess I might say I bring greetings from Fantasy Island to Disneyland.

And, of course, he was right. Bill C-6 does not deal with reality; it deals with a state of affairs which may have existed in the spring of 1985, but which has long since disappeared. It does nothing for the offshore on the east coast.

When Mr. Stanford of Petro-Canada was before the committee, he was asked by Senator Kenny whether there was "anything in Bill C-6 which would cause you to increase your activity or start any activity on the east coast?" His simple answer was, "No, there is not, senator."

As we have all heard, Petro-Canada last week announced a drilling program for the Terra Nova oil field off Newfoundland. However, it is a truly modest program that may in large part have been prompted by other considerations. After all, Mr. Stanford himself told us there was nothing in this bill or in this policy—and that is the important thing—which would encourage activity on the east coast. In any event, I would like to say a word or two later about Petro-Canada's more recent announcement.

We heard in the Senate committee from the Minister of Energy, Mines and Resources. He reiterated that one of the Atlantic Accord's major goals was to "create a clear and balanced regime that will serve as a framework in which industry can invest with confidence." We all know that investment in the offshore has virtually disappeared and there is certainly no confidence.

The minister, in a truly puzzling statement, went on to say:

The period of falling prices we are now experiencing offers the perfect opportunity to establish a legislative framework that will maintain the level of activity, ensure the development of new projects and enable all Canadians to take full advantage of this future growth.

Well, how can this be? The legislative framework we have before us was constructed when the price of oil was almost \$30 per barrel. It does nothing to address the present situation. The "level of activity" has not been maintained, the "development of new projects" has not been ensured, there is no growth for