

to build an extraction plant in 1962, received it in 1964 for a capacity of 45,000 barrels a day and was permitted to increase production to 65,000 barrels a day in 1973. The first oil was produced in 1967 but full output was not achieved until 1973. In this case, approximately one decade elapsed between the time the application was made and the date on which full production was achieved. The experience of the existing plant shows that three years were required for construction. Organization in terms of ordering materials, locating skilled staff, and so on actually began a couple of years prior to construction. We are faced with a similar situation as far as progress toward construction of a second plant is concerned.

Construction of a second plant is about to begin. The capacity envisaged is 125,000 barrels a day and the plant is expected to go on stream by 1978, four or five years from now at best, but it might be as late as 1980 before the full rate of production is achieved. Difficulties are also being faced by this company in terms of locating a sufficiently large pool of skilled labour, including engineers, to enable the project to proceed. I am told there are presently some 500 vacancies in Alberta for engineers. A number of large projects are under way not only in Alberta but in North America generally, and these are absorbing all the available trained labour. These shortages are a source of potential delay and indicate a certain lack of foresight on the part of the federal government inasmuch as it failed to take the appropriate steps to prepare a labour pool for this project as well as for future plants as they get under way.

I did not hear the Minister of Energy, Mines and Resources make any mention of his department's plans to overcome this serious problem. I should like to suggest the immediate initiation of a massive manpower training program designed and carried out in conjunction with industry and the province. Such a training program makes all the more sense when one considers the high unemployment rate existing in our country today. In its absence, skilled labour will have to be brought in from other countries, leaving unemployed Canadians to continue to enjoy the fruits of our massive and costly unemployment insurance program.

Another serious problem arises from the shortage of manufactured equipment largely stemming from difficulty in obtaining steel, and here again no comments have been forthcoming from the minister. I am told a search is being carried out all over the world to find an industry capable of manufacturing the appropriate equipment and that the company has been unable to obtain the commitments it requires in the equipment field in order to carry on in accordance with its projected schedule. The steel shortage is a cause for major concern and it could seriously delay development of the tar sands. I want to know what the government is going to do in terms of assuring a supply of steel.

There is another area in which the government has been somewhat negligent. I refer to the immediate needs of people at the site of development and in particular to the need for assistance in the provision of adequate housing for employees and potential employees of tar sands developers. Presently, Fort McMurray is classified by CMHC as a one-industry or one-company town. Under such a classification, severe mortgage restrictions are imposed;

*The Address—Mr. Yewchuk*

requiring a company to guarantee all housing loans. This, of course, becomes a serious obstacle in the way of individuals obtaining housing, particularly if they are not directly linked with the company involved in the extraction project.

Predictions are that upon the completion of the second plant the population of Fort McMurray will rise to somewhere in the vicinity of 25,000. It is projected that 1,000 new housing units will be required for the next four or five years until the plant is on stream. So far, however, there has been no evidence at all that the present rate of housing development can adequately meet the rapidly growing demand. In view of the fact that the potential for development is unquestionable, Fort McMurray should certainly be considered to be a stable community and made subject to ordinary CMHC rules. And since there is already a severe housing shortage, I believe it is reasonable to expect the minister responsible for CMHC to seriously consider removing the present restriction in order that mortgages to individuals could be more readily provided. This is another immediate and pressing aspect, and it is one to which neither the Prime Minister (Mr. Trudeau) nor the responsible minister have made even a passing reference.

A third developer has filed an application with respect to a plant to produce 100,000 barrels a day. It is conceivable that this plant will not be in production until the early 1980's, depending on several of the factors to which I have referred. On the basis of these three examples, it is obvious that although huge deposits exist in the tar sands it will be some years before production is anywhere near the level required to assure self-sufficiency in Canada and security of supply. A host of other companies are stepping up their activities and interest in the area. They may be planning extraction plants and in due course it will be necessary for them to go ahead so as to assure security of supply. Before this can happen, the government must seriously consider providing assistance in the areas I have discussed; it must give some indication of a stable, long-term program in terms of providing an assurance to these companies that they can expect a reasonable return on their investment over the years. Such an assurance will encourage them to move ahead as quickly as is required.

While I appreciate that the minister is looking at the creation of a national petroleum corporation, I remind hon. members that he himself has stated it might be many years before such a corporation does, in fact, have a plant on stream in the tar sands region. Until this is the case, the government must take steps to encourage those who are already in the business and who are in a position to proceed immediately.

Mr. Speaker, I know there are many in this country who feel that most of the development of Canadian resources from now on should be carried out by Canadian enterprise and in large part owned by Canadians. I happen to agree with this proposition and what I have said does not conflict with it, providing the government takes steps to ensure that Canadian interests are protected. The fact that the companies which hold leases on the tar sands, and are in process of development, are in large part foreign-owned should not be a reason for failing to proceed with development. All that is necessary is that legislation be passed