

because, in effect, they are small factories. We have lost over 60 of these rigs already.

Any hope of achieving self-security under this program has been scuttled; there is no question about that. I do not think anyone on the government side of the House appreciates the fact that our conventional oil reserves are running out. Something like 1.2 billion barrels are being produced today; the projection is that by 1985 that figure will be reduced to 680 million barrels, and by 1990 to 377 million.

The megaprojects are in a state of limbo. Cash flows are being reduced by 30 to 40 per cent. Exploration budgets of companies going out to look for oil have been cut by 30 to 40 per cent. I have mentioned already that at least 60 rigs have left the country. Over 170 are idle, according to my colleague, the hon. member for Wetaskiwin (Mr. Schellenberger). Some 2,600 people have been laid off already, by March 40,000 will be laid off, and there will be many more by springtime. In the province of Alberta last year some 9,000 holes were dug when looking for oil, but this year less than 5,500 will be dug.

It has been suggested that because of the National Energy Program there will be a dependence on imported oil of almost 600,000 barrels per day by 1985. The cost could rise from \$6 billion per year to \$14 billion per year. Over a five-year period the total drain of funds would be approximately \$55 billion. That is a lot of money, Mr. Speaker.

Now let us consider the opportunities that have been lost and the jobs that have been lost. I can sympathize with members from Ontario and Quebec when they are faced with the prospect of jobs being lost in their constituencies, because I am experiencing the same thing. They might not appreciate it, but the effects of the oil industry are spread over the whole of western Canada and beyond. It provides jobs for westerners and for Canadians from central and eastern Canada who have gone there. Young people in my hometown are losing jobs every day. Many who went home for the Christmas break have not been called back to work because of the impact of the National Energy Program. It is having an effect on the opportunities for young Canadians and on their spirit, Mr. Speaker. It should be borne in mind that this industry is 90 per cent Canadian owned. The drilling industry is owned and developed in our own land.

● (1620)

Mr. Blair from Alberta Gas Trunk Line, now known as Nova, says that 600 of the 1,800 wells which Husky Oil has in Lloydminster may have to be shut in. This impacts on the whole economy of western Canada, but it impacts more on the total economy of Canada. This program discriminates against the individual Canadian who wants to continue to invest in the industry. Of course, as my hon. colleague indicated, the program is not a program to Canadianize, it is a program to nationalize. There is nothing in this budgetary package to encourage more Canadians to invest in the resource industry. That is something which I am sure individual Canadians from coast to coast would want to do, that is, to invest in the future of their country by investing in Canada's energy resources.

Income Tax Act

When we look at what has happened, western Canadians can only conclude that the government is pursuing a course of economic, social and political disaster. They do not believe the Minister of Energy, Mines and Resources understands the totality of what he is doing. He comes across as being very arrogant and condescending and is suggesting to western Canadians that he knows what is best for them.

A reporter for *The Globe and Mail* called the minister, his cohorts and colleagues a bunch of arrogant amateurs. I have to agree with that statement. The minister must start showing some flexibility and some genuine concern for what his National Energy Program is doing, otherwise this division, discord and bitterness will continue to develop.

Western Canadians are worried because they see the massive takeover which has occurred in the oil industry. They are concerned this could happen in the food production industry. Energy and food will be two of the most important commodities as we enter the year 2000. There is a major concern within the forest industry that the government may engage in a wholesale raid on that very important industry as well. In other words, we are engaged in an exercise which is having a most profound effect upon the political, economic and social future of a very important part of our country.

As I said earlier, we live in a period of very serious and political uncertainty, with serious concerns respecting our economic future. Many Canadians cannot understand why, in this land of plenty, we should be involved in this stalemate over such a basic and fundamental issue, namely, the issue of provision of energy to propel the machines of industry and the wheels of transportation. We live in a fortunate country. We are one of the very few industrialized nations of the world which has the potential of being self-sufficient and having a secure supply of energy.

I suggest that this government and this minister get back to the drawing boards and back to the negotiating table with their provincial counterparts, and do so quickly. First, they have to establish some agreement respecting figures. The federal government says that the province of Alberta is going to extract some 43 per cent of the revenue. Alberta says that it will extract only 28 per cent—

The Acting Speaker (Mr. Ethier): Order, please. I regret to interrupt the hon. member but I must advise him that his allotted time has expired. He may, however, continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Mazankowski: Mr. Speaker, I want to thank all hon. members of this House for allowing me to continue. I will not abuse the privilege, I can assure you, Mr. Speaker.

I want to place before the House some recommendations which I think must be followed. First, the province and the federal government have to get back to the bargaining table. There has to be some agreement on a common set of figures. There is too much discrepancy about what is the provincial take. As I have said, the province indicates that its take is only