

Oral Questions

the position that Atlantic-Richfield had as a partner in the Syncrude project, including a rather complex arrangement in respect of the technology of both outside parties and the partner companies.

The next step, of course, will be to formulate a new legal agreement between the older partners and the new with regard to a whole range of questions including availability of technology. In general terms, the object of the government of Canada will be to seek availability to this technology for possible application to future synthetic oil possibilities that might come to the government of Canada.

Mr. Stanfield: Mr. Speaker, the minister says it is the intention of the government to seek this availability. Am I to understand that the government of Canada has no assurance as of now that this technology will be available to it as a minority shareholder, or no assurance as to the terms under which such technology would be available to the government?

Mr. Macdonald (Rosedale): Mr. Speaker, we have the assurance that we will, of course, succeed in respect of the rights of the predecessor partner in the project, and we will have to examine the situation to see clearly whether we should seek additional rights from the participants.

Mr. Stanfield: Mr. Speaker, I gather then that the minister has entered into an agreement without having any clear understanding as to what the position of the government of Canada will be with regard to technology.

Mr. Macdonald (Rosedale): No, that is not true.

SYNCRUDE PROJECT—INFLATIONARY FACTOR IN COST ESTIMATE

Hon. Robert L. Stanfield (Leader of the Opposition): Having regard to what one of the minister's colleagues has said, that a \$2 billion estimate is the most appropriate one at this time, will the minister tell the House what inflationary factor has been used in the computation of this \$2 billion estimate, that is the average inflationary factor per year, and would he also indicate what is the amount of the contingency fund that has been calculated or added in to provide for contingencies?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I would just point out that the assertion made by the Leader of the Opposition in his opening sentence is not true. As I said to him, and I repeat again, we have access to the technology under the arrangement Atlantic-Richfield had as a partner to the agreement. Of course, we will want to examine the additional terms that we might like to seek in the course of working out a new agreement in full detail.

As to the detailed financial estimate involved of \$2 billion, I do not have it here, and it probably would be inappropriate in the course of questions before orders of the day to go into those calculations. I would be glad to go into them at a more appropriate time.

[Mr. Macdonald (Rosedale).]

POSSIBILITY OF SYNCRUDE ARRANGEMENT BEING EXTENDED TO OTHER COMPANIES DEVELOPING OIL SANDS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my supplementary question is directed to the Minister of Energy, Mines and Resources. Outside the House on Tuesday, the minister made it very clear that the concessions granted Syncrude would not be available to projects that did not start in 1973. However, in answer to a question on this matter yesterday the Prime Minister said that "if there are other applications we will look at them on their merits." Was the Minister of Energy, Mines and Resources in error on Tuesday and, if so, is the government open to further requests for the kinds of concessions that were granted to Syncrude?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I think the statement by the Prime Minister yesterday is, in fact consistent with the position we have agreed to in respect of the Syncrude proposition. As the hon. member well knows, there have been no such proposals put forward at this particular time. The tax laws, of course, have undergone change since that first arrangement in 1973. Therefore, the participants have to take the laws as they find them.

GOVERNMENT VIEW ON NECESSARY PLANT EXPANSION TO DEVELOP OIL SANDS

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, of course that answer generates about five supplementary questions. Yesterday, also in the House, the Prime Minister said that the National Energy Board projections of a new tar sands plant every two years are "merely projections", and there is no government policy announcement on the timing or number of future plants. Has the government any over-all policy on the place the tar sands will have in the goal of achieving self-sufficiency in Canada and, if so, will an announcement be made on the government's view of necessary plant expansion?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, the initiative in this regard does not rest with the government of Canada alone, it rests also with the owners of the properties in Alberta who are prepared to go ahead and, indeed, on the willingness of the government of Alberta to have them go ahead. The predictions made by the National Energy Board are, of course, with regard to the possible time frame in which they can go into operation. If the hon. gentleman is suggesting that the government of Canada should take over the full operation of the tar sands—

Mr. Andre: I did not say that.

Mr. Macdonald (Rosedale): If the hon. member is suggesting that the entire operations should be run by the government of Canada, I think that is an interesting proposition coming from an Albertan, and I will consider it.

An hon. Member: You are twisting it.

Mr. Stanfield: You are pretty desperate, Donald.

Some hon. Members: Oh, oh!