

Borrowing Authority

great hue and cry of no more foreign investment and that we do not want foreigners investing in Canada. I ask hon. members to think for a moment what would happen if this edict were applied by the United States against Canada, by Australia against Canada or by the Middle East against Canada? We have Canadian companies in the oil sector, in manufacturing, and in technology moving into multinational status. They are not denied access to the U.S. market or to the U.S. manufacturing sector. We have classic examples of Canadian companies moving on the international scene; for instance, Atco Industries, the Simmons group of companies and Bow Valley Industries. There are many others including Seagram's and Canadian Pacific.

What would happen if the other countries started to take a very isolationist view of their economies? We cannot isolate ourselves from the world but we are attempting to do that. How are we doing it? We say that we cannot allow the world market price on oil to determine the price of that commodity in Canada. Instead, we say that we will set the price at 40 per cent to 45 per cent of the world commodity price because we want a made-in-Canada price. This forces industry and investment out of Canada and into the U.S. or the Australian market because a much quicker return can be had there. What is business anyway? Business is taking money which belongs to you, putting it on the table and gambling with it. That is what you are doing. People who invest invest to make a profit. They hope to get a return of 10 per cent to 12 per cent. But in the meantime they are helping to build, create jobs and are making the economy move. With the present government, there is no possibility of this happening.

Since the National Energy Program and the budget were introduced in October a number of things are starting to happen in the oil industry much faster than anyone realized. Sixty drillings rigs and 16 service rigs have left Canada. The Canadian Association of Oilwell Drilling Contractors expects less than 5,800 wells to be drilled during 1981 in the western basin. A further 60 drilling rigs are committed to leave Canada by April 30. Each drilling rig employs 25 men who are trained, understand their jobs and are technically qualified. Each drilling rig is a self-contained factory. I have mentioned these things before in this House. Now we are talking about 60 more factories leaving Canada by April 30. We are looking at a reduction in jobs somewhere in the neighbourhood of 30,000 in western Canada alone. That does not stop there. It has a multiplier effect. Those jobs are lost also in Ontario. People do not buy trucks, the manufactured goods, the steel, the pipe, the compressors, or the motors. It has a rippling effect right throughout the economy. It is shameful to see this happening.

One of my colleagues spoke earlier about research and development and the necessity for direction in this area. Today in northeastern Alberta, there are 36 large research and development projects. I am talking about companies such as Texaco, Amoco and Petro-Canada developing in situ recovery processes for the tar sands. I could go on and on. In research and development investment potential ranges from \$10 million

to \$280 million to \$400 million. This investment is in straight research and development.

I ask you, Mr. Speaker, do you know that Canada has developed the technological expertise ahead of anyone else in the world in tar sands and heavy oil recovery?

● (1600)

We are not the only country to have tar sands or heavy oil. There are tar sands fields in the United States and there is shale oil there. It is also found in South America. Right now there are two plants in northeastern Alberta, one an open pit proven process undertaken by the Alsands consortium north of Fort McMurray. They are ready to go, with an investment of \$10 million. No company is coming to the government saying, "We need government guaranteed loans to do this." This is capital which is in place, ready to move.

I should talk about that for a minute because it has a horrendous effect on northeastern Alberta, on the Alberta government and economy, because they have to put in place instantly a town for 15,000 people. Can you imagine the cost of instantly setting up a town for 15,000 people, with the necessary infrastructure, the railroads, the highways, the schools and the hospitals? That cost is to be borne totally by the provincial government, and sometimes we lose track of that. It has been estimated that one tar sands plant will cost the taxpayers of Alberta directly between \$2 billion and \$3 billion. I should like hon. members to understand what takes place when one of these plants starts its operation.

Let us consider the Cold Lake plant, a first of its kind, giant research project. It is waiting to go ahead in Cold Lake. When we talk about research and development, we mean a team of people which has been brought together. There is a team ready now waiting and planning the development of the Cold Lake project. There is another team of engineers which is ready and waiting to develop the Alsands project. What are we on the verge of losing? Mr. Speaker, I cannot stress strongly enough that we are on the verge of losing forever those two large teams comprising engineers from right across Canada, because the Alsands consortium and Imperial Oil, which are ready to go at Cold Lake, are no longer prepared to carry these teams. This government recognized that when the Imperial group from Cold Lake came to the government and said, "Look, we are not prepared to hold this team together, we are not prepared to keep this project on stream, unless the government is ready to make the commitment to hold the team together at a cost of \$40 million." The government came through and said, "We will put it up on the basis that it will be repaid if the Imperial Oil plant starts operating at Cold Lake." June 1 is the deadline. If that research and development team is dissipated, scattered and moved around to other jobs, we will not see it again. It takes years to put such a team together. Where will they go? I suggest to you, Mr. Speaker, that they will go to the United States where work on the shale deposits is going ahead very fast and the same kind of technology is involved. I suggest to you they will go to Montana where the oil sands are in situ. I suggest to you they will go to the oil sands fields in