

Oral Questions

announcement of any number or timing of future plants that would or might be established.

OIL SANDS—POSSIBLE EXTENSION TO OTHER PLANTS OF AGREEMENT WITH SYNCRUDE ON PRICE

Mr. Harvie Andre (Calgary Centre): A supplementary question, Mr. Speaker, moving from the general to the specific. With regard to the one condition, the assurance that Syncrude oil will be sold at internationally related prices, will that condition be extended to future tar sands plants? Clearly that is a very significant implication in any planning that may be undertaken now toward the development of those plants which, according to the National Energy Board, will be required.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered that question for the Leader of the Opposition.

SYNCRUDE PROJECT—BASIS UPON WHICH FEDERAL CONTRIBUTION DETERMINED

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is also for the Prime Minister. Could he tell the House if the \$300 million federal share in the Syncrude project is determined by working from a percentage base of 15 per cent of the \$2 billion which came out to \$300 million or whether it was fixed and independent of whether the costs exceed \$2 billion or turn out to be less? My question is, if the costs turn out to be less does this mean that the public will get some of that money back and if they turn out to be more does it mean that the federal government will have to put up more than the \$300 million?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not sure I understood the question but I will attempt to deal with it. The figure of \$300 million was arrived at during the session conducted between the ministers I named, the Alberta officials, the Ontario premier and the private companies, one of which I understand withdrew after the beginning of the negotiations. It was an arrangement put together by all parties each seeking, of course, the interest of the people that they had a particular mandate to represent.

• (1510)

Mr. Broadbent: Mr. Speaker, may I direct my supplementary question to the President of the Treasury Board who took part in the negotiations. I asked the Prime Minister if the federal government had committed itself to 15 per cent of the cost, and the conclusion drawn was that that would be \$300 million. My question is this: If the cost goes down, does it mean we will pay less, and if costs go up, does it mean we will pay more?

[Translation]

Hon. Jean Chrétien (President of Treasury Board): Yes, Mr. Speaker.

[English]

Mr. Broadbent: A further supplementary question, Mr. Speaker. The President of the Treasury Board was nod-

[Mr. Trudeau.]

ding to the first part of my question, from which I conclude that if costs go up the government will pay more. The minister nods to that again.

An hon. Member: But the Prime Minister shakes his head.

Mr. Broadbent: Mr. Speaker, the Prime Minister evidently disagrees. I am not sure what the truth is.

Some hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, could I have the minister's attention while the cabinet makes up its mind. Will the 15 per cent federal share in the project automatically entail this: That when the oil is produced from Syncrude, 15 per cent of the oil product will also go to the federal government.

[Translation]

Mr. Chrétien: Mr. Speaker, we have a 15 per cent interest in the project. If the project costs less than \$2 billion, we will have less than \$300 million to contribute. If the cost is somewhat over \$2 billion, we will have to pay somewhat more than \$300 million. To the extent of 15 per cent, we are partners as well as the other partners. Clearly, when oil is produced from the tar sands, we will get our interest on 15 per cent. As to whether the oil will belong to us, we are subject to the same rules as the other partners on the question of obtaining oil produced in Alberta. I believe there is, in Alberta, a board for allocating oil. We are subject to the same regulations as the other partners.

[English]

SYNCRUDE PROJECT—COST ESTIMATE ACCEPTED BY GOVERNMENT

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a final supplementary question to the President of the Treasury Board. How did the government settle on the \$2 billion cost estimate, given the record of Syncrude's escalating estimates during recent months. Did the government accept the \$2 billion figure from Syncrude or did the government use its own experts to determine its own estimate?

[Translation]

Hon. Jean Chrétien (President of Treasury Board): Mr. Speaker, the government of Alberta has initiated studies on the matter of estimates of the cost of the project. We have contributed to it and we believe that the \$2 billion estimate is the most appropriate one at this time. It is on the basis of this estimate that we have dealt with the participants.

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EXTERNAL AFFAIRS

SUGGESTED INQUIRY INTO AID PROJECT IN IVORY COAST

Mr. André Fortin (Lotbinière): Mr. Speaker, my question is for the Secretary of State for External Affairs.