

*Adjournment Debate*

billion if two plants, the Alsands and the Cold Lake, were allowed to proceed.

Why did they not proceed? We talk about research and development. The Alsands consortium and Imperial Oil at Cold Lake were ready to proceed. Because of the lack of foresight on the part of this Government, which would rather import oil from offshore, we lost \$2 billion a year per plant. That represents a drain on our balance or payments. This money has to come from somewhere. When you drain off money for the purchase of off-shore oil, you affect interest rates and the money markets, and you hit jobs in Canada. I am not talking of just jobs created in northeastern Alberta, or in one province, I am talking about jobs in the steel industry, the automotive industry—jobs clear across this country. It was estimated that not one province would fail to benefit from the development of the Cold Lake project. Not one province would fail to benefit from the development of the Alsands project.

● (2215)

Eighteen months ago, Mr. Speaker, a number of Members of Parliament visited the Cold Lake and Alsands plants. The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), who will be replying to this question tonight, was with us. We toured those plants. He saw the vast investment and vast potential for Canada's energy security. He saw the vast potential for investment in the supply of pumps, steel and manpower from right across the country. He knows, if anyone knows, exactly what I am talking about.

**Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I normally enjoy listening to the Hon. Member for Athabasca (Mr. Shields), but I must say that tonight he has gone a bit overboard. It is correct to say that I was with him in his constituency at Fort McMurray and visited a number of the sites he referred to, but he forgets to mention in his remarks that the reason or reasons why the Alsands consortium decided against going ahead with the project was because of the economic realities of the time.

The Government of Canada and the Government of Alberta made a very, very strong proposal to the Alsands consortium; two levels of Government, Mr. Speaker, and it was the Alsands consortium decision alone not to proceed. When the Hon. Member stands in this House and points his finger at the Government of Canada, that is complete gobblydegook on his part. Those are the facts, and he ought to know better. To perpetrate that kind of thing on the Canadian people I think is intellectually dishonest.

I should remind the Hon. Member of the nature of the agreement effective February 1, 1981, whereby Imperial Oil Limited received advances to a maximum of \$40 million to maintain the Cold Lake project. It was agreed that if, before the repayment date, the board of directors of Imperial Oil had passed a resolution suspending or cancelling the Cold Lake project, Imperial Oil would have no obligation to repay the amount borrowed. The effective date in this case was the latter of July 1, 1982, or the first anniversary of the full payment

date. In fact, the project was suspended before July 1, 1982 and consequently the obligation for repayment was removed.

As the former Minister of Energy, Mines and Resources noted when the matter of the Cold Lake project was discussed on July 30, 1982, Mr. Speaker, the period during which the Cold Lake project operated on the basis of the \$40 million advance was a productive one, during which further engineering information was developed and employment was provided for a number of people in the Cold Lake region.

The Hon. Member for Athabasca notes that these two projects did not go ahead. I remind him that other projects in other countries have not gone ahead for the same economic reasons, that of world recession. Those are the reasons, Mr. Speaker, and those are the facts which the Hon. Member refuses to acknowledge and to place before this House. In fact, Mr. Speaker, his idol, his mentor, the Premier of the province of Alberta, has stated explicitly on a number of occasions that people ought not to be using 1980 as the benchmark for reference to oil and gas activity. But somehow the Hon. Member refuses, intentionally or otherwise, to recognize the facts of a world recession which has played havoc with these projects and many others, not only in Canada but in the U.S. as well as in European countries.

ENERGY—INQUIRY RESPECTING PROGRAM CUTBACKS. (B) CHIP AND OFF-OIL PROGRAMS

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, I want to pursue a question which I raised with the Minister of Finance (Mr. Lalonde) on his economic statement. The economic statement said that \$616 million would be freed in the energy area by scaling back funds allocated to a number of programs, although he did not mention any specifically. He did, however, state that allocations for the Petroleum Incentives Program would remain at their existing levels.

● (2220)

If the economic statement were really serious about job creation, it would have delineated which projects were to be cut, at what loss of jobs, and for what gain in jobs in the new program, which is clearly a job creation program. Any reallocation of funds must mean a net increase in jobs. Nevertheless, nothing was specified.

Rumour has it that the CHIP program and Off Oil Program were again considered for cuts, and I asked about these. The Minister of Energy, Mines and Resources (Mr. Chrétien) gave a wholly unsatisfactory reply, not giving assurances that they would not be. What is happening, it seems to me, is that we are seeing a further erosion of the valuable parts of the National Energy Program. We are losing the energy self-sufficiency and job creating aspects of the Program, while the give-aways to the corporations are continuing. I believe this is a sorely mistaken sense of priority.

First of all, let us consider the question of conservation. It is still true that conservation is the cheapest source of new energy and that it provides the most jobs. A study by the Economic