

Canada Oil and Gas Act

Of the five basic areas, foreign oil companies control only two areas. For the government to suggest they want to increase the Canadian content and to have more Canadian companies in the north is, I suggest, strictly a sham and a falsehood.

The reason the government brought forth this bill was to create self-sufficiency, so to speak. Where have we heard that before? In 1974 the present Prime Minister (Mr. Trudeau) stood in the House and said, "We will have self-sufficiency by 1980". Where is it? Do we have more oil production? Of course not. We do not have self-sufficiency. Everyone knows that but the Prime Minister who is busy jetting around the world.

An hon. Member: Come on.

Mr. Wright: An hon. member disputes that. Perhaps he would like to rise and say that the Prime Minister is not doing that.

Canada at present consumes 1.8 million barrels of oil per day. We produce 1.4 million barrels of oil per day. At the present time we import 400,000 barrels of oil per day.

The government says we must have self-sufficiency by 1990. What does the National Energy Board say? The National Energy Board says that we will consume approximately 1.8 million barrels of oil a day by 1990.

Why will this not change? It will not change because of oil substitution and conservation. These are two big "ifs" in not consuming more oil.

Assuming the National Energy Board is correct, it says that we are consuming 1.8 million barrels of oil per day and will be producing approximately 700,000 barrels of oil a day by 1990, unless a major discovery occurs before that time. I will point out in a few minutes why no such discovery is forthcoming, nor can there be. If we are consuming 1.8 million barrels of oil a day and we are producing 700,000 barrels of oil a day, obviously we are importing 1.1 million barrels of oil per day.

In eight years we will increase our production by 1.1 million barrels of oil a day, and in 34 years to date we will have produced in Canada 1.7 million barrels of oil a day. Yet in eight years we will produce, in addition to what we now have, 1.1 million barrels of oil a day.

An economist with the Royal Bank of Canada recently said that Canadians will need \$300 billion by 1990 to finance energy. This represents 20 per cent of all financing in Canada. If we need that amount of money, Mr. Speaker, obviously we will have to rely on our friends and neighbours and on many investors from foreign countries who may want to invest in Canada because of conditions that exist in their own countries. However, we are not doing anything to encourage them. In fact, we are discouraging them from coming to Canada. Instead of bringing their money to Canada, they are taking it out.

Over \$8 billion net left this country last year. What benefit did we derive from that? The Minister of Energy, Mines and Resources (Mr. Lalonde) said, "Yes, we're going to buy the oil

companies but we'll get a direct benefit". The direct benefit is \$45 million in the dividends we get in one year.

Mr. Speaker, may I call it six o'clock.

The Acting Speaker (Mr. Blaker): It being six o'clock, pursuant to Standing Order 2(1) I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Wright: Mr. Speaker, when we adjourned for dinner I was discussing the atrocious situation which the government created a year ago. I stated something to the effect that approximately \$8 billion had left Canada because of the national energy policy.

Mr. Nielsen: It was \$10 billion.

Mr. Wright: Actually the amount is a lot higher than \$8 billion. It is closer to \$17 billion. However, there has been an inflow of funds created by the high interest rates in Canada. This is the only reason there has not been more of a net outflow. It is unbelievable what Canadians received for the \$8 billion or, as one of my colleagues just said, the \$10 billion. What have they received? As I mentioned, they received approximately \$42 million in the dividends from the shares of the companies they took over. It is a great benefit to Canada, but at the same time we lost \$1.6 billion in interest which had to be paid to foreigners to finance the takeovers, and not one barrel of oil was found. This was all in the name of Canadianization but it was really nationalization.

As I stated before, we need 1.1 billion barrels of oil by 1990 to be self-sufficient. This means that we must find approximately 140,000 barrels per day each year until 1990. This works out to approximately 12 wells producing 10,000 barrels per day. A discovery of that amount would be no mean feat in Canada. Over the next eight years we must find, on the average, one discovery per month which yields at least 10,000 barrels per day. I do not know whether anyone can name one discovery in the last year from which we can get 10,000 barrels per day out of the ground or out of the ocean. I am not aware of any discovery into which we can pipe to obtain 10,000 barrels per day.

If we are to be self-sufficient, how will we get all this oil? We could look at conventional oil means on the lands in the provinces. At the present time we know that that production is declining at the rate of 100,000 barrels per day for each year. It has been doing this for a number of years, and it will continue to do so. Also we know that there have been significant finds in the Arctic. By "finds" they mean discoveries which may be commercial. How long will it take to get that oil out? We know that it took up to ten years in the North Sea