

for everybody. I just repeat this proposal now and will say nothing more about it.

Let me give the House the figures. Using round figures, if the world price is \$6.50 a barrel, this proposal would pay the costs of operation and interest at 10 per cent, and nothing more. There is no possibility of even the repayment of capital and no economic rent for the people or anybody else. At \$11 a barrel this proposal will pay the costs of operating, the interest cost and just barely pay back the principal; and still there is no economic rent at that price. At \$12 a barrel there will be approximately \$60 million a year in economic rent, 70 per cent to the companies and 30 per cent to the people in the form of the three governments participating.

● (1710)

I put these rough figures before the House to show that we have no choice but to support any move that keeps the venture going, in the interests of this nation. However, that does not prevent us, as responsible members representing the people of Canada, pointing out that we have gone into a joint venture that is completely marginal and dangerous unless there is world agreement on price—even the Americans know that—and unless there is a way of getting out of that debt fast so that we can be in a position to provide an economic rent for the people who own this resource.

I understand from the minister's statement that in this particular instance the tar sands project will be removed from any fear of prorationing, that we will go back to the federal tax of 1973, provincially and federally, and that we will have the world price in this single case. Does he think for a moment that every mining company in this country, every resource economy will not be down here very fast asking for an end to discrimination in the same type of deal? I am simply saying that you cannot run this country, or any other country or business on the basis of discrimination of this magnitude.

Some hon. Members: Hear, hear!

Mr. Hamilton (Qu'Appelle-Moose Mountain): I have suggested to the Minister of Finance that he should get out of this bind, because he is caught in a trap, by dividing Bill C-49 and not proclaiming the section on non-deductibility until he can get a more rational type of proposal that is not only economic for the people of Canada but economic for the companies as well. Then he should sit down with them and look at various proposals—there are several—and arrive at a deal that is both economically sound and fair and equitable to the people of the province who own this resource, and fair and equitable to the federal taxpayer who has to pay the cost of all the things we have to do to run this country, as well as fair to the people who have invested in the project.

I conclude by asking whether it is not about time in Canada's economic history, when the whole world is looking at us and our resources, to give an opportunity to Canadians as individuals to own this country. That is lacking in this proposal. Is it not time that we took advantage of the fact that there is an imbalance of capital accumulation in the world, where we have one group of nations with a tremendous volume of capital trying to find

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a place to put it? We would be glad to welcome that capital if Canadians had 100 per cent ownership and perhaps a few percentage points were given to the companies for their contribution, their efficiency and their management.

This is the type of deal that I think you could expect from government in this day and age. This announcement is only a very small step, but it is not too late, if the government seeks new light and new ideas, to discuss it with other people. I have to support the proposal because my country demands it, but that does not stop me suggesting that there are better ways of doing it and that this is the least acceptable of all choices.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Madam Speaker, yesterday the real government which controls and directs the oil policy of Canada met in Winnipeg and summoned the premiers of Alberta and Ontario and the two gold-dust twins from the federal government, the Minister of Energy, Mines and Resources (Mr. Macdonald) and the President of the Treasury Board (Mr. Chrétien). For some weeks now the press has been referring to these discussions with Syncrude as a poker game. Certainly yesterday the card-sharps took the innocents to the cleaners. The president of Imperial Oil, the subsidiary of Exxon, is not called Armstrong for nothing.

Some hon. Members: Oh, oh!

Mr. Douglas (Nanaimo-Cowichan-The Islands): I certainly think that he has strong-armed the government representatives and brought about a deal that will benefit nobody but the oil industry. The deal as it now stands and as the minister has outlined, if we understand it—there may be further clarifications coming during this session—represents the greatest sell-out of our natural resources in the history of Canada.

The minister was quite right when he said that this particular project goes far beyond the construction of one plant. The government is now laying down a policy which will apply to the development of the oil sands in Canada. The minister need not think for a moment that he can make this agreement with the partners of Syncrude and not do the same for Shell Oil, Home Oil, Petrofina or any of the other companies which have commitments to build plants in the Athabasca tar sands. He will have to give them the same concessions. So we are now laying down the policy for the development of what the minister has said is in excess of 300 billion barrels of oil, 50 billion barrels of which is on the surface and readily accessible. As a matter of fact, the minister's own department officials have given estimates as high as 630 billion barrels. This is a larger concentration of oil than is to be found in the Middle East.

There are problems with extraction, particularly in the in situ deposits, and there are environmental problems to be resolved. But assuming that modern technology can resolve these problems, Canada has within its borders one of the greatest reservoirs of oil in the world. And what are we proposing to do with it? We are proposing to turn it over to a collection of U.S. oil companies on terms that, I suggest to the minister, will be condemned by future generations.