

included before the oil industry can get moving in the way it should to lead us out of recession.

The Minister of Energy, Mines and Resources (Mr. Chrétien) took strong issue with statements made in Calgary by the Leader of this Party. At a Liberal meeting in Ottawa, the Minister took the opportunity to make some scathing comments about it. He also defended very eloquently, as only he can, the National Energy Program, saying what a good thing it was for Canada. Our Leader had said that oil production was declining by 30,000 barrels per year. The Minister quoted the forecast of *Oilweek* that production would increase by 3.4 per cent in 1983 over 1982. That is true, but I want to show how the Minister twists the figures that he is fed by his civil servants. Indeed, this is the way that the Government attacks every problem, instead of facing it squarely.

The Minister neglected to say that the conventional crude oil production in 1983 would be 16 per cent less than in 1979 and that much of the gain in 1983 reflects record output of the two oilsands plants which just about doubled their 1979 production. They are located north of Fort McMurray. The Minister failed to mention that the discovery that started the oil industry in Canada in 1947, the Leduc field, is now dry. He also failed to mention that there is a continual decline of conventional oil reserves in Canada because the emphasis for drilling and exploration has been shifted dramatically by government intervention from the western sedimentary basin to the offshore and the so-called Canada Lands. He quoted *Oilweek* estimates that expenditure in the industry for exploration and development in 1983 was \$5.6 billion, and noted that costs would be more than 70 per cent higher than the \$3.2 billion spent in 1979. That is also true, but the Minister failed to mention that of the estimated \$3.7 billion which will be spent on exploration in 1983, more than \$3 billion will be spent on Canada Lands and only \$700 million in the established western sedimentary basin.

I speak now of duck hunters, Mr. Speaker. If you want to hunt ducks you do not go to the mountains, you go where the ducks are. We have a government which wants to find oil. We have an established western sedimentary basin. We have the oil sands in place. We have the production capabilities. What we are doing by government policy is to redirect this into the so-called Canada Lands where not one significant find has been made to date, and I am talking about the Beaufort Sea and the Mackenzie Delta.

● (1620)

**An Hon. Member:** What about the future?

**Mr. Shields:** An Hon. Member asks about the future. Obviously, he has not listened and will not listen. What I said was that if one is going duck hunting, one goes where the ducks are. There is oil in the western sedimentary basin. It needs to be explored and to be produced at reasonable cost, which will in turn produce jobs. We have two million unemployed in this country. That is the problem. Certainly we have a future. Certainly it does not mean that we do not search in Canada Lands for oil. However, you do not take 75 per cent or 80 per cent of

### *Petroleum and Gas*

the exploration dollar and move it—by government decree—from the western sedimentary basin and from the oil sands deposit to the Beaufort Sea and to the Canada Lands, where not one significant oil discovery has been made. That is the problem.

We in Canada have now switched to the few extremely high cost wells on Canada Lands away from a healthy industry in the conventional area. That is what we have done by government decree. That is what this Government has done.

On the plus side, there are some 1.5 billion barrels of oil in Hibernia. However, I have an estimate here that the first possible production from Hibernia will be in 1995, a good 11 years away. Canada is now moving out of recession to economic recovery, and it means that these past four years have been literally wasted, because we are going to be bringing in oil and spending Canadian dollars to buy oil offshore. This will amount to billions of dollars, if the recovery takes place in the way we all hope it does.

I would like to point out some of the things said by the Minister of Energy just for a moment, Mr. Speaker, which show that the Minister obviously does not know his own Department and does not understand the energy problem. In one example, he said, "The market for gas will not change unless Mulroney decides to give our gas away". Just moments before that in the same speech, in the same locality, he said, "Mulroney should tell Peter Lougheed to reduce the price he sets for gas. Such action would do more to promote and expand use of gas in Canada than all the rhetoric against the NEP". On the one hand he says the Conservatives want to give our gas away and, on the other hand, he says the Leader of our Party should go to the Premier of Alberta and tell him to sell his gas cheaper and that would solve everything for the gas industry and would do a lot more good than just to talk about the national energy policy. That is the kind of doubletalk we have been getting from this Government for too long. The people of Canada know it and are going to render their judgment come the next election day, mark my words.

The Petroleum Service Association of Canada, which represents service and supply companies and not drilling and service rig contractors, found that member companies had reduced employment in the last three years by 40 per cent—which translates into 20,000 to 30,000 jobs—because of the national energy policy. And that is a service industry which is 98 per cent owned by Canadians. It is not foreign owned. It is owned by Canadians who built up a service industry and it has become renowned the world over. I wonder if Hon. Members of this House of Commons realize that on the outskirts of Edmonton and Calgary there are manufacturing firms which manufacture drilling rigs which are acknowledged in the industry to be of the most superior quality and design in the world. These rigs were being shipped literally all over the world. Members of the New Democratic Party talk about technology. That is technology which we as Canadians developed and we as Canadians are shipping all over the world.