

*Government Orders***GOVERNMENT ORDERS***[English]***FINANCE**

INTERIM REPORT OF STANDING COMMITTEE

The House resumed consideration of the motion.

Mr. David Chatters (Athabasca, Ref.): Madam Speaker, I am pleased to join in this prebudget debate. I wish to take a somewhat different direction and discuss a topic of great concern to me in light of today's tabling of the report of the Standing Committee on the Environment and Sustainable Development.

The recommendations contained in the report, if adopted in whole or in part by the finance department, represent the most blatant attack on the energy sector since the national energy program was introduced by the Liberal government of Pierre Trudeau. The national energy program was sold to Canadians as necessary to preserve Canada's energy self-sufficiency, a priority of the Liberal government at that time.

Should the finance minister accept these recommendations, this report would guarantee the dependency of Canada on unreliable imported oil by stifling future energy development.

In Canada we presently have enough developed reserves to supply Canada's energy requirements for only another 12 years. There is currently no other more environmentally friendly source of energy capable of replacing fossil fuel energy.

I support the committee's recommendation to maintain or enhance support for research into more environmentally friendly sources of energy, such as fusion or hydrogen or others, that have the potential to eventually become our primary source of energy. However, experts wiser than I, or even wiser than the members of the environment committee, predict that for at least the next half a century fossil fuels will remain our primary source of energy.

• (1840)

Clearly, if we have any hope of maintaining Canada's self-sufficiency, it makes good sense to do so because of the economic stability it provides. And it is no less environmentally friendly to develop domestic supplies than it is to use imported oil. The only known remaining energy reserve capable of not only replacing declining conventional production but assuring Canada's self-sufficiency is the tar sands of northern Alberta. This is where the recommendations of the environment committee would be catastrophic.

In order to meet this challenge, the now well-known tar sands task force says that the industry must over the next 25 years attract private sector investment of between \$20 billion and \$25

billion in order to triple the light sweet crude oil production from the tar sands' estimated 1.7 billion barrel reserve. This reserve is similar in size to Saudi Arabia's reserves and is capable of supplying Canada's energy requirements for the next 100 years.

The task force is not, as stated in the report, asking for any additional tax assistance or any direct participation by any government. It is simply requesting from the finance department a generic fiscal regime that will apply to all developers with tax and royalty terms that divide revenues and costs fairly between investors and government and which are stable and predictable. I will not pretend that there is no cost to the taxpayer in the existing and proposed tax regimes. However, when one examines the benefits of this development both to governments and Canadians, the cost is truly insignificant.

The proposed development would add directly to federal, provincial and municipal balances, namely increased taxes and royalties, and revenues to hospitals and government pension plans an astonishing \$97 billion and would create 44,000 full time, well paid jobs by the year 2025. These are not the fictitious imaginary jobs the Liberals talk about and the auditor general referred to in his recent report. These are real jobs with almost one million person years over the period of direct, indirect and induced employment. The government constantly talks about job creation. Here lies an opportunity to create 44,000 new jobs without investing anything like the \$6 billion infrastructure program.

I take great exception to the painting of the resource industry as an environmental bogeyman. If one cares to examine facts and keep things in reasonable perspective, the industry and the tar sands in particular are good environmental citizens having over the last 20 years made tremendous strides in technology to reduce emissions and improve reclamation techniques.

In spite of the fact that Canada is such a vast country and has one of the world's coldest climates which requires a higher per capita energy demand, we produce only 2 per cent of the world's CO₂. The industry is also a full participant in the minister's voluntary CO₂ reduction program.

Tar sands industries have demonstrated a strong commitment to achieve environmentally sustainable development and regulatory compliance that incorporates the continuous reduction of environmental imports and the assurance that development today does not impair the resource legacy of future generations, including their access to clean air, water and land. To attack Canada's resource industries to the degree that this report does, considering these industries are currently the major contributors to Canada's GDP and are solely responsible for Canada's recovery from the recent recession is nothing short of irresponsible.