

*Oil Tax*

they have invested in that. Even though it is a production scale research project, it will pay off handsomely to the government. The information given before the Standing Committee on National Resources and Public Works by officials of the Department of Energy, Mines and Resources indicated that some 77 per cent of the gross revenues from the Syncrude project over its lifetime will accrue to the governments of Canada. We are not talking about a provincial oil field, nor a technique regarding the production of oil which has been completely proven.

The Sunoco project at the great Canadian oil sands produces 45,000 or 50,000 barrels a day. It is my understanding that that type of project would not meet all the environmental requirements of a new plant. The Syncrude project will come on stream this spring and will make a significant contribution to our oil supplies. Our governments have invested 30 per cent of the equity. Alberta has the right to increase the equity in the plant to 50 to 55 per cent. At the same time, 70 per cent of the revenues from the Syncrude plant will flow back to the governments. Three levels of government—two provincial and one federal—are investing together in a massive full-scale production and research facility. This facility will provide excellent returns. Hopefully Alberta will use successfully the \$100 million of export revenue tax provided by the federal government. As well the government of Alberta has received funds from the export tax being pumped into exploration and research in heavy oil. Research must take place. I am not sure whether research in renewable energy will occur; but the problems relating to heavy oils, the tar sands, the environment and the disposal of waste must be looked into.

A great deal of funding has been provided by the federal government to the governments of Alberta and Saskatchewan. That funding can be employed very well in the field of heavy oils, tar sands research, as well as to enhance the recovery from the conventional oil field areas. Without getting into the aspects of transportation systems and renewable energies, there is great scope. The Alberta government is mainly interested in the petro-chemical aspects.

The export charge has been utilized to bring the price of offshore oil coming into Canada down to the Canadian domestic price. When Bill C-19 went before committee, at the time of the Syncrude project, it was explained that they would receive world price for the production of oil. Syncrude is a Canadian project which utilizes Canadian resources. It makes sense to provide the world price, if that project is to be brought on stream this year and to produce 125,000 barrels of high grade crude a day to displace the 125,000 barrels of oil a day which is being imported from Venezuela and the Middle East. We have the advantage of an insignificant outflow of capital from Canada in order to pay for the offshore oil which is coming into Canada. Bill C-19 will provide for that. Initially the estimated cost was ten cents a barrel on all oil sold in Canada. Thus, it is a very small amount at the gas pumps.

If an incentive can be provided for the Syncrude project, perhaps similar incentives could be provided to other tar sand projects in order for them to come on stream in the west. It

[Mr. Foster.]

seems to me this is one ace in the hole which Canadians have: the tar sands and the heavy oils. The exploration that is taking place in the arctic and offshore is significant, but so far has only found gas.

● (1742)

**Mr. Deputy Speaker:** Order, please. The hon. member for Fraser Valley East (Mr. Patterson) rises on a point of order.

**Mr. Patterson:** Mr. Speaker, I was listening this afternoon to a debate dealing with the Syncrude project. It seems to me this is just a continuation of that debate, interrupted at 5 o'clock to discuss this motion:

That, in the opinion of this House, the government should consider the advisability of taking steps to ensure that the question of repayment of the export tax on oil taken from Indian lands be satisfactorily dealt with.

I do not think we have heard any statement from the hon. member regarding this particular motion.

**Mr. Foster:** Mr. Speaker, I thought I made it very clear we were talking about the export charge and that these funds amounting to something like \$100 million have been utilized by the federal government for energy research and development in Alberta.

That is a very good example of the kind of thing I could have gone into in considerable detail, but in considering this motion we obviously must realize that the export charge which was levied by the federal government is not just sitting in some bank account. It is being utilized, first of all in research projects such as those in Alberta and Saskatchewan, and more recently the export charge has in fact been used to compensate in respect of oil imported from offshore, reducing it to an administered price in Canada that is significantly below the world price of crude. I did not want to go into too many examples, but rather just sufficient to clarify the point for the hon. member in order that he would appreciate that this is not a separate fund which exists, but are funds that have been utilized to reduce the price of energy in eastern Canada and at the same time conduct the energy research in the province of Alberta which I know is so important to that province and to Canada as a whole. It is extremely important to the Canadian economy and the Canadian energy supply.

I hope I have not taken too much of the hon. member's time, but I thought it worthwhile to explain this in some detail so he would appreciate it.

**Mr. Ross Milne (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):** Mr. Speaker, the subject matter we are dealing with this afternoon has certainly been the subject of discussion in the past, not only through questions asked in this House, as the proposer said this afternoon, but as well with the present and previous ministers who have had responsibility for the Department of Indian Affairs and Northern Development.

During the remaining minutes this afternoon I might take the opportunity to review some of the aspects of this matter from the point of view of the native people affected by the