

*Tar Sands*

What are the terms as we understand them? In the minister's statement last Thursday, as recorded at page 2741 of *Hansard* and reiterated today, first, they will be freed from prorating. That can open up the whole question of whether they can export a large quantity of this oil. Second, they will be allowed to deduct certain payments to the Alberta government for income tax purposes and, most serious of all, they will be allowed, says the minister, to charge the international-orientated price. That is a new term, but the minister is quoted by the press as having said outside the House that by that term he means the Montreal price with adjustments for transportation. Whether transportation will be added or subtracted, he does not say; but it means that the people of Canada will pay virtually the world price set by the OPEC countries for the privilege of using their own oil.

**Some hon. Members:** Shame.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** Today the minister tells us of the financial commitments which are now being made. The Government of Canada will take a \$300 million equity, Alberta a \$200 million equity, Ontario a \$100 million equity. This is a 30 per cent equity. What will the people of Canada get for their 30 per cent equity? Someone says that they will get 30 per cent of the dividends. What dividends?

**An hon. Member:** Oil.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** I will come to oil in a moment. Originally, Syncrude was set up with the specific understanding that it would not make profits. It was set up as a service plant to which each of the four partners were to contribute a certain amount of equity. They were to pay the operating costs of the plant in the same proportion, and they were to receive oil at the cost of processing it in the same proportion as their equity.

● (1720)

Syncrude was never intended to provide a profit. Unless the minister has some agreement with Syncrude as to the price, what dividends will the Canadian people get for their 30 per cent investment? If it is to be decided by the board of directors of Syncrude, the three governments concerned will be in a minority position and the decision whether this oil will be sold to the respective partners at cost will be determined by the multinational corporations in the boardrooms of the United States.

If the minister can tell us in the next day or two, when we are asking questions, that he has an agreement regarding the price at which Syncrude will sell its oil to the partners in the consortium, then we will know whether there will be any dividends. But if Syncrude is operated on the basis on which it was originally established, there will be virtually no dividends. The Canadian people are going to put up 30 per cent of the capital, and what are they going to get?

**Mr. Guay (St. Boniface):** Oil.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** The hon. member for St. Boniface (Mr. Guay) says Canadians are going to get oil. Canadians are going to get oil at the world price. We are going to get oil at \$5 or \$6 per barrel

[Mr. Douglas (Nanaimo-Cowichan-The Islands).]

more than we are paying today. That is what we are going to get. The people who are going to make money out of that oil are the multinational corporations, and the contribution we will have made is to put up 30 per cent of the capital.

**Some hon. Members:** Oh, oh!

**An hon. Member:** Do you want low prices, or dividends?

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** In addition, the parent companies of Imperial, Exxon and Bechtel, the main contractors, who have all the licences on the technology for work which was mainly done in Canada, out of public funds, by the Alberta Research Council and the National Research Council of Canada, will be paid millions of dollars in royalties and licence fees for technology which was developed in this country. The people who are going to benefit from this deal are Imperial Oil, Exxon, Gulf and City Services. Those companies are going to benefit, and not the Canadian people.

We in this party have urged the government to develop the Athabasca oil sands under public ownership, either the federal government alone or in conjunction with the province of Alberta and any other provinces which are willing to join.

**Some hon. Members:** Hear, hear!

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** When I asked the Minister of Energy, Mines and Resources on Friday why we did not do this, he said that there are limits to the amount of money we can invest. Surely the minister does not believe that. If the Canadian people can spend hundreds of millions of dollars on the Olympic Games, if the Canadian people can spend hundreds of millions of dollars producing CANDU reactors, if the Canadian people in all the provinces with the exception of one can invest hundreds of millions of dollars to generate and distribute electric power, the Canadian people can find the money to produce oil for the consumers of this country at reasonable and just prices.

The proposal which the minister has made today makes a farce out of the minister's statement that we are going to set up a national petroleum corporation. The national petroleum corporation's opportunity lay in the oil sands. If we set up a national petroleum corporation and it does not have a major equity in developing the oil sands, it will be relegated to the task of doing some drilling up in the Beaufort Sea.

I conclude by saying that the whole trend in the world today is toward public ownership and the development of oil resources. People in every country of the world, through their governments, have taken over the development of oil because it has become so essential to our way of life. Our government lags far behind public opinion, as the Gallup poll shows in a survey which was taken last summer. The time is long past for the resources of this country, which belong to the people, to be developed by the people and for the people.