

*Canada Oil and Gas Act*

do to the oil industry exactly what the government has done to every other thing it has put its hands on.

The government has said that this is a sharing policy, that all they are trying to do is to share the assets of Canada among the people of Canada. We in the west know what that is all about. We share a two-price wheat system and we share a two-price oil system. We in western Canada share the capacity, the ability and the burden of supporting an inefficient oil industry in eastern Canada which almost doubles the price of our automobiles. Also we share the burden of supporting an inefficient textile industry. A recent study indicated that we would be better off to pay every worker to stay home, that we would save \$100 per family, rather than support an inefficient system.

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Also we share by our support the equalization system. Roughly \$3 billion is equalized in the country from one province to another—\$1 billion from British Columbia, \$2 billion from Alberta, and approximately \$200,000 from Ontario. We in the west understand that that is the philosophy of the government on sharing. Its philosophy is really: What is yours is mine; what is mine is my own. This is the type of sharing the government would like us to accept.

We have fought Bill C-48 because we recognize that it will eventually ruin the oil industry. What will it do specifically? There are massive incentives for the government to take money from the pockets of the western oil industry and to encourage people to work on Canada lands to the detriment of provincial lands. This legislation will also cause a massive transfer of wealth and decision making from the western provinces to Ottawa; \$50 billion in five years. This is what is called sharing the Liberal way.

In addition, the bill will undoubtedly go a long way toward nationalizing and socializing the oil industry. Before the national energy policy was put into effect, there was a sophisticated and capable oil industry in western Canada. It was as effective and capable as any in the world. The government's massive intrusion and bureaucratic bumbling changed all that. Last spring when this matter was debated, the government insisted that drilling activity was not down and quoted figures to that effect. Let me put on record the real calculations in that regard.

The national energy policy in Canada has resulted in a decrease of 40 per cent in the May to August period this year compared with the same months in 1980. A total of 441 rigs chalked up 6,756 operating days in the four-month period this year compared with the 12,325 operating days for 525 rigs a year ago. This is a drop of 73 per cent. The biggest decline was in my province of British Columbia. There was a reduction of some 70 per cent and the utilization rate for 36 rigs in that province was only 34 per cent. In Saskatchewan it was down 47 per cent and in Alberta it was down 40 per cent.

The Canada lands on which the government is trying to encourage drilling fared little better. There were only 23 operating days in the Northwest Territories and Yukon com-

pared with the 265 of last year. There were only 165 days in the Arctic Islands, down from 204 days in 1980. I do not believe that that is working toward oil self-sufficiency. The National Energy Program should be termed the national energy disaster. It has turned our oil industry from a competitive, aggressive industry comprised of many small firms to a government-controlled industry with a few large ones, including the government-controlled Petro-Canada.

People ask me what is wrong with that as long as we get our oil. Let me say that it was perfectly apparent from the hearings on this bill that all experts in the oil industry thought it was very bad. Why is this? It is because the finding of oil is still an art. It takes many operators in the field who have innovative ideas and approaches to ensure that oil is found. The bill drastically reduces the number of operators. It follows that the bill drastically reduces the chances of finding new oil either on provincial lands or on Canada lands. This means it drastically reduces our chances of becoming oil self-sufficient in this century.

Hon. members opposite at various times have argued in favour of the bill. One argument was that the government is better equipped through this legislation to deal with the many multinationals. In response to that argument I direct the attention of the House to the mess the government made in the Mexican deal. Canada was committed to a certain amount of oil without any commitment as to quality or price. We received heavy, sulphur-laden oil which could not be used in our refineries. Effectively it closed down the heavy oil plants in Lloydminster.

The government should look to the experience in Russia. It has the greatest reserves in the world at this point, but it is now clear from the experts that Russia will soon be on the open market looking for oil. It cannot get the oil out of the ground because of a bureaucratic mess. We should pay a great deal of attention to this example because it could happen here.

We support Canadianization, but the government has moved to achieve this goal in a clumsy and inefficient manner. First, it has offended our trading partners. Our relationship with the United States has never been worse. We cannot afford to have bad relations with a country upon which we depend so heavily for our mutual trade. Also there is some evidence that the requirements under this bill offend the General Agreement on Tariffs and Trade. Certainly this will have to be changed before the act is passed. The double-dipping provision and the retroactive provisions contained in the bill should be removed. They make a mockery of planning and business. This breaks faith with all people who have spent hundreds of millions of dollars in the oil industry.

It is interesting to note what the government asked Norwegian experts who appeared before the committee. They clearly set forth that the one thing the industry needed was certainty. They would accept almost any proposal if they could make money on it, but they required certainty. This legislation with its ministerial discretion and retroactive legislation ensures that the industry cannot have certainty. Therefore, I suggest we will not receive the response we should so that we will be