

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—SOVEREIGNTY AND ECONOMIC INDEPENDENCE

The House resumed consideration of the motion of Mr. MacLellan:

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 Acting Speaker (Mrs. Champagne): When the House rose at 1 p.m., there were six minutes remaining in the question and comment period following the speech of the Hon. Member for Athabasca (Mr. Shields). The Hon. Member had the floor. I am sure he will make his comments brief if possible to allow as many Members as possible to ask questions.

Mr. Shields: Madam Speaker, you can trust my good judgment in that matter.

I was just in the process of answering the question of the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan). It was a two-part question, the first being what responsibility the federal Government has in the recent decision taken in the United States. He inferred that the amount of foreign investment coming into Canada was detrimental and asked me to comment on that. This morning I used the example of the minority purchase of Husky by Mr. Lee's company from Hong Kong. That was very upbeat in the oil industry in western Canada because along with that purchase \$1 billion of new investment money was committed to develop Amauligak in the Beaufort. That is very important to the energy security of this country and the psychology of the oil industry in western Canada because of the downturn in oil prices world-wide and the recovery which is now taking place.

• (1530)

Investment in the oil sands was commenced with what they called at the time the Great Canadian Oil Sands, a wholly-owned company formed in Canada but owned by Sun Oil of Philadelphia. Without a nickel of Canadian investment they went in, at great risk to the company, and invested in the oil sands north of Fort McMurray to develop the oil sands plant now known as the Suncor plant. I wonder whether without that foreign investment we would be developing the oil sands as we are today with Syncrude. It was very risky and I think it is acknowledged that Sun Oil very nearly went down because of that investment. It was only the increase in oil prices which allowed it to survive.

With regard to investment, the national energy policy perpetrated on this country, and particularly on western Canada, by the previous Government drove investment out of the country—not only foreign investment, but Canadian

Supply

investment as well. In addition to transferring vast amounts of money from western Canada, which hit the oil industry terribly hard, it contained a back-in provision which actually confiscated property earned by foreign-owned companies. It put us on the same basis as a banana republic. The Member knows how detrimental that policy was to Canada's reputation as a safe place to invest.

The responsibility of the administration of the United States to FERC is exactly the same as that of Energy, Mines and Resources to the National Energy Board. The National Energy Board is a quasi-judicial body. Any Member of this House or any other person may make representations to that body, but its decision is final. We cannot interfere in a legislative sense. The administration of the United States is faced with exactly the same situation with FERC. The Member knows that it was a quasi-judicial body which made the ruling on the charges on transportation of natural gas exports. There is nothing we can do about it in that sense.

The buyers in the United States are extremely concerned about that ruling because it means that the United States is not a safe place to export to since they have changed the rules in the middle of the game. Buyers and consumers in the United States are making representations to their administration. We are following through in the courts. We are telling the producers in western Canada that we will assist them in their court challenges against the United States.

Mr. Maurice Foster (Algoma): Madam Speaker, I am glad to have a chance to participate in this debate this afternoon. I was very pleased that the Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Shields) raised the history of Syncrude. He will remember that when there was difficulty getting the Syncrude project rolling in the mid-1970s the federal Government of the day put up \$300 million to enable that project to go forward when the three private sector companies were unable to proceed with it.

We should compare the response of Syncrude and the three companies which are taking part with the response which we got from the Government last fall. Representatives of Syncrude came before the various caucuses of this House and provided an excellent briefing. They pointed out the need for a guarantee agreement in order for the \$700 million expansion of Syncrude to go forward is 1987-88.

It is interesting that the Parliamentary Secretary who represents that area was flatly turned down by the Deputy Prime Minister (Mr. Mazankowski) who supposedly had some clout in Alberta affairs. The Minister of Energy, Mines and Resources (Mr. Masse) claims to have great concern about and interest in the energy industry in Alberta but flatly turned Syncrude down for a guarantee agreement that if the price of oil fell below \$15 a barrel during the next few years the Government would guarantee a loan of \$175 million.

I do not know how the Government can raise the matter of Syncrude, as the Parliamentary Secretary has done, without hanging its head in shame over that response to Syncrude.