has created a vacuum of economic leadership in this country. As a result, as I said earlier, it has created deep division. We in this nation have failed to capitalize on the tremendous opportunities within our grasp. Indeed, we have failed to capitalize on some of our basic fundamental and indigenous strengths in each of our regions. I want to deal with some of those in more detail.

There can be no question that energy holds the key to our economic recovery. It holds the key to individual opportunities. It clearly holds the key to providing a more balanced economic growth and development in this nation.

The potential of our oil and gas industry for jobs, the advancement of technology, research and development, and industrial spin-off throughout the whole of Canada is almost staggering. It has been quoted that we are looking at 350,000 jobs, and hundreds of billions of dollars worth of economic activities spread throughout the land, yet we have a National Energy Program that is universally condemned. It is destructive to the industry and antagonistic to the producing provinces. It is creating division in this country and is detrimental to job opportunities, particularly for young Canadians.

It is creating a situation which penalizes exploration and penalizes Canadian companies. It is driving expertise, investment, equipment and machinery out of the country.

● (2020)

There is talk of exploration activity being reduced by 30 per cent to 40 per cent. I have here a summary of cancellations, postponements or reductions in exploration budgets totalling almost $18 billion. There is reduced economic activity. We talk about the exodus of drilling rigs from this country, 60 rigs have been moved from Canada. There are an additional 60 committed to move from Canada by April 30, 1981. When these rigs leave, they do not leave for six months but for a minimum of two years. I have said in this House before that every time one of these oil drilling rigs leaves the country, it is like closing down a factory which employs 40 to 50 people. Some 16 servicing rigs have moved. Contractors forecast the following casualities to occur by May 15, 1981: 200 rigs out of service in Canada without contracts; 86 additional service rigs out of service and scheduled to move out of Canada. I am reading from the report put out by the drillers' association which goes on to indicate:

> The drilling and servicing fleet being moved from Canada in the 184 days since the NEP was issued will eliminate 7,200 jobs at the field level, the downstream effect is estimated to eliminate another 1,800 jobs, or a total of 25,000 Canadian jobs destroyed. The drilling and servicing equipment forecast to be out of service by NEP will affect the jobs of about 10,000 people at the field level. If the shut down continues, the spin-off effect could cause the loss of jobs for an other 25,000 Canadians.
>
> On the present forecast trend 60,000 Canadian jobs are threatened by mid-1981.

Jobs in the west are just as important to the workers there as they are to people in central Canada. The megaprojects are shelved. Each synthetic oil recovery plans was scheduled to produce some $250 billion to $300 billion in economic activity over the life of these projects. Some 40 per cent of that money was to be spent in central Canada on steel, equipment, pipe, valves, engines, turbines, electrical equipment and vehicles.

Let us consider heavy oil. I happen to be interested in heavy oil because there is a fair amount of it produced in my constituency, yet the vice-president of Hudson's Bay Oil and Gas said just recently in Lloydminster, as reported in the Edmonton *Journal* of January 28:

> The National Energy Program has made development of much of the heavy oil reserves around Lloydminster uneconomic . . .
>
> Sedgewick, who said he was speaking on behalf of the Canadian Petroleum Association . . . told the Lloydminster Chamber of Commerce the new 8-per-cent petroleum revenue tax and the new split in revenues upset "A fine balance" in Saskatchewan oil fields.

It goes on:

> The company cancelled the drilling of 350 wells and a thermal recovery pilot project scheduled for the Saskatchewan side after the energy program was announced.

We have evidence from the oil producers of southwestern Saskatchewan wherein they point out that those wells producing something in the order of 40 to 50 barrels per day are uneconomic. They will not be brought into service again when they are being forced to shut down for servicing because it is simply uneconomical to do so.

As a result of the National Energy Policy, Husky has had to cut back its development program of 300 wells by half for 1981, and there are serious concerns about the $300 million in expenditures proposed for various projects in Saskatchewan. Mr. Blair noted that a major portion of about 600 of Husky's 1,800 to 2,000 wells in the Lloydminster area may be shut in and the economic situation is recovery of the lifting cost.

Let us go on to look at other predictions. Imperial estimates that the energy policy will reduce domestic oil supply by 180,000 barrels per day by 1985 and by 600,000 barrels per day by 1990. Importing 600,000 barrels per day for one year at the current international oil price of $40 a barrel would cost $8.7 billion.

We find another quotation from Gulf:

> The recently announced national energy policy means increased reliance for Canada on imported oil—at a cost of $55 billion during the next five years.

It goes on to state:

> Canada's dependence on imported oil will rise to almost 600,000 barrels a day—

Then we must consider the province of Alberta, and this is where a very fundamental difference crops up between negotiations with Alberta and the federal government. The federal government predicts that under its National Energy Program, imports will be reduced to zero by 1990. Alberta has a different version. It suggests that under the National Energy Program, net imports will rise steadily to reach 525,000 barrels a day in 1985 and 734,000 barrels per day by 1990. When we look at this, we must realize that we could be spending another $20 billion to $30 billion per year to meet our oil import needs. The National Energy Program suggested that its objectives were security, opportunity and fairness. It is quite clear that all the evidence we have now been able to gather would point out that security of supply or self-sufficiency in petroleum products by 1990 will not be achieved.