

*Energy*

Everyone will agree on what an extremely valuable asset that this country has in its natural resources as far as petroleum products are concerned. It has been valuable in the past and will become even more valuable in the future.

In fact the economic well-being and security of this nation are directly related to the development of energy supplies for this country. This is a matter which is of great concern to me, because the minister, while attempting to sound optimistic, has no justifiable reason to be optimistic because his projections have been that by 1990 we will still be producing only 42 per cent of our country's needs in energy supplies. This illustrates a very basic difference between the governing party which is in power and the policy of the Progressive Conservative party. We are not satisfied with the weak-kneed effort which will leave Canada dependent on foreign supplies in 1990 for 58 per cent of its petroleum needs. Imagine the cost to the country of such foreign sourced oil.

● (1642)

I have said many times in this House and other places that I believe, and my party believes, that Canada should not be satisfied with anything less than complete self-sufficiency in petroleum. That goal is not a pipe dream. It is possible and could be achieved, given proper government policies and a government with the will to do the things that need to be done to achieve it.

I subscribe to the view that every barrel of oil produced in the tar sands plant means that one barrel less will be imported from foreign sources. If we depend on external suppliers to the extent the minister predicts, for about the same expenditure we could build a tar sands plant to produce oil at the same price. This would provide thousands of jobs for Canadians and would bolster our economy. The plant would continue producing in the future, guaranteeing jobs for generations to come. It would be ironic if the national economy were to flounder through lack of expansion of Canadian energy supplies when the solution to the projected energy shortages is near at hand.

We need companies with entrepreneurial skills, and we have them. We need to encourage them, however. We also need a government that understands the situation, and finally, we need far more action in the development of energy than we have seen thus far.

We believe that Canada has the energy potential and the ability to develop it, given the proper business environment. If we review the record of this administration over the past ten years or so we can conclude that the proper business environment does not exist because the government has not had a long term energy policy. It still does not. The government seems to be playing musical chairs with the policies it had. It changed them so often that it was impossible for the industry to make long term plans based on anything this government said on any given day.

One of the most serious drawbacks to development in the tar sands so far has been this rapid shifting of policy at the federal level. The tar sands deposits in my constituency, and which extend into the constituencies of Peace River and Vegreville,

as well as Meadow Lake in Saskatchewan, contain an estimated one trillion barrels of bitumin. Without a doubt this is one of Canada's major resources and will be a source of energy, wealth, and employment for decades to come. Through lack of government policy and foresight, however, there is still a question of whether this vast resource can be developed economically to its full potential.

The petroleum industry has experimented and worked with tar sands for many years. Great Canadian Oil Sands, a company located at Fort McMurray, developed the first tar sands mining project in 1967. The company had many difficult years in the initial stages, but today there is the prospect of profitable operations. We must encourage groups with this kind of vision if we are to be self sufficient in energy, which is a desirable goal.

The petroleum industry in general has shown in the past that it does not fear taking risks with its investments, but it must be able to justify those risks to its shareholders. It must see a financial return in keeping with the amount of risk. Stable, long term government policies are required in order to create a proper environment for such risk-taking.

The second major tar sand mining project at Fort McMurray, the Syncrude project to which the minister alluded, is nearly completed now. I am told it is expected to go on stream in June of this year. At the peak of construction the project had a labour force of 8,400 people. It is now just beginning to process the tar sands. I think Syncrude must be congratulated for its performance. By building that plant it made a significant investment for its shareholders, and a great contribution to the country as a whole from the standpoint of ensuring energy supplies. The project is ahead of the construction schedule and is expected to exceed the projected budget of \$2 billion by only 2 or 3 per cent. If we compare that with some other projects in this country and the degree of error in the projected costs and scheduling, we see that the Syncrude project has been managed very well. This in itself, in today's environment, when major projects usually greatly exceed budgetary allocations, is a major accomplishment.

When the production of Syncrude is on stream, it will produce more than 100,000 barrels per day of synthetic crude. Canada will be able to reduce its net oil imports by that amount, thereby improving our over-all balance of payments position. The project also keeps at home some 3,000 permanent, direct jobs, which in turn produce many thousands of secondary jobs through the employment multiplier effect.

We know that Syncrude itself is not enough. As I have mentioned before, there is an estimated one trillion barrels of bitumen in place and waiting to be developed in my riding, in northern Alberta and northern Saskatchewan. I agree with the minister that a great portion of that cannot be developed with the current technology, economically speaking. At least a portion is economic, however, given the proper business climate.

This party recognizes Bill C-19 as an encouragement to industry. We recognize that it will be absolutely necessary for the industry to be guaranteed the equivalent of the world