

## GOVERNMENT ORDERS

[English]

### CANADA OIL AND GAS ACT

#### MEASURE RESPECTING OIL AND GAS INTERESTS

The House resumed consideration of Bill C-48, to regulate oil and gas interests in Canada lands and to amend the Oil and Gas Production and Conservation Act, as reported (with amendments) from the Standing Committee on National Resources and Public Works, and Motions Nos. 21 (Mr. Wilson) and 22 (Mr. Waddell).

**The Acting Speaker (Mr. Ethier):** When the debate was interrupted at five o'clock this afternoon, the hon. member for Red Deer (Mr. Towers) had the floor.

**Mr. Gordon Towers (Red Deer):** Mr. Speaker, when I spoke earlier this afternoon I said that part of the problem, not only in this bill but in the over-all oil industry in Canada, is the fact that the Minister of Energy, Mines and Resources (Mr. Lalonde) has had his vision flecked with gold. The government is in such a poor position that the minister thought it was yellow gold, but I am talking about black gold which is pumped out of the ground.

The minister is not seeing the present situation in a realistic manner when he uses confiscation methods. The oil and gas industry has relied primarily on private enterprise to get it to its present point.

Approximately 40 years ago the Premier of Alberta came to eastern Canada to finance the development of the industry in the west. At that time there did not seem to be much interest in it, so the premier approached private developers in the United States. That is one reason why the United States has had such a great interest in the oil and gas industry. But now all of that is changing. As I have said, the Minister of Energy, Mines and Resources has had his vision smudged with oil, which is unfortunate because, as a consequence, we will all suffer. The idea of having oil self-sufficiency by 1990 is just a myth. It will be pie in the sky if the government continues its present direction.

Massive amounts of money have moved out of the country, both within and outside the oil industry. A reputable firm has estimated that approximately \$17 billion a year leaves Canada. A great part of the blame for this can be laid at the door of an unhealthy oil industry. Some oil companies are leaving the country because of the present government's policy, which is resulting in an unhealthy economic community. One cannot have a healthy economic community if the government continues to confiscate by its so-called Canadianization policy.

In actual fact it is nationalizing the industry. This destroys faith in the industry. I would be very close to the right figure if I suggested that the Government of Canada has put about \$2 billion of Canadian taxpayers' money into Petro-Canada. This is probably debt money which eventually will have to be paid by the taxpayers. On top of that, \$1.5 billion has gone into Petrofina. There is no return on this investment to the Canadian

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an taxpayer or to the Canadian government. However, if private industry had made the investment, there would be a return because that is how private industry operates.

This is the sound basis upon which the industry has been built, but the government sees fit to destroy all of that. It is a shame because Canada's oil and gas industry has come a long way. Canada was on the road to oil self-sufficiency, but the present minister of energy, whose vision is impaired by oil, is destroying all of that. Eventually we will all suffer because of what the government is doing. In fact, we are already suffering.

Not too many years ago when the great Canadian oil sands project was starting to be developed, I had the privilege of meeting with the then president of GCOS. He told me that we did not have the technical knowledge and ability to develop the project the way we should. But we were on the road to accomplishing that in northern Alberta. In order to become energy self-sufficient, that is the direction we have to move. But what is happening today? Not only are we losing oil equipment and the enthusiasm of companies to get projects going, we are losing the technical people who are needed to attain energy self-sufficiency. Anyone in the industry will tell you that it takes two to three years to train someone for these specialized jobs. These things are not being done. Jack Masters, the president of Canadian Hunter Exploration Ltd., and U.S. immigration officials will confirm that there is a stam-pede of Canada's best oil brains going to the United States. Obviously they are going because it is the closest community where they can find jobs. No doubt they are going because the United States has a vision of self-sufficiency in the not too distant future. In Canada this vision is fading. People are leaving Canada because of the national energy policy which is forcing small independent oil firms to cut costs by laying off their technical staff.

● (2010)

This is wrong, Mr. Speaker. The government is leading us into the position of having one or two mammoth national oil companies in the future. This means there will be no room for these small Canadian companies. Many people do not really understand the oil industry. They think everybody who is associated with the industry is a millionaire, and they relate the industry to multinationals. There are hundreds of small Canadian companies which must be involved in any move toward self-sufficiency in oil or energy in Canada. If we lose them, self-sufficiency will not be attainable by the year 1990.

A reported 25 to 35 Canadian energy companies have opened offices in the nine-state Rocky Mountain region over the past 21 months. This involves people we require in Canada. Mr. Masters went on to say it is, "a panic flood of the best technical people in the Canadian oil industry. They're trying to save their skins, their income and their lifestyle by getting down into the United States." Mr. Masters and other knowledgeable people in the industry fear there may be wholesale lay-offs around the corner.