

We believe that the Synfuels project dovetails well with the federal government's prosperity and environmental initiatives. Reconstituted in its current form, the financial risks for the federal authorities have been substantially reduced. It is, simply put, a project for the 1990s. Given the diverse set of benefits that this project could provide, your Committee strongly recommends:

(1) that the Minister of Energy, Mines and Resources instruct his officials to undertake a comprehensive social cost-benefit analysis of the Synfuels project;

(2) that the federal government give serious consideration to the current Scotia Synfuels Limited proposal or, as an alternative, that it propose other favourable funding mechanisms for the project;

(3) that in the interest of being better able to control Canada's energy destiny, that the Government of Canada adopt an energy policy that would embrace federal government funding of energy projects of this type; and

(4) that to enhance its desire to reduce domestic requirements for conventional light crude oil, that the federal government examine the feasibility of providing producers of synthetic fuels from coal with excise tax relief, comparable to that given to producers of alternative fuels such as compressed natural gas, propane and diesel.

Respectfully submitted,

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Chairman