

*Income Tax*

I note that the hon. member from Hamilton has left, but he has been deeply concerned about STELCO's ability to bid on the pipeline. STELCO uses about 9 million tons of coal a year. We would like to see it moved from western Canada if necessary, or from the maritimes, if possible. Ontario Hydro uses about 10 million tons of coal. We would like to see that coming from either western sources or maritime sources. Nine million tons plus ten million tons make 19 million tons. About 28 million tons are mined today, so that gives us some appreciation of the hope for growth in the mining industry and the coal mining industry in Canada if we could service our own markets.

I readily admit that we are too dependent upon the Japanese market with regard to coal. The Japanese can turn our coal mines on or off at will, depending upon their steel industry and their supply. We are going to meet severe competition from Australia as well. In 1976 we exported to Japan \$624 million worth of coal, more coal than grain in dollar value. Not many Canadians are aware of that. So we are not without hope with regard to the mining industry and the coal mining industry.

We have the capability to export some uranium. We have the capability to build a huge pipeline over the next few years, and I disagree with the Economic Council's report at page 75. I do not think the Council knew of all the projects which are on the books to go ahead within the next four or five years. That \$10 billion pipeline project will create over 125,000 man-year jobs in Canada alone. Naturally I would like to see much of the steel developed here in Canada. Naturally I would like to see many of the turbines used to move the gas through that pipeline developed and built here in Canada. We have that capability, and my department will certainly be making every effort to make sure that there is a huge Canadian content. However, let us not fool ourselves. We must remain competitive, because it is to our advantage to keep the overruns below 135 per cent.

There is a major dam going ahead in British Columbia. Within the next five years it is going to cost in the neighbourhood of \$1.2 billion. These are tremendous projects. Personally, I think the Alberta government should go ahead with some major dams in that province. There is the capability to do so, and there is a need for water. I often say that in Canada we have one third of the fresh water supply in the world. I have often said that; I hope we have.

However, when I consider that the United States has 48 million acres under irrigation and we have less than one million acres under irrigation, I cannot say to myself that we are using our water wisely. It comes under the jurisdiction of provincial governments, not that of the federal government, to initiate dam construction. However, that contributes considerably to the hope all Canadians can have.

There is a \$600 million Husky heavy oil production plant on the drawing boards, and we hope the difficulties can be ironed out. This plant is to be located near Lloydminster, if the two provinces can get together.

A \$600 million heavy oil plant is to be built by Pacific Petroleum near Hardisty. A third tar sands plant is to go

[Mr. Horner.]

ahead as soon as the necessary deals can be drawn up. I will be surprised if it costs less than the one just completed. The one just completed is on schedule and within budget, but its estimated cost is \$2 billion. Tremendous expenditures are going to be made in the near future. Added to that the James Bay project is to be completed. We have a 200-mile fishing limit which gives to—

**Mr. McKinnon:** Mr. Speaker, would the minister entertain a question?

**Mr. Horner:** I would rather do so after I am through, but if the hon. member wants to, he can go ahead.

**Mr. McKinnon:** Do I take it from the minister's remarks that he has moved away from the position he adumbrated two years ago, that our problems with the OPEC countries would be over if we withdrew our support from Israel?

**Mr. Horner:** If we withdrew our support from Israel our problems would be over? Is the hon. member suggesting that I advocated that two years ago?

**Mr. McKinnon:** I am saying that.

**Mr. Horner:** Is that what he is saying?

**Mr. Martin:** Yes.

**Mr. Horner:** That is news to me and to many other people, but if the hon. member can come up with a bug which was on my telephone or on his, or if he can find that information from a tape recording or from *Hansard*, I would be glad to look at the authenticity of his remarks.

To get back to where I was, we have just acquired rights to a 200-mile fishing limit on the east and west coasts. The harvesting of that 200-mile fishing limit will be a tremendous challenge to our shipbuiding resources and our processing industry. I would like to see that challenge met as soon as possible. We have the capability to harvest that tremendous yield. This has great potential and raises great hope in the maritimes and on the west coast. There will no doubt be difficulties, but Canada is becoming the world's largest exporter of fish. With that 200-mile fishing limit we can hold that position and better it substantially.

There are great challenges for Canadians in the pulp and paper industry. If we are to hold our present percentage of world production of pulp and paper, we will have to spend \$15 billion in the next 20 years. There is tremendous growth potential in that industry, and to take advantage of that potential we will have to spend a lot of money. I like to think that we could facilitate further growth of that industry on both coasts and in the north.

● (1652)

I look at the petrochemical development in Alberta, in Sarnia and Montreal, and I see a great potential for industrial growth in Alberta in by products arising out of the petro-