

companies appeared before the natural resources committee and both said it was not sufficient to start up. The basic reason they gave was that the CPI was not a satisfactory figure as far as inflation in the north is concerned.

My friend from Peace River put together an excellent paper which gives some of the reasons for that. When we were in government we recognized that we had to pay our employees in the north extra living costs because inflation is higher there. No company will sign an agreement when their costs are going up faster than their return based on an inflationary factor that they know from experience through Suncor and Syncrude is not adequate in the north.

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That is just one reason. When I am building a fence with my neighbour, if we co-operate, we build that fence very quickly. We help each other. We put in the posts and string the wire. However, when there is not co-operation but confrontation, it is a great deal more difficult to get anything done. That is what has happened with regard to heavy oil development. There is no co-operation. Under the last budget or the pricing formula which was worked out, there was co-operation. Things were going ahead, and would have gone ahead if the signature had been put on the dotted line. I regret that we had to be involved in an election before we were able to do that because those plants are essential to energy self-sufficiency. In addition to that, tremendous employment can be generated by these plants, not just in Alberta but right across this country. That employment is desperately needed at this time. These projects cost \$8 billion plus apiece. When we apply a multiplier of 1.9—which is an accepted one—to that, we get \$6.2 billion accruing to Ontario in direct investment and \$6.7 billion to other provinces including \$2.9 billion to Quebec.

The reason is that most of the steel, trucks, cars, valves and pipe is developed in industrial central Canada. The impact on industry in Ontario—and I am using figures from the Alsands proposal put before the committee—would be as follows: \$800 million for iron and steel; \$370 million for metal fabrication and machinery; \$325 million for transportation equipment; \$740 million for manufacturing and processing; \$370 million for finance—I expect it is interest—and \$750 million for trades and services. There would be 10,000 construction jobs at the Cold Lake project which could go to Canadians. Most of them would be residents of other provinces because we simply do not have in Alberta or Saskatchewan the manpower to meet those needs. Those are figures just for the Cold Lake project. Similar figures could be applied to the Alsands plant.

As I see it, we need that investment and that employment today, but those plants could very well be shut down for a number of years.

I could not believe what I was seeing when I looked at the provisions in this budget which apply to the Suncor plant. Suncor was the first company or group of people prepared to take the risk of developing the tar sands. That risk was taken. The company was almost jeopardized. It lost millions and millions of dollars year after year establishing the technology

### *The Budget—Mr. Schellenberger*

which is now being used by Syncrude, which will be used by the Alsands people and which we are now attempting to sell to Venezuela and other countries. Suncor pioneered that, and now what is the reward? Instead of the same prices offered to other companies under this budget Suncor will get \$16.75, which puts the company at a marginal level again. It cannot even recoup the losses in the profit picture. Last year was the first year it broke even and made a few dollars profit.

If one understands the area at all, one knows that they are mining the most feasible area at the present time. As the operation gets to the outskirts of the mine, the cost of bringing the tar and sand to the plant goes up. I spoke with representatives of the company, and they told me that some 90 million barrels of synthetic crude could be lost to Canada because they simply cannot mine for this price of \$16.75.

Instead of rewarding initiative and allowing that company to develop its mine, the clamps are being put on by a federal government which, I believe, does not understand and never has understood the development of tar sands and the development of the heavy oil industry in western Canada.

The last policy we find offensive in this budget is public ownership. We Albertans over the years have felt comfortable with the private sector developing our oil and gas industry, our processing industry and many other industries in the province. Our farmers worked hard for every dollar they made for years and years. In the 1950s we asked for Canadian capital to develop our industry, but now that we finally have some dollars from the Alberta Energy Company and others so that we can get involved in tar sands plants and so forth, we have all these taxes taking away our revenue in order to allow Petro-Canada in because it has some great plan to take away the slack from the private sector or gather up the slack from the private sector and provide all this energy self-sufficiency in the future. It will be a number of years before that takes place. In the meantime, energy self-sufficiency may go out the window.

The technology and expertise which have been developed in our province over many years will be attracted away by the many megaprojects around the world which are asking for people who are in short supply. They are bound to leave the province. We will lose them. The bottom line is that we would rather have development by the private sector, as was the case with Alberta Gas Trunk Line. Albertans and westerners were allowed to buy shares, and they lined up at the treasury branches to buy them.

There is another example where the Alberta Energy Company offered shares to Albertans so that they could participate in the development of the industry. They were bought up within days. We would rather buy off these companies through incentives to the individual to buy that through Petro-Canada. We would be much happier with that kind of program. So I get down to the bottom line. Westerners would rather have the opportunity to use the money from their resource, or a fair share of it, to develop western Canada rather than having the federal government develop it.