

Canada Oil and Gas Act

does not look like a very good place in which to invest your money, and that is what it is. Every aspect of our oil industry has been delayed by the quarrel between the provinces and the federal government because of the declaration of ownership by the Government of Canada over the rights of the provinces in the offshore lands under regulations which the federal government established in spite of the fact that the provinces were already making regulations. As a result, they became overlapping and conflicting.

That is what happened when we were short of oil. It has come to the point where a corporation that puts its money into a Canada lands situation does not have any idea whether its lease will be secure after the five-year period. Even worse, the powers allocated to the Minister of Energy, Mines and Resources (Mr. Lalonde) are such that if he should so desire, he may tell a company that next year it must drill three wells in a particular property. That is his authority, the threat being that if they do not drill those wells, the property will not be theirs at the end of the year.

● (2050)

There are two dangers that will frighten any investor. First, is the equipment available to drill that many wells on the property in which I have already invested my money? Second, will the cost of the wells destroy me financially? That is the problem, Mr. Speaker. Why would anyone be interested in investing on a piece of land which he may have? Did it ever occur to you that Canada lands include these offshore waters? Did it ever occur to you that it may cost \$150 million to drill a single well? Let us suppose that a Canadian corporation has done its preliminary work, applies for an exploratory permit and is allocated the land, and the minister says, "Yes, but you must drill three wells offshore in the next year." It is impossible. The equipment is not there and it is not available. It may also be impossible because of the massive expenditures expected over a short period of time. When that is coupled with the fact that the minister may not renew the lease after five years, and then can tell the guy at what price he is going to sell, what volume he will move out, and where he is going to sell, the poor fellow cannot call his soul his own. Only the minister knows your fate. What an uncertain environment in which to invest your money!

We heard a great deal from those on our left as to the massive interest kept in the hands of the United Kingdom, the Norwegians, and on and on. Mr. Speaker, the one thing they are overlooking is that both those jurisdictions established a very attractive exploratory environment for the people who invested in exploration. For instance, if one owned a drilling rig and wanted to use it in the North Sea, the United Kingdom extended a tax write-off privilege in which that rig could be written off against operations revenue in one year. If you did not like that, then you could undertake to lease the rig. You could then write it off on a five-year basis, pay the lessor \$1 and you owned the rig in five years.

If this act contained the recovery opportunity that existed in the British North Sea lands, that would be a different kettle of

fish. However, let us not simply refer to ownership of the lands by the United Kingdom or by the Norwegians. Let us take a look at what is left. The only thing that is left here is uncertainty and regulation. The developer is assured of nothing else.

What is happening? Not only are the land-based rigs leaving western Canada—and it is estimated that 175 may leave—what is even worse is that the corporations are laying off the human capabilities, the expertise. Both the labour force and the scientific expertise are being dispersed, laid off, fired and lost to this nation. That we cannot afford. We cannot assess that visually or physically at this moment, as we can the \$50 billion that we will spend because we are two and a half, three or maybe four years late, with the tar sands and the in situ plants, and maybe we will never develop them.

What are the possibilities? In the Hibernia field alone the possibilities are massive. What a beautiful thing it could be if we would only give to those explorers and developers an opportunity to recover their money so that they would have the incentive to go in there. It is simple to say, "Look, we are not going to have international corporations collect our money". What you are overlooking, Mr. Speaker, when you oversimplify that statement as part of the propaganda machine, is that the small Canadian companies, which have explored and developed resources they cannot market under this regulation, have lost more of their cash flow than have the multinationals. That is something that has not reached home to the back bench members, and certainly not to the public of Canada.

The ongoing operators will have some recovery in their depletion allowances. It is the new operator, with the resource still in the ground, with no markets and no connections with which to market, who is suffering. It is the new guy who has lost more of his cash flow than has the multinational. That is a deception of the vilest, most mischievous kind that could be extended to the citizenry of this nation, Mr. Speaker. Nobody will publish it and nobody will put it as a headline in *The Globe and Mail*, or *The Telegraph-Journal* or the *Toronto Star*. That is the unquestioned situation.

Canadian corporations have lost more of their cash flow than have the multinationals. No one over there gives a damn. We have a potential. When we started to dabble, dabble and drabble in the mix of economy for the oil industry, we knew for sure we had something approaching a billion barrels explored and found as reserves in Hibernia. We now know, Mr. Speaker, we have 1.8 billion barrels of proven, recoverable reserves in that area, and we now know that probably there is at least ten times that much oil in that field. In the name of all that is good and holy, why are we not giving every possible incentive to the necessary expertise, capital, corporate, whatever it may be, to get at that oil? Stop the hemorrhage, cauterize the bleeding economy of this Canada of ours, and get that oil on flow in the fastest possible means to save our nation. Why do we not put those people who are needed to work? Why do we persist in putting on socialist blindfolds as we survey the necessities of this nation? The very survival of this nation is at stake.