

*Government Orders*

several more years. It is good for the Canadian people because it will generate additional oil revenues and royalties.

• (1745)

I hope this amendment means that the government now recognizes it cannot cripple our natural resource industries through unfair taxation or short-sighted policy initiatives.

Canada is very dependent on revenues generated by the petroleum sector. The imposition of additional taxes such as the rumoured carbon tax could dramatically curtail growth in this sector, throwing many thousands of people out of work. There must be a balance between environmental concerns and jobs for young Canadians.

According to the Ministry of Natural Resources, Canada is expected to remain a net oil exporter until 2008. Within 25 years we will still export 75 per cent of our heavy oil production but we will import almost twice as much light oil. To offset these effects government must encourage domestic exploration for more reserves.

The decline in northern exploration has been so dramatic that even the National Energy Board was scheduled to permanently close its office in Yellowknife in March.

To date, aside from Bent Horn in the eastern Arctic offshore, no new major oil or gas prospects have been found in the Northwest Territories, indicating there are not enough reserves to warrant field development or pipeline construction.

With exploration levels falling off, industry must invest in technology to improve recovery from known reserves.

Since 1981 new technology has increased the yield from the Norman Wells field from 17 per cent to 40 per cent. This is attributable to horizontal drilling, water injection and other improvements in recovery techniques.

More recently, in February approval was granted for a propane injection pilot project in the proven area. It will assess the technical merits of a propane miscible flood for achieving increased levels of recovery over a three year period. At the end of that time Imperial should have a pretty good idea how much more oil is recoverable from the field.

As of December 1992 a little over half of the recoverable reserves remained in the ground, approximately 125 million barrels, but this may improve substantially if the propane injection proves feasible. It could ensure that the field produces far more oil than previously thought possible thus ensuring stability in the regional economy for another 20 to 25 years.

Major investment in this technology is practical in light of the security that this amendment offers.

In summary, I would like to voice my support for this bill because it provides predictability for Imperial's planning horizon and is profitable for the regional economy. It will give Imperial the confidence and security of tenure necessary for it to invest in new technology to maximize recovery from this field. This amendment will also provide economic stability and long term employment opportunities in the Norman Wells region.

Finally, it is my hope that the royalties and revenues which accrue to Canada from maximizing the productive capacity of this field will contribute to the reduction of our national deficit.

**Mr. John Loney (Edmonton North):** Mr. Speaker, I rise to address the House on Bill C-25, an act to amend the Canada Petroleum Resources Act.

I want to join my colleague, the Minister of Indian Affairs and Northern Development, in urging hon. members to support this minor administrative change to the act.

Bill C-25 will permit extending the duration of production from Norman Wells oil field probably to the year 2020 thereby continuing an important source of income from which northern families have benefited for the past five decades. This will provide a tremendous boost to the local economy. The economic activity and new investments associated with Norman Wells will possibly provide an additional 90 jobs in the north.

I would also point out to hon. members that the Norman Wells project is directly responsible for creating jobs elsewhere in Canada. For instance about 70 jobs have been created in Alberta.

It is no exaggeration to say that the community of Norman Wells depends on its oil industry. For many Canadians the words Norman Wells are inextricably linked with oil. Take away the right to produce every available drop of oil and you take away the right of economic well-being from this community.

However, by agreeing to extend the field's production life we will accomplish just the opposite. We will be making a decision that will lead to additional and longer term employment, ensuring the survival of Norman Wells for the next 25 years.

• (1750)

Bill C-25 will help create continued prosperity to the community which is already the transportation hub for the region and is fast becoming a regional centre for government services and tourism. Norman Wells has a promising future but a future that needs a healthy northern petroleum industry.

I would like to briefly outline for hon. members just how important the Norman Wells project is to the economy of the Northwest Territories.

In 1993 expenditures in Norman Wells production activities totalled \$36 million, about half of which was spent in the north and all of which was spent in Canada. The oil field provides