

*Oral Questions*

tant resource? Also, can the minister say what is being done to develop improved recovery techniques in terms of initiatives by the federal government?

● (1150)

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** The broad lines of the discussion concern both the province and the federal government moving back in terms of their revenue take from the development and processing of the tar sands. I cannot say more at this point but so far these discussions have been positive and I hope there will be a result very soon. Perhaps the hon. member would repeat the second part of his question.

**Mr. Mazankowski:** I should like to know what specific new initiatives the federal government is taking given the fact that a huge amount of capital and expertise will be required from both the public and private sectors. Are any new incentives or initiatives being advanced to increase the participation of the private sector?

**Mr. Gillespie:** Initiatives are being taken on both sides of the Saskatchewan-Alberta border. A short while ago we were able to reach agreement with Saskatchewan with regard to the use of a substantial amount of funds for the purpose of developing new recovery techniques in the Lloydminster area. I hope that shortly we can announce a joint agreement by the federal government and the Alberta government with regard to the use of research funds—funds which were set aside for the use of the government of Alberta as a result of the 1974 agreement. I believe the main estimates show that there are some \$10 million available for research this coming year.

HEAVY OIL—POSSIBILITY OF PARTICIPATION BY PETRO-CAN IN  
ESTABLISHMENT OF REFINERY

**Mr. Don Mazankowski (Vegreville):** Inasmuch as Petro-Can has expressed interest in the development of this resource, could the minister tell the House whether his department is actively supporting and promoting the establishment of refining facilities by Petro-Can in that area? When might a definite decision be made in this connection?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** We are actively promoting development in that area. Petro-Can might well wish to be a part of a group of companies interested in such a project. There have already been talks between potential private participants and Petro-Can as well as between that group and the Saskatchewan government. There is a great deal of interest at the present time, all of which I fully support.

[Mr. Mazankowski.]

## FINANCE

## POLICY ON BORROWING ABROAD—GOVERNMENT POSITION

**Hon. Robert L. Stanfield (Halifax):** Mr. Speaker, a question for the Minister of Finance. In view of the concern expressed by the Prime Minister about the country living beyond its means and in view of the fact that one way in which a country can live beyond its means is by borrowing abroad, can the minister tell us whether he has indicated any policy in this area to the provinces, the municipalities, or even private corporations? I ask this in the light of the hon. gentleman's answer to my hon. friend yesterday in which he said he really did not have much of an idea as to how much would be borrowed abroad this year.

**Hon. Donald S. Macdonald (Minister of Finance):** As I pointed out yesterday, borrowings abroad in the coming year will be a function, broadly, of the spread in interest rates as between this country and the United States, a difference which is difficult to predict very long in advance. I would make this comment: we have not, as has been the case in the past, sought to restrain the provinces from borrowing on foreign markets. We have not done that in the past year or so. I think the critical point which the Prime Minister would make—it is critical from the standpoint of our balance of payments and borrowings—is that with respect to the competitive position of Canadian industry, and particularly with respect to the decline in the value of the Canadian dollar, making it more competitive, we have to make certain that the inflationary impact not be passed on in such a way as to overcome the advantage we have gained by the drop in value.

**Mr. Stanfield:** Then I take it the minister is not concerned about the volume of Canadian borrowing abroad?

**Mr. Macdonald (Rosedale):** I have said a number of times that a volume of borrowing comparable to that of 1976 would definitely not be sustainable by the Canadian economy.

**Mr. Stevens:** That was \$8 billion.

**Mr. Macdonald (Rosedale):** However, I would point out that in the first quarter of 1977, that volume has not been maintained.

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## HUMAN RIGHTS

SUGGESTED STATEMENT CANADA WILL CO-OPERATE IN  
DEFENCE OF HUMAN RIGHTS

**Mr. Andrew Brewin (Greenwood):** Mr. Speaker, may I direct my question to the Acting Secretary of State for External Affairs? No doubt, he will have heard of President Carter's statement before the United Nations General Assembly yesterday that no nation can complain that the mistreatment of its citizens is solely its own business. The President also referred to the pledges of the signatories to the UN human rights charter to observe and respect human rights. Will the