

Supply

Syncrude has an expansion program proceeding which would boost its production from about 130,000 barrels a day to about 150,000 barrels a day. That opens the door to a doubling of production in the 1990s. The Alberta Government has already provided an \$85 million pre-engineering study on the feasibility of major expansion in the 1990s beyond that expansion which is already going forward.

It was interesting just before Christmas to hear the Parliamentary Secretary taking the rap, so to speak, for the decision by the Government of Canada not to encourage the development of the tar sands in the Athabasca area. It is especially revealing of the callous, hard-nosed approach of the Government that the Parliamentary Secretary and the Deputy Prime Minister, both of whom are integrally involved in that development, were both turned down by the Prime Minister (Mr. Mulroney) and the Minister of Energy, Mines and Resources. *The Edmonton Journal* editorial on January 6, 1987, put it very succinctly. The headline reads: "Ottawa denies energy security", and the editorial states:

In refusing to extend federal loan guarantees for the expansion of the Syncrude plant, Energy Minister Marcel Masse has made a liar out of Prime Minister Brian Mulroney.

Only six weeks ago, the prime minister guaranteed more federal attention and money to develop oil sands projects in Alberta. "We plan to do much more", he said in Calgary. "Syncrude is an important element of security of supply for Canada. The federal Government has provided some relief, some substantial relief, but it is not enough in a time of collapsing prices internationally".

● (1540)

Perhaps the House recognizes the superlative tone that the Prime Minister always uses. Canadians are becoming very conscious of that.

The editorial in *The Edmonton Journal* of January 6 goes on to state:

This is the government that refused to honour a long-standing commitment to the Husky Oil upgrader at Lloydminster.

Most important, it would have been an act of good faith, an indication that—
—the Government—

—was sincere when he promised, in July 1984, to make the West "a full and equal partner in Canadian Confederation".

I am sure that the Government's decision not to provide additional assistance, support, or even comfort to the Syncrude project was partly responsible for the formation of a new right wing Party in Vancouver this past weekend. There are many Tories from Alberta who just cannot stomach the current Prime Minister and his energy policies in the West.

The *Calgary Herald* published an equally succinct editorial on January 6, 1987. It states:

If any additional evidence were needed that Marcel Masse is in over his head as Canada's energy minister, surely Ottawa's refusal to help the Syncrude expansion project is it.

Given Masse's myopia about long-term security of supply, Ottawa's refusal is hardly surprising. Sadly, it is what Albertans have come to expect from a government that seems to value petty, arrogant attitudes from a man who demonstrates little grasp of the complexities of the important portfolio he has been given.

A further editorial written by Geoff White, on January 9, three days later, contains the headline: "Syncrude snub fits policy". He goes on to state:

In the summer of 1985, the federal government gave Petro-Canada \$1.6 billion in borrowing authority to take over Gulf Canada's refinery and retail assets—on the say-so of only four ministers.

If Mulroney and Mazankowski had truly been determined to give help, it would have been given. Athabasca MP Jack Shields to offer himself as the whipping boy for Ottawa's decision is amusing, but irrelevant.

It is laughable, to say the least, for the Hon. Member for Athabasca to give the Syncrude project as the Government's indication of a competent energy policy.

The motion before the House states:

That this House condemn the Government for its repeated failures to protect Canadian sovereignty and economic independence as demonstrated by its weak and ineffectual efforts to oppose Opinion 256 of the United States Federal Energy Regulatory Commission, with regard to transmission costs of Canadian gas, and by its compliant approach to permitting foreign takeovers of Canadian corporations and natural resources.

The Minister of Energy, Mines and Resources talked about the Government's commitment to increasing Canadian ownership. He referred to an increase from 42 per cent to 48 per cent and suggested that this was due to greater Canadian development. However, when one examines that increase closely, it will be evident that most of it relates to the takeover of the Gulf Oil Company of the United States by Petro-Canada and the Reichmann brothers. Of course, Petro-Canada required a commitment of over \$1 billion by the federal Government and the Reichmann brothers required the Little Egypt Bump tax adjustment for which the federal Government essentially provided all of the funding. While the Government may suggest that its policies are dramatically increasing Canadian ownership, the fact is that it is primarily because of that transaction.

The Minister spoke about the reduction of the petroleum gas revenue tax under the Tory energy policy, but did not mention that that tax was removed after great duress, when the Tories almost lost a by-election in western Canada. Furthermore, the Petroleum Incentives Program grants which were essentially funded through the PGRT were cut off in the spring of 1986, but the PGRT was reluctantly removed only in the fall of 1986, after a great deal of pressure from the Government of Alberta. Therefore, the gains in Canadian ownership are not particularly spectacular.

Let us consider Dome Petroleum. While there is substantial foreign ownership, it is operated by Canadians. Amoco has not shown great interest in increasing Canadian ownership and we see its proposed takeover as being another step in the Government's general approach to the Prime Minister's policy outlined in the fall of 1984 when he told the Economic Club in New York that Canada was open for investment and takeover. Obviously, that is what we see and that is the reason for the motion before us today.

Last week, Mr. Stacey appeared before the committee. It was interesting to note that he suddenly announced that Amoco would sell shares to Canadians. We do not have an