

Borrowing Authority Act

another method was developed by which we could bring it to the surface. This was accomplished by pumping down hot brine, hot salt water. This added to the cost, but it brought the oil to the surface. As you do not want salt in your crankcase, that of course must be extracted. Again, the cost goes up.

An hon. Member: That is a Liberal plan.

Mr. Malone: It would be a Liberal plan indeed.

An hon. Member: It would salt their crankcase.

An hon. Member: We got it in our crankcase.

Mr. Malone: When it came to the point that we could no longer bring the oil up by what we call the hot brine method, we moved then to a method of fizz carbon dioxide. This again brought more oil to the surface. This is a method we are using today. It brings our oil to the surface at \$13.75 a barrel. We have 11 years' supply left of that conventional oil, and that is all. Canadians should know that 70 per cent of the oil in those fields is still underground. The problem is, if we go to an additional secondary recovery to get any significant amount of that oil, it will cost close to \$50 a barrel. Naturally, the choice is made. Secondary recovery is left for new technology and for some period in the future.

In the interim we moved to tar sands oil. It baffles me that Canadians do not know that it costs more to mine oil than it does to pump it. If people could see the operation in the tar sands where we are able to bring oil out at some \$20 to \$21 a barrel and they could see the kinds of machines working there. The wheels on trucks are so large that when a man stands beside one his head is below the rear axle. This project is comparable only to that of the James Bay project. Surely that mining of oil, its extraordinarily high costs and the fact that the tar sands projects today are losing money, should make us realize there is a middle road here. We can use Canadian resources, employ Canadian people, develop Canadian industries in central Canada to produce the steel, the pipe and the valves, take them to where they are needed anywhere in the country, and put this resource into place. That reflects a difference in mentality, that I see, between the Liberal government and those who would like to develop and grow in the nation. There is a difference between the ones who want control in Ottawa, those who want to borrow and do not care if they borrow, those who want to buy oil—

The Acting Speaker (Mr. Ethier): Order, please. The hon. member for Thunder Bay-Atikokan (Mr. McRae) on a point of order.

● (2150)

Mr. McRae: Mr. Speaker, would the hon. member accept a question at this particular point?

Mr. Malone: Mr. Speaker, my concern is whether or not the member can ask one.

Mr. McRae: The hon. member just used the figure that oil recovery by secondary treatment would cost about \$50 per barrel. I wonder if the hon. member can justify that figure. I have heard figures of around \$7 per barrel or \$8 per barrel, but I have never heard a figure of \$50 per barrel. I would like the hon. member to explain how he came upon that figure as a general figure for secondary recovery.

Mr. Malone: Mr. Speaker, I did not know that I would have to do a secondary treatment on the hon. member. I already said that is not the price today for secondary recovery. I mentioned the two stages, the hot brine stage and the fizz carbon dioxide stage, and I said that when those methods of technology are gone, the next significant stage of secondary recovery with our present technology will constitute that price. I said that we will run out of oil in about 11 years time and that therefore the supply will be from the tar sands.

I invite the hon. member to pay attention because, as the hon. member for Fraser Valley West (Mr. Wenman) said last night, the mood of this country is not what members opposite may think. The glue in this confederation is very, very thin. The mood in western Canada is one that I do not wish to harbour. I hear my constituents week after week talking about separation. I talk to the people who suggest this, and I listen to what they have to say. I have come to the conclusion that when they make this suggestion they are not expressing a wish or a desire, they are expressing frustration.

Mr. Regan: Oh, oh!

Mr. Malone: It should be noted that while I talk about one of the serious problems facing this country, the minister of sport chooses to heckle across the House as if he does not need to pay attention to that part of Canada.

Mr. Regan: I certainly do not need to pay attention to that sort of guff.

Mr. Paproski: Just cash that cheque.

Mr. McDermid: He goes west and knocks everything.

Mr. Malone: The other myth which must be dispelled relates to the use of the acronym OPEC. There is no doubt that OPEC was brought about because of an unfortunate and unfair cartel of more than a decade ago. OPEC came about because of the most unfair, extraordinarily low pricing of five American oil companies which were operating in the Middle East. These companies held the price of oil so artificially low that the members which later formed OPEC said they simply could not tolerate it any more. At that point they formed what has become known as OPEC. I was about to list the countries, but that is not necessary. These countries, united under OPEC, discovered that they were a world power.

But OPEC does not exist as a cartel today. In 1972 and 1973 OPEC did exist as a cartel, but if one looks at the list of countries in OPEC and notes the great variations in the price of their oil, one can hardly refer to OPEC as a cartel. For example, the price of oil in Saudi Arabia is \$28 a barrel,