

able to refine their information. They were doing a better job of determining the real reserves because of technological advances.

During a six-year period we went from 101 billion barrels to 15 billion barrels, even though we had only used approximately four billion. This is why the Canadian people are skeptical. I firmly believe that we in this country and, in fact, throughout the world, are in serious difficulty in terms of oil reserves. I have been saying that in this House for eight years. I would not have been saying that had I listened to the oil industry. The Canadian public have many reasons for not believing what they have been told.

I now want to deal with the position of the Conservative party over the past several years. Every time we have tried—

● (1620)

Some hon. Members: Oh, oh!

Mr. McRae: The point is I am glad to have your support. I just think you should be supporting us now because I think we have something good going now and you should be here. That is another argument.

Every time we tried to take some step to ease the situation, for instance we brought in the petroleum administration bill, when we brought in the emergency allocation bill—two of them as a matter of fact—when we brought in the petroleum monitoring bill to find out what costs were, and so on, and when we brought in PetroCan, we had virtual filibusters from the other side on every one of them. All these bills were attempting to do something about a declining oil and natural gas situation. But the response was, “We do not need these things. The industry will find it,” and so on. There was that absolute faith on the other side that this industry could solve the problem.

The industry is going to have to be part of the solution, there is no question about that. I do not want to say the industry has been all wrong. The point of fact is that there has to be some kind of meeting between industry and government, and some corrections on the part of government to make sure we do solve these problems.

We are talking about the present budget, and I would just like to comment if I have a minute left or so about that budget. There are a number of things in it which I think will help correct this situation. There is no question but that there is a government interjection or intervention which has not been there in the past. This is why I find it so difficult for the NDP not to support what we are doing at this particular stage, because there is a government intervention in this budget in terms of the energy program. I do not think there is any question about that fact. It is a budget which says we are going to give more power to PetroCan, and buy some other multinationals, and so on. These are some of the things in this particular package.

It is also a program which I think does something most important. When looking at the total oil scene in this country, and I think this is important, the real future is in tar sands and

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in heavy oils. I do not think there is much more in strictly conventional areas. I do not think there will be many more increases in conventional crude. This is one of the criticisms, one of the reasons people talk about it being a bad thing that rigs are leaving Canada, but that is something I wonder about. I wonder why the rigs are leaving Canada and is that a bad thing at this particular point. Let us talk about gas at this particular point. We have thousands and thousands of gas—

An hon. Member: And if we have all this gas you are going to export it.

Mr. McRae: I wanted badly to say that myself. The NDP members are just agreeing with the whole program. We are giving all kinds of incentives to the industry—

An hon. Member: And that is why the rigs are leaving.

Mr. McRae: —to go out, explore, find this gas, then cap it, and then they want to export it. I do not want to export it, industry wants to export it. The industry says we must keep exporting. I wonder why governments give incentives to discover and export a resource that 20 years from now we are going to need desperately in this country. I will admit that if there is more oil to be found we should find it. I do not believe there is a great deal more conventional crude oil to be found, certainly below the 50th parallel in this country. I think they are correct incentives, but if some of them are not correct, and I am worrying about no one suggesting—

An hon. Member: You are talking about greater oil but—

Mr. McRae: I am worried about no one saying that there is not enough incentive in secondary tertiary treatment. I want to find that out and, if it is true, perhaps there should be more.

Basically let us go to where I think the real crux of the answer is, and that is in tar sands and heavy oil. We sat in our own committee when we were in opposition and were told through letters and so on that \$20 a barrel was about what it was going to cost to bring on a barrel of tar sands oil. That is the figure we were given by the industry. That may have been a little low, and I will accept that. Now about a year later we are told that \$38 a barrel is not enough.

An hon. Member: Why are you accepting it?

Mr. McRae: I would love to give another speech to explain it to the NDP, but that is not possible at this particular point. They are saying \$38 is not enough and will not quite do it. I wonder why—

An hon. Member: Your minister is saying that.

The Chairman: Order, please. The hon. member for Thunder Bay-Atikokan has the floor.

Mr. McRae: I am wondering why it is that because the world price goes up to \$38 all of a sudden we must have world price, and all of a sudden we cannot possibly produce at less, when two years or a year before all we needed was half as