

equal to the total size of our economy today. And this spending will occur across Canada.

This growth will not happen to nearly the extent possible with the attitude and approach which the government has shown to date. There is no energy policy. The Liberals defeated us on December 13, ten months ago yesterday, on the issue of our budget and energy policy, and to date there has been nothing to take its place. In the meantime Canadian industry loses valuable time and opportunities to take advantage of our natural strengths. We have job opportunities in the next seven years in these industries to employ some 350,000 throughout Canada. Many of these will be created by equipment purchases totalling an estimated \$120 billion, much of it in central Canada.

The potential stimulus to our manufacturing industry is virtually without parallel in our history. The huge energy projects provide a chance to expand and modernize manufacturing industries in order to provide the wide range of goods and services needed. Project engineering and construction management will be required, as well as steel pipe, valves, compressor stations, construction equipment, prefabricated buildings, welding equipment, electrical generating transmission equipment, and so on. Our oil and gas supply manufacturing sector is becoming one of the most advanced technologically in the world. These are all goods manufactured in Canada. But this manufacturing base must be encouraged through sound economic development and energy policies. Without these policies, the jobs will not be created, the new plants will not be built, and our manufacturing trade deficit, already far too high, will increase further.

To be more specific, the proposed \$7 billion Alsands synthetic crude oil project will create some \$23.5 billion of economic activity, of which \$6.2 billion will be spent in Ontario. This project is being continued at some risk to the sponsors, in anticipation of an early settlement of Canada's oil policy. The Cold Lake project is of a similar magnitude and is in the same holding pattern. If that policy is not brought forward with some degree of urgency, both projects are likely to be shelved. I understand the Cold Lake project now has some 500 engineers on staff. If that project is stopped today, those engineers will disperse to other jobs and it will take some time to revitalize the project. The result will be a considerable delay in completion. Valuable time will be lost in bringing in these new reserves of oil. Investment will be postponed. Jobs will be lost. Our balance of trade will suffer through increased imports of oil. Finally, we will lose ground in this industry of the future.

Today we are a world leader. Venezuela, with its giant Orinoco oil sands, has already shown an interest in Canada's technology. If we do not continue developing our technology, others will overtake us to the point where we could end up importing the technology rather than exporting it.

This same picture holds true in pipeline projects over difficult terrain. The pipe for the Foothills gas pipeline will be worth about \$2 billion, split roughly equally between Stelco in Hamilton and Ipsco in Regina. The turbines will cost about

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\$200 million, valves and other materials \$70 million. It has been estimated that this pipeline will produce in excess of \$1 billion of business for Ontario based companies. Equally important, Canadian pipeline engineers and construction companies will be in the forefront of the technology and will be in a position to bid on similar projects in other countries.

The North American automobile industry is currently undergoing a difficult transition from large gas-guzzlers to smaller energy efficient compact cars. Many thousands of workers are out of work because foreign manufacturers have doubled their share of the market in the past four years. I recently visited Washington and Detroit, with six other colleagues, to learn more about the automobile industry. There we were told that the energy policies of the United States and Canadian governments had contributed significantly to these problems.

North American consumers have for some time been protected from the impact of higher gasoline prices. Japanese and German consumers have been forced to face this reality. As a result, Japanese and German car manufacturers have been at the forefront of developing new energy-efficient cars. When the North American consumer suffered the second oil shock, the revolution in Iran, American consumer preference changed abruptly to the smaller cars. When the North American producers could not meet the new preference for smaller cars, the Japanese and Germans stepped in. This is a classical illustration of how an unrealistic government policy has been overtaken by market forces, to the great disadvantage of local industry. The United States government has recognized this. The Canadian government still has its head in the sand.

Let me give you another example, one that deals with an industry of the future. We hear stories of great advances being made in other countries in the development of alternative sources of energy: gasohol, solar, wind, miniature hydroelectric units. Why not in Canada where we have the climate and industrial capacity to use such alternative sources? It is very simple, Mr. Speaker. Until we get the right mix of energy policies—and price is the most critical element—that development will occur in other countries, and Canada will miss out on a huge new industry. The higher energy prices in other countries are providing a powerful and natural incentive to develop this new technology. This situation is no different than the energy efficient car.

The Royal Bank recently published some statistics which look at this phenomenon from another perspective. Because of the unrealistically low energy prices in Canada and the United States, we have become inefficient users of energy in our industry. To illustrate, the Royal Bank estimated that industrial output for each ton of oil consumed in 1978 was as follows: West Germany, \$1,718; Japan, \$1,669; Britain, \$1,175; United States, \$954 and Canada, rock bottom, \$840. In other words, Canada was less than half as efficient in its use of energy as was West Germany, partly due to climate and distance, you might say. But, look at the change in consumption patterns in recent years when this difference in price has been so obvious.