tractors said last week in a report which they released that eight more rigs left Canada and 44 were shut down in the 17-day period since the association compiled its last report on December 19. This is at a time when drilling activity in western Canada, in northern Alberta and in northern Saskatchewan should be at an all-time high. We should not shut down drilling rigs in the wintertime in those areas where they are exploring for oil. This is the time when the muskeg is frozen and the oil well trucks can drive the equipment over the muskeg, set up the drilling rigs and explore for oil. This is the peak time in drilling activity.

● (2010)

An additional 174 rigs are out of service. This is during what is normally the peak time in the drilling season. We are talking about 147 small factories. That is what they are, they are self-contained small factories employing upward of 30 men. If 147 small factories were shut down in Ontario or Quebec, there would be a hue and cry out of central Canada that would drown everything across Canada. But, what did we hear from the Minister of Energy, Mines and Resources (Mr. Lalonde) during question period today? He pooh-poohed the idea. He said the figures were wrong and that this is normally a time when there is no activity out there in the frontier, out there in northern Alberta, northern Saskatchewan, northern Manitoba or northern British Columbia.

The combination of rigs moving out of Canada and those which have shut down have eliminated 11,360 jobs in the Canadian drilling industry which is 90 per cent owned by Canadians. We are not talking about multinational companies now; we are talking about Canadian ones. Decisions of individual Canadian companies that have moved equipment to the United States have eliminated 2,660 jobs in Canada. Not only are jobs being eliminated; the entire industry is being eliminated.

Drillers, derrick men and all these people take years to learn their professions and trades, yet we are expected to come in here and debate a bill which is aimed directly at frontier exploration and ignores completely the conventional oil industry. There is no doubt Canadian explorers are shipping funds to the United States. One just has to pick up the *Sun*, the Toronto *Globe and Mail* or any newspaper. They are telling what is happening; we all know what is happening. I find it unbelievable that we have to sit here, listen to the answers of the Minister of Energy, Mines and Resources today, and be complacent.

Why are they going south? There are better geological formations in Canada, there are better prospects for oil. Why are they moving? We have higher drilling costs in Canada, but we have a much lower net return on production. A Canadian well drilled in Canada finding oil, similar to a well drilled in the United States finding oil, will take 20 times as long to pay out. In other words, it will take an investor 20 times as long to get the return on his money which he deserves for the risk. If one did a *pro forma* on opening a hamburger store in Ottawa and compared it to opening one in Toronto and found that one's return would be 20 times quicker in Ottawa, then the store would be opened in Ottawa. That is what we are talking about. We are talking about nothing else. There is nothing complicated in it.

The national energy policy has written off the conventional oil fields in western Canada. That is why we are debating Bill C-48 rather than addressing the problems facing the country, that is, the lack of a secure energy supply, an energy agreement with the producing provinces and a realistic national energy policy. The entire program favours development in the frontier regions; it ignores the conventional oil potential of British Columbia, Alberta, Saskatchewan and Manitoba. It is there in the deep basin. Do members not realize that the conventional oil industry now in place in the deep basin is absolutely essential to our survival as a nation in the 1980s. We will not get the very expensive offshore Hibernia oil or the oil finds of the far northern regions in the Beaufort Sea to market immediately. It will take eight or ten years. We must rely on the conventional oil industry, and we are not. We are killing it with the national energy policy. We are absolutely devastating the industry. At the same time as we are devastating that industry, we are supporting and propping up non-viable industries in central Canada.

I should like to refer to the remarks of the chairman of Petro-Canada, the white-haired boy of the industry. He runs the company which gives Canada a window on the oil industry. Now he is suggesting there is no substitute for oil and that this country, like every other one, is inextricably involved in the world and in the geopolitics engendered by the supply and demand for petroleum. Also he is forecasting that we will face sporadic or chronic shortfalls in the supply of oil. Mr. Hopper said:

—the wellhead price of Canada's oil may have to increase by more than Marc Lalonde's $2 a barrel annually through 1983—

This is necessary if we are to finance new supplies. That is something which members from the western producing provinces have been saying for the past two years. But, Mr. Speaker, it has been falling on deaf ears. Mr. Hopper also says that the wellhead price for oil should be based on the replacement cost of the oil and not on today's production cost. Does that not sound familiar? The producing provinces have been saying that repeatedly for the last 18 months. It is precisely the opposite of what the Minister of Energy, Mines and Resources has been saying.

● (2020)

Lo and behold, Mr. Hopper also says that the goal of oil self-sufficiency is not attainable by 1990. He says it is an unreachable goal which the government has set itself, even if Edmonton and Ottawa immediately agreed on an energy package, for example, by permitting the oil sands in northeastern Alberta to be developed. In short, Mr. Wilbert Hopper, Chairman of Petro-Canada, disputes the fundamentals of the energy minister's pricing policy. But he draws our attention to the urgent nature of energy and oil and its effect upon the future.