

Private Bills

At the conclusion of my last remarks, the hon. member leaned back in his seat probably as an indication that he is not willing to accept the suggestion I made. But I believe it would be a very pertinent and worthwhile thing to do because we are dealing with the resources of Canada. Some of these come under the jurisdiction of the provinces pursuant to the BNA Act, but none the less they are resources which should be available for the use of Canadians.

I think it might be worthwhile to look at what Central-Del Rio Oils Limited comprises in so far as its ownership of producing oil and gas wells and the leases it holds and so on are concerned. We could then see what is involved at the moment, without looking into the future to see what advances this company may make. Central-Del Rio Oils Limited has a wholly owned subsidiary Canadian Pacific Oil and Gas Limited, and another wholly owned subsidiary as well, Leduc Limited in the United States. There is also Canadian Pacific Oil and Gas of Canada Limited which carries on operations in the United Kingdom and an affiliated company, Minerals Limited in the province of Saskatchewan. At least this is the information provided by the Financial Post Survey of Oils, 1971.

• (5:20 p.m.)

Central-Del Rio Oils and its subsidiaries hold interests equal to more than 705 oil and gas wells and some 20 million acres of oil and gas rights, chiefly in western and northern Canada. The company specifically owns mineral titles, Crown and freehold leases covering 11,787,827 gross acres in Alberta, Saskatchewan and Manitoba of which 2,926,409 acres are under lease or sublease to others, with the company reserving a royalty, and are therefore excluded from a table which I have here. Unleased mineral title lands are included within the table. I did not refer to the table because I do not think it is necessary at this stage to list in detail what these holdings are. In addition, mineral titles are held on 1,800,000 gross acres on Vancouver Island, B.C., as are mineral prospecting permits covering 332,490 net acres in Keewatin district in the Northwest Territories.

The company in the first half of 1970, just about a year ago, purchased 4,160 acres for \$1.1 million at West Pekisko and West Quirk Creek in Alberta; 60,000 acres for \$800,000 in northeastern B.C.; and additional interests in southwestern Alberta and the Fort Simpson area in the Northwest Territories. One of the things which we could probably explore about these purchases is that presumably—and this is not clear from the Financial Post Survey of Oils 1971, I am just speculating about the possibility of what exists here—the \$1.1 million which they paid for the 4,000 acres in Alberta was simply paid for the rights and not for any producing wells. If that is the case, it is almost like real estate speculation in which someone buys a lot of land or acquires leasehold rights to it and then sells those rights with the consequential sale price being reflected in whatever the commodities are that are produced later on.

In other words, I am sure that this \$1.1 million which was paid for the 4,000 acres in Alberta and the \$800,000 which was paid for the 60,000 acres in northeastern

[Mr. Howard (Skeena).]

British Columbia will eventually show up, if it has not already, in the price which consumers pay for gasoline, for fuel oil and all other oils as well as for natural gas. Also, it will add to the inflationary trend in the price of gas and oil. In addition, it will add to the inflation which arises out of speculation, not out of the actual cost of exploration and development which is probably a legitimate cost. I say again that I am guessing that that is what has happened here, and if it is inaccurate, I am sure the hon. member for Edmonton-Strathcona (Mr. Harries) will correct me when he closes the debate on second reading, if that time ever arrives.

At the end of 1969, Central-Del Rio and Canadian Pacific Gas owned the equivalent of 428,000 oil wells and 266 gas wells. Since that time, some additional wells have been developed. It has a 75 per cent working interest in a 1970 gas discovery at North Bragg Creek in Alberta which has an open flow potential of more than 100 million cubic feet per day. This well went into production in the summer of last year, incidentally, and there are quite a number of other gas discoveries which it is not worth while going into at this time. I am just citing these figures to show that there are some rather extensive holdings of resources which should primarily be used for the purpose of serving the interests of Canadians. We can do that in one way, by preserving an element of Canadian ownership in the companies themselves, and it is for that purpose that I recite the information.

At the end of December 1969 there were net reserves, after royalties, of a certain number of barrels of oil and a certain quantity expressed in millions of cubic feet of natural gas as well as a certain quantity of long tons of sulphur, which were proven reserves. There is an interesting item here, and I am not that familiar with the intricacies of working relationships between one oil company and another oil company, but the phrase which intrigues me and which appears in brackets here relates to royalties. With respect to reserves, it says:

At December 31, 1969, net reserves (after royalties) were as follows:

I wonder whether or not "after royalties" means some of the royalties to other companies to which the company is indebted. I am not sure what that means, but in any event it indicates that there are proven reserves of 165 million barrels of oil.

The Acting Speaker (Mr. Richard): Order, please. I regret to advise the hon. member that his time has expired.

Mr. F. J. Bigg (Pembina): I wish to give general approval to this bill. There is great need for oil development in Canada, and if we are to argue for Canadian participation we have to expand our development of Canadian oil. There is a great danger at the present time if we do not do this that the development of oil on Prudhoe Bay and other fields in the North and South American complex will be taken over at a time when I think oil development is an important link in our economic need. I agree with the last speaker, however, that we must insist that every effort be made to keep not only