

## ALSANDS PROJECT—GOVERNMENT POLICY

**Hon. Duff Roblin (Deputy Leader of the Opposition):** Honourable senators, I would proceed further by asking the minister to give us a statement on the government's policy with respect to Alsands at the present time. According to the latest information we have received, the final offer was made for Alsands some time in January. Obviously, that did not entice anyone to go ahead. In fact, it seems to have persuaded about half of those companies originally in it to opt out. I have asked the minister on a number of occasions whether there is any intention on the part of the government to change its formula in connection with Alsands so that it will become commercially attractive.

**Hon. H. A. Olson (Minister of State for Economic Development):** Honourable senators, I know that further discussions are going on which have been announced by the Minister of Energy, Mines and Resources and the Minister of Energy for Alberta. I believe that a meeting between those two ministers will be held in Winnipeg tomorrow. I do not believe that it relates directly to the pricing schedule to which the honourable senator referred, because I believe that the total price of Alsands oil was indeed substantially higher than the \$35 per barrel he mentioned.

**Senator Roblin:** Can the minister tell me whether any consideration has been given to a special interest price regime with respect to Alsands?

**Senator Olson:** Not that I know of. If the honourable senator is talking about the interest on the capital investment, no consideration, that I know of, has been given to any special interest on that capital requirement.

**Senator Roblin:** Honourable senators, if the minister tells me that there is no special arrangement in view with respect to interest rates on the Alsands project, can he explain to me the policy of the government with respect to interest rates on energy projects in the Soviet Union? We have learned that although no deal has apparently yet been consummated, it is the policy of the government to provide subsidized interest rates for the export of Canadian techniques and materials that benefit energy self-sufficiency within the Soviet Union. A 10 per cent rate of interest, or something of the sort, is available for sales to that country, as against a commercial rate of some 16 per cent, and perhaps higher.

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If it is considered advisable to support exports to the Soviet Union, and thus energy self-sufficiency in that country, by means of a subsidized interest rate, why does the government not take a more constructive attitude towards the problems of self-sufficiency within Canada, with particular reference to the Alsands project? Where is the rationale for cheap money for the Russians but no cheap money for Canadians?

**Senator Olson:** Honourable senators, we have just had another typical example of the kind of convoluted reasoning that goes on in the mind of my honourable friend. It is too bad he does not tell the rest of the story. I do not blame him, because usually you produce arguments, including in them the

[Senator Roblin.]

pieces you want in and either advertently or inadvertently leaving out others.

The fact of the matter is that there is no outstanding offer for the gas line project in the Soviet Union. There was one until December 31, 1981. I told Senator Roblin then that it is not the practice of the Export Development Corporation to reveal the details of offers made by them in competition with other countries.

There is another even more important factor that my honourable friend, I am sure, in fairness wants to take into account, and that is that the total amount of the offers made by the Export Development Corporation to meet the competition respecting concessional financing in the world applies only to Canadian content, and is therefore 100 per cent applicable to Canadians and to the creation of jobs in Canada.

**Senator Roblin:** Well, when it comes to leaving out and putting in with respect to questions and answers, my honourable friend need take lessons from nobody, because he is very adept at doing that himself. I suggest to him that it is just as satisfactory to Canadians to create jobs in Canada for Canadians on Alsands, which is regarded by the Economic Council of Canada as being among the mega-projects on which our immediate economic future largely hinges. Canadians would be just as happy to have those jobs as the ones my honourable friend refers to with respect to our exports.

The point is that he is willing to subsidize jobs that are involved with the export trade, but turns a blind eye to the advantages of dealing more equitably with the people in Canada.

**Hon. George J. McIlraith:** What is your question?

**Senator Roblin:** My question to my honourable friend is—and I always get around to the question; I always have a question in the end—

**Senator McIlraith:** Why don't you consult the rules before you ask a question?

**Senator Roblin:** If my honourable friend wants to deal with the rules, I am prepared to listen to him, because he is a man whose opinions I respect.

What I want to know is why my honourable friend is not prepared to tell the house—and I am not asking him to give away any secrets—that he is prepared to negotiate from his so-called final position on the Alsands financing project in order to arrive at a position today which would be viable under the present conditions of price referred to by my friend the Leader of the Opposition. Why does the minister persist in stonewalling on that point?

**Senator Olson:** My honourable friend knows just as well as I do, in making his selective assertions, that the Export Development Corporation was set up, and is set up, for the purpose of financing export sales.

**Senator Roblin:** Is my honourable friend not set up for the purpose of getting self-sufficiency in oil in Canada? Is my honourable friend not the main actor in the Alsands negotiations? Of course he is. To say that the Export Development