

Economic Development

fair commodity prices for their wheat and oil? What is fair about that?

At the same time hon. members opposite deny oil price increases to realistic levels. As a result they are scuttling economic development in Canada. As a matter of fact, with regard to the two mega projects which Alberta is trying to get off the ground, the Alsands project and the Cold Lake heavy oil project in Alberta, I am advised that the delay in these two projects is costing the Canadian economy \$25 million every day.

The Prime Minister (Mr. Trudeau) has said that sharing is what Canada is all about. Alberta must share. The producing provinces—Alberta, British Columbia and Saskatchewan—must share with the rest of Canada. Since 1973 Alberta has forgone in excess of \$17 billion in revenue as the result of underpricing of its oil. That happens to be worth \$8,500 for every man, woman and child in the province of Alberta. That is sharing? The government of Alberta has every right to insist on a fair deal and a realistic price for its energy. It has every right to receive its legitimate share of the revenue. Surely it is not un-Canadian to defend this position, a position which it was guaranteed under the constitution of this country. It is defined in the British North America Act that the producing provinces shall have the right and are entitled to those resources. Now the government wants to change the rules in midstream. The hard part of it is that oil is a diminishing resource. Once it is gone, it cannot be replaced. It is like a capital resource and very different from manufacturing something. When that oil and gas are gone from Alberta, there will be nothing left but bald prairie. That is what the Liberal government is asking us to do—to be farmers and cattle raisers. They are telling us that when the oil is gone we must get back to raising cattle and growing corn. But we want something better than that, Mr. Speaker, a lot better, and we intend to use those funds for the benefit of all Canadians. We want to be part of a Canadian economy and we want to have an industrial base in Alberta: We are going to have it, Mr. Speaker.

● (1740)

There is an opportunity ahead of us. The Canadian economy is in difficulty in terms of balance of payments, in terms of trade, in terms of fiscal deficit. There is no aspect of our economy that is not in serious trouble and deteriorating. The Liberal government must bear responsibility for that. We have had 15 years of Liberal mismanagement.

But we have a chance, Mr. Speaker. Today Canada desperately needs an economic shot in the arm. We simply cannot afford to underutilize any major asset of the country. Western Canadian gas can do for the country what North Sea oil has done for Great Britain. Our large and enormously valuable gas reserves must be utilized for the benefit of all Canadians. It is important that we do not fumble the ball because we may not get another chance.

The Alaska natural gas pipeline is of absolutely crucial importance to the Canadian economy at this time. There is no

project in the immediate future that has more economic significance for this country. It is absolutely essential that the pre-building of the western leg of the pipeline which is now being considered by the cabinet be approved immediately so that construction can proceed. With Canada moving quickly into a period of economic recession, and unemployment rising dramatically, and with a deteriorating balance of payments, we are fortunate to have the opportunity to build a pipeline at this time which is of such enormous importance to the Canadian economy not just in terms of the present economic impact but the future health of our economy for many years to come.

While the pre-build is vitally important in terms of the health of the oil and gas exploration industry, it is equally important in terms of jobs and economic activity in all parts of the country. It means a positive impact on our balance of payments amounting to \$2 billion per year, and will reduce the federal fiscal deficit by an estimated \$1 billion per year. In terms of employment the project will create, between 1980 and 1984, 150,000 man-years of employment. Out of this 150,000 man-years of employment, some 30,000 to 40,000 man-years will be in central Canada.

The new exports approved by the Conservative government in December, 1979, will improve Canada's balance of payments by \$17 billion over eight years. Long-term results of this improved situation could be a strengthened Canadian dollar and lower interest rates.

The pre-build section of the line, the western leg, is estimated to cost \$1.6 billion. Of this 90 per cent will be Canadian content. Distribution is as follows: B.C., \$70 million; Alberta, \$650 million; Saskatchewan and Manitoba, \$360 million, and Ontario and Quebec, \$360 million. Those are significant benefits at this time in the Canadian economy.

Natural gas exports are essential to make efficient use of our natural resource base. Opponents of gas exports express the view that exports are a threat to our future domestic natural gas supply. Opponents of new exports are concerned that additional exports could impair the future expansion of gas in the Canadian market. The Canadian market for gas is relatively small indeed compared to the enormous supplies of gas we have discovered.

As a result of increased gas prices between 1974 and 1980, substantial new discoveries of natural gas have been made. In the last six years drilling activity in western Canada and major improvements in technology have accelerated discoveries and substantially increased the amount of known reserves. Reliable industry sources claim that ultimate potential marketable gas will support a fifty-year supply from conventional producing areas of western Canada alone. The substantial increase in reserves has placed the gas industry in a surplus supply situation and the marketing of natural gas has become a major concern of the industry.

Because of these developments the National Energy Board has re-evaluated its figures for natural gas reserves in relation to foreseeable requirements. The National Energy Board estimated that 66.1 trillion cubic feet of established reserves remain in the conventional producing areas of Canada. We use