

*Excise Tax*

The finding cost for conventional oil in Canada is probably well in excess of \$10 a barrel, and it is certainly much higher than that in the frontier and offshore areas. The petroleum and gas revenue tax we are talking about here this afternoon is totally counterproductive to our objective, an objective which I think should be foremost for Canadians today, that is the objective of self-sufficiency.

Many people have said we cannot depend on the Middle East, and that is true. I think all of us know what a critical situation the Middle East faces. But, do we really want to commit Canada to Mexico and Venezuela, apart from the Middle East? Does this make any sense when we have the reserves here in Canada? Does it make any sense to rely on foreign sources of crude and have our economy controlled by foreign interests? That just does not make any sense.

The government forecasts through the National Energy Program a reduction of 20 per cent in crude oil use in Canada by 1990, and the government says this reduction can be accomplished by off-oil incentives, namely, conservation and substitution of natural gas for oil. Let us just look at that for a moment.

To achieve a 20 per cent reduction in crude oil demand means that over the next ten years we will have to reduce consumption per unit of economic output by 50 per cent, and that is taking into account a normal growth rate in our gross national product of 3.2 per cent a year. Let us hope we can get somewhere near that because we will not achieve that this year. It also means a reduction of 30 per cent in the per capita oil consumption, the consumption of every Canadian over the next ten years, taking into account normal population growth. That means every Canadian will have to reduce the use of oil products by 30 per cent over the next ten years. It also means that all our manufacturing concerns using oil today will have to reduce their usage by 50 per cent.

I do not think there is a credible authority I have yet read, including the minister of energy and officials of the Department of Energy, Mines and Resources, whom I have repeatedly questioned, who can supply me with a factual base for that forecast reduction of 20 per cent. They do not have it; it is a pipe dream and they know it. Ask the Department of Energy, Mines and Resources and ask our own energy minister to give us the support for that 20 per cent reduction forecast. It does not exist because it is a myth, a falsehood.

I have said this is a major reduction over a relatively short period of time, and I have been generous. It seems to me something will have to give. Either the economy will have to grow at less than the projected levels or, more likely, our oil consumption target will be exceeded. Therein lies the problem, because that is what I think is going to happen. I think that forecast is just a bunch of baloney. I think our need for oil will far exceed that presented in the forecast.

Let us assume that the demand has not grown, by 1990 and this again is a highly contentious assumption, and using the National Energy Program's most optimistic supply forecast, which does not provide for any frontier production but does include oil sands production, Canada will experience a short-

fall by 1990 of 330,000 barrels per day. That is making the assumption, which is highly contentious, that demand does not grow. Furthermore, it is also based on a very optimistic projection in the National Energy Program.

Let us make another assumption. I say it is very doubtful that we will have any oil sands production by 1990 by virtue of the National Energy Program. As a matter of fact, it may very well be that we will not have any oil sands production, at least from Cold Lake and Alsands, because they are really getting ready to walk away from those projects. They just do not make any economic sense. When I first came here two years ago, the Cold Lake plant was to cost \$6 billion, and today it is going to cost \$12 billion. The cost of the Alsands project has gone from something like \$4.5 billion to \$11 billion. Here we are, still arguing about whether they should get \$43 a barrel. It is crazy. In any event, I and most authorities do not think there is a chance in the world that we will have any oil sands production by 1990. If this is the case, we will not be experiencing a shortfall of 330,000 barrels a day but rather one of 740,000 barrels a day.

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To put some numbers to that, the Canadian Petroleum Association estimates that the cost of these additional imports due to the National Energy Program will be \$180 billion. That is a staggering figure. It is twelve times the current fiscal deficit. It is two-thirds of our gross national product today. That is what it will cost over the next ten years, and it will increase our total import needs to the staggering sum of \$270 billion.

I am trying to bring a point home here; I am not trying to exaggerate. This is what knowledgeable people are telling us, and the government will not listen. It is all wrapped up in its interventionist and control philosophy. It does not want to look at the economic realities of this country. It does not want to deal with the fiscal deficit. It does not want to deal with interest rates, as I have said before. But I say I do not think this nation can stand payments of the magnitude of \$270 billion without incurring at least serious long-term damage.

The Canadian economy is under severe strain. Productivity has been declining for the last two years, and much of our manufacturing industry is no longer competitive. Canada at this time desperately needs at least one healthy and vigorous industry which can get us moving and can move us ahead in the right direction to fill the gap and to put us in a competitive position where we can sell our products abroad. However, the National Energy Program is wrecking an industry which could provide that growth and could improve the standard of living of every Canadian over the next ten years.

I am not asking for something because I belong to the oil industry or because I am from Calgary South. I am saying that, given an opportunity, that industry can improve the standard of living of every Canadian.

The damage done by the National Energy Program to other sectors of the economy today is difficult to measure. I referred to 60,000 jobs, but there is no question that the National