

Energy

day. There is the possibility associated with the tar sands III consortium, headed up by Shell, of 125,000 barrels a day. There is an announcement by Imperial about bringing the Cold Lake project to fruition, which would provide 140,000 barrels a day.

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The Saskatchewan government has indicated its interest in heavy oil development, roughly in the order of 100,000 barrels a day, in association with Petro-Canada. There is also another group in Alberta headed up by Pacific Petroleum that has been talking about the possibility of producing heavy oil and conventional oils in the area of 100,000 barrels per day. This, essentially, represents new production for Canadians and new security for the Canada of the future—a security for our economy which does not exist so long as we are dependent for a large proportion of our oil on imports from abroad. The numbers that I have mentioned total between 600,000 and 700,000 barrels a day. It is quite clear that these resources will only be brought into production for the benefit of Canadians if those resources, because they are high cost resources, receive the international price at the market place.

I refer to two other aspects of this bill, Mr. Speaker, and I would like to conclude my remarks by mentioning them. Essentially, they are minor changes to the Petroleum Administration Act. First, they provide for the payment of special compensation to importers of petroleum in cases of undue financial hardship. This provision would only be employed in situations where the regulations do not and cannot foresee special circumstances faced by importers. The second change in the amendments to the Petroleum Administration Act is one I referred to in my preliminary remarks, the change of the name of the Energy Supplies Allocation Board to the Petroleum Compensation Board. The change of name will more properly reflect the functions today of the Energy Supplies Allocation Board.

During the committee stage there was consideration of a number of amendments. The committee decided to adopt four of those amendments. These amendments will improve and strengthen the bill. I would now like to outline the purposes of the amendments, which have been incorporated in the revised bill before us.

The first two changes affect clause 1. I should also point out that three of the four changes are of a technical nature. The other is more of a policy review nature. I will deal with the three technical amendments. Clause 65.1 has been added specifying that revenues from this levy will be used to meet the cost of paying import compensation to those classes of petroleum designated by the governor in council as being eligible to receive international crude oil prices. The purpose of that particular amendment is to clarify the relationship between clauses 1 and 2, and it does that.

The second technical amendment affecting clause 1 deletes a provision which would have permitted the governor in council to allow exemptions from the levy in instances where it would be in the public interest. This amendment is in line with

[Mr. Gillespie.]

the principle that all domestic consumers who benefit from the additional security afforded by the increased availability of domestic oil should be prepared to meet their share of the cost of providing incentives for its development. Further, given the small size of the proposed levy, there was no foreseeable need for an exemption provision.

The third technical amendment concerns clause 2. Essentially, it clarifies a definition. It substitutes for the word "purchaser" the words "first uses" Syncrude material. That amendment was found necessary because some of the Syncrude partners will use the oil in their own refineries and, technically speaking, do not purchase it.

The final amendment, Mr. Speaker, submitted by the committee and reported to the House, has to do with the policy review that I referred to a moment ago. This amendment provides that once the Petroleum Compensation Board has designated classes of petroleum to receive import compensation, those particular designations would be permanently referred to the committee of the House which at the time considers oil and gas matters. This is an important change to the bill in that it gives the relevant committee an opportunity to hear explanations of and to discuss such designations.

You will appreciate, Mr. Speaker, that I have abbreviated my remarks this afternoon in the hope that we may be able to conclude this debate very shortly. I would like to re-emphasize that the Syncrude project, for which this particular measure is designed, is the largest project of its kind in the world, of which I am aware. It is the largest mining project by far in this country; and Canada is no small mining country. Indeed, we are one of the great mining countries of this world, but the material moved each day at Syncrude is equivalent to all the material moved by all the mines in Canada every day. That gives some idea of the size of the Syncrude project.

The other point that I would like to emphasize is that there are a number of other very significant projects which are available for the benefit of Canadians. The tar sands III that I mentioned, the expansion of GCOS, the Cold Lake project of Imperial Oil, the heavy oil project of Alberta, the Saskatchewan Petro-Canada project—projects which could produce 600,000 barrels a day or more by the mid-1980's. These particular projects will depend upon the decisions to move forward on those projects and the House taking a decision to accord world price, or to give authority to the government to negotiate with these projects so that world price could be made available to them, along with other incentives that will have to be negotiated with the provinces concerned.

That massive Syncrude project, that world first, will be delivering oil to Canadians this summer. We can ill-afford to delay any longer in taking a decision, and I hope that we will be able to conclude promptly and decisively this debate this afternoon.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, I am pleased to say a few words about Bill C-19, not only because the tar sands are located in my constituency but also because it could have a significant effect on national energy policy as a whole.