

Canada Oil and Gas Act

we are looking at 1.8 million barrels of oil a day in the year 1990. That figure was predicated on two assumptions; first, that we would replace the 350,000 barrels of oil we are presently consuming by two methods. The first method would be by conservation and the second method by oil substitution. If we do not conserve and if we are unable to substitute, Canadians will be consuming about 2.2 million barrels of oil a day by 1990.

Let us accept the National Energy Board figures. Let us assume that we do conserve and that we do substitute to the tune of 350,000 barrels of oil per day. We will still need about 1.8 million barrels of oil a day. The National Energy Board tells us that in Canada by the year 1990 we will not be able to produce 1.4 million barrels of oil per day. In fact, our conventional oil production, which at present is 1.2 million barrels a day, will decline to 500,000 barrels of oil a day by 1990. That is what the National Energy Board tells us; that is not what I say. By the year 1990, 500,000 barrels of oil a day will be produced, and together with the 200,000 barrels of oil a day that we produce synthetically we will have a total of 700,000 barrels of oil a day.

The National Energy Board tells us that we will consume 1.8 million barrels of oil a day in 1990. We are told that we will be able to produce 700,000 barrels a day from existing conventional reserves and from synthetic production. If my arithmetic is correct, that is a difference of 1.1 million barrels of oil a day, meaning that somewhere in Canada we must find 1.1 million barrels of oil a day. If we do not find it, we will have to buy it. It is that simple. It is either find oil or buy oil from OPEC.

I wonder whether hon. members realize the magnitude of finding one million barrels of oil a day. Do hon. members know what that represents? Does anyone understand the enormity of finding one million barrels of oil production a day? This is not just a question of dollars, this is a question of people, technology and expertise. It is a huge undertaking. I do not know how to express it. It is not sufficient to say that it is a couple of hundred billion dollars.

We must bear in mind that since 1947 when the Leduc field was discovered we have developed about 1.8 million barrels of oil production. Over a period of 30 years, from 1947 to 1981 we have found about 1.8 million barrels of oil a day. But in the next ten years we have to find 1.1 million barrels of oil a day or, alternatively, buy it from OPEC.

Where will we find this oil? This is at the heart of the matter. We will not achieve energy self-sufficiency. I am sure of this because there are only three sources from which oil can come. Oil can come from the conventional oil fields in western Canada, the frontier areas, or it can come from the oil sands. There is no other place.

We may be able to produce oil from coal but I think the technology required is more than ten years away. Therefore, oil has to come from our frontier areas, from the conventional areas of western Canada or from the oil sands.

Let us deal with the oil sands first. I will not get into a long harangue about why the oil sands have not gone ahead. I think the Canadian people understand that. Perhaps hon. members opposite do not understand, but the Canadian people understand that it is because of the foolishness of the National Energy Program and the greediness of this government and other levels of government in terms of the tax regime and the pricing strategy for oil sands plants. If the Alsands and Cold Lake projects went ahead tomorrow morning, they would not produce a barrel of oil until after 1990. That is even if those projects were started tomorrow morning. Let us forget about the oil sands because we know that we will not get a drop of oil from them until after 1990, assuming that they do go ahead at some time.

Let us come to conventional oil production. I read an article the other day. I think the hon. member for Ottawa Centre (Mr. Evans) mentioned it as well. In any event, it was reported that by 1986 we will produce an additional 311,000 barrels of conventional oil in western Canada. Is that correct?

Mr. Evans: Extra.

Mr. Thomson: That is 311,000 barrels of oil a day over what we are presently producing. I was in the oil business for a little while, but that statement is a joke. No major discoveries in western Canada of that magnitude, or anything like it have been made since 1957 when the Swan Hills find was discovered. Since 1957 we have not found an oil field that can produce more than 100,000 barrels of oil a day in western Canada. In the last 15 years, apart from a few ups and downs, the oil industry has been making an all-out effort to find oil and gas, except during 1974 when there was another federal-provincial conflict.

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Coming back to the potential for finding more conventional reserves in western Canada, I want to point out that a year ago, before this great and wonderful national oil program that will produce all this great oil self-sufficiency for Canada came into effect, we had 600 rigs in western Canada, perhaps not all of them working but available for work. Do you know what has happened in the year since the national energy policy? Some 209 of those drilling rigs have gone across the border to the United States. Today we have 236 rigs working in western Canada with 189 rigs down compared to 455 rigs working last year. We have an industry which a year or 18 months ago was making an all-out effort to find oil and gas in conventional fields in western Canada, yet we have not come up with any major discoveries of oil in the last 15 years. Yet what the government would like us to believe is that we are going to reduce drilling by two thirds and come up with 311,000 barrels per day of conventional production by 1986. Anyone who wants to believe that will believe anything. With the National Energy Program we will be very fortunate if we are able to find 100,000 barrels a day of new oil production by 1985. I would think we would be extremely fortunate if we find 200,000 barrels a day by 1990.