

● (2015)

QUESTION PERIOD

[English]

ENERGY

COLD LAKE, ALBERTA—HEAVY OIL PROJECT—GOVERNMENT POLICY

Hon. Duff Roblin (Deputy Leader of the Opposition): Honourable senators, I would like to address a question to the Minister of State for Economic and Regional Development in connection with a topic that has engaged his attention and mine over the last little while, namely, the future of the Cold Lake synthetic oil development in Alberta. I have been asking him what the government's policy is with respect to that matter, and I now invite him to consider the statement made by the Minister of Energy, Mines and Resources, in what I am told is an exclusive interview with the *Globe and Mail* of the other day, to the effect that instead of relying on the two oilsands plants, Alsands and Cold Lake, to supplement oil supplies by the end of the decade, only one, Alsands, is in the picture.

Can the minister tell me whether that is the policy of the government, and that the Cold Lake plant will not be required for the purposes it was originally thought it would fulfill?

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I will refer that question to the Minister of Energy, Mines and Resources, and perhaps get an expanded explanation of what is in the newspaper, without commenting on whether or not press reports are accurate.

Senator Roblin: While my honourable friend is consulting with his colleague, will he also ask him, in the event that the report is correct and that the Cold Lake project has been dropped from the priority list, why the government decided to give \$50 million to Esso Canada in order to keep that particular plant available for supplying deficiencies in our oil supply?

Senator Olson: Well, honourable senators, the reason for that was explained fully at the time, but I can bring back those explanations, which I think are as valid now as they were then. The idea was to try to keep the group of engineers and others from dispersing before an agreement was reached between the producing provinces and Canada. However, my honourable friend will recognize some rather significant changes in some of the pricing projections that were made, some even less than a year ago.

Senator Roblin: With respect to the last comment of my honourable friend, that is what I have been trying to tell him for the last month or so. I am glad that he and I now see eye to eye.

Senator Olson: I agreed then.

Senator Roblin: You did? It is too bad that you do not carry your intellectual agreement into some activity with respect to the development of those oilsands.

I want to come back to my point, however, that if it is correct that the minister has written off Cold Lake as a potential supplier of oil for national self-sufficiency, then what becomes of the \$50 million that was advanced to Esso with respect to it? Does this mean that the government has given up any hope of demanding, or even any right to demand, repayment of that sum?

Senator Olson: I think the actual sum was \$40 million rather than \$50 million, but I will check that too. I will also get a reply to the other part of my honourable friend's question, because I suppose that at this point, anyway, my honourable friend is allowing his memory to be selective, since he can remember the reasons that were given at the time. However, I think I would rather have the document in front of me so that I can read it to him precisely.

Senator Roblin: I assure my honourable friend that my memory is not quite that dull.

Senator Olson: But it is selective.

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Senator Roblin: Selective or not, I remember the selective reasons advanced by my honourable friend to justify the gift of \$50 million to Esso at the time. I say "gift", because I believe that is what it will turn out to be. I did not accept the reasons which were given then as being valid, because they merely excuse the government's lethargy and inability to come to a decision on the matter.

I can tell my honourable friend, however, that while Esso only gets \$40 million, it will cost the Government of Canada \$50 million because it has undertaken to pay the carrying costs on that sum. It was announced that, while Esso would receive \$40 million, Petro-Canada would receive \$50 million because it was the intermediary through which the money was advanced. Therefore, the taxpayers of this country will be contributing \$50 million to this abandoned project.

Senator Olson: Honourable senators, I really don't think it bothers me very much.

Hon. Jacques Flynn (Leader of the Opposition): Nothing bothers you.

Senator Olson: I do not spend long hours in remorse because I do not agree with my honourable friend. He is not debating; he is now attempting to demonstrate how accurately he predicted a number of things. If we were going to go into that kind of score card, it would be a different matter. My honourable friend knows very well the reasons that were given at the time. I will go into this in great detail and will provide the information tomorrow, or as soon as I can get it.

Senator Roblin: I am not trying to justify any predictions, either my own or those of my honourable friend. I am trying to induce him to tell us what will happen to that \$50 million.

Hon. G. I. Smith: And tell the truth!

Senator Olson: I have told you already, and I will repeat, that the terms and conditions that were set out in the advancing of that money are there. Of course, my honourable friend