

Economic Conditions

incentives, the whole environment and the attitude of government toward the industry are much more positive in the United States than in Canada. Those are the reasons for which companies are moving to the United States.

That started to happen before October 28, and I should like to remind the minister of that fact. He said that all this did not happen as of October 28, that things had started before. Sure, things had started before, but the reason was because the environment in the United States was better and the price relationship down there was better. The attitudes expressed by President-elect Reagan in relation to an energy program are much more positive than the national energy program. We will see a wider spread than the \$15 one of today. It will cause even more companies to move.

The Prime Minister (Mr. Trudeau) talked about needing examples of companies suffering in Canada. We are not talking about companies which are suffering in Canada. The companies will make out because they will go south and find better places in which to invest their money. We are talking about the people in Canada who will suffer because they will pay higher prices down the road than they would have had to pay if the government had got its act straight.

The minister has received letters from various companies which I am sure he has read. I have copies of the ones from Oleum Exploration, Goodlands Drilling, Orbit Oil & Gas, Ocelot Industries, Hudson's Bay Oil & Gas and Gulf. Companies both large and small have announced specific reductions in their exploration spendings for next year and the years ahead. Some have indicated reductions of 25 per cent to 30 per cent, some as high as 50 per cent. The Gulf Oil Corporation announced a reduction in its spending program in the north, offshore and frontier areas from \$400 million next year to \$270 million. That is a one-third reduction or \$130 million. I see the minister nodding; he knows this.

Mr. Lalonde: Wait a little while, they will be back.

Mr. Wilson: The minister indicates that they will be back. Under the Canada oil and gas act, they will not be back, they cannot afford to come back.

Mr. Lalonde: I have news for you.

Mr. Wilson: Has the minister listened to the companies? Has he paid any attention to them? There are two reasons why they are terrified by Bill C-48. First is the ministerial discretion in the hands of the minister which allows him to tell them when to drill, when not to drill; when to commence production, when not to produce oil. He can tell Petro-Canada when to take over the whole operation when it is only a minority shareholder in the operation. These are matters of concern to the companies. Another concern is that people will not have jobs in the north.

What happens if the \$130 million which Gulf Oil talked about is not spent? It means that things will not be done, and this will cause people to lose jobs that are dearly needed in the north. The hon. member for Nunatsiak (Mr. Ittinuar) and the

hon. member for Western Arctic (Mr. Nickerson) are very concerned about this particular impact.

We are not looking for bailouts for the industry. The industry does not need bailouts. People know that the profit position of the industry is good. We are looking at a much more profound problem which arises if those companies leave. It is a very fluid industry; dollars, people and equipment can be moved. We are seeing this happen with the oil rigs, but other things can move as well. When they move, it means that things are just not being done in the country to help us reach self-sufficiency. I have asked the minister on many occasions whether self-sufficiency is the paramount objective of his energy policy. He claims that it is, but his actions betray that claim. His actions belie that claim because the tax policies, the pricing policies and the entire attitude of the government undermine the ability of the country to achieve self-sufficiency by 1990. Unless changes are made in the energy policy, we will not reach self-sufficiency by 1990.

I do not feel sorry for the oil companies when I stand here tonight, but I do feel sorry for the people in Canada who are looking for jobs and the people who are living with that misery index at 36 points and rising. I feel sorry for those people, and that is what we are talking about this evening.

Some hon. Members: Hear, hear!

Mr. Wilson: I should like to refer to some figures which will help put this into proper perspective. In a single drilling town with one rig working for a full year, \$1.4 million of economic activity is produced. For food, it is \$120,000; for diesel fuel, \$300,000; propane, \$30,000; parts and supplies, \$150,000; water, \$75,000; hotels, \$20,000; entertainment, \$70,000; communications, \$30,000. These all affect the local communities, not the Gulf Oils, the Imperials Oils, the Shell Oils. Those companies are not affected. It is the people in those towns who are affected. They are mad at what is happening here because they see that it is being caused by people in Ottawa who are far, far away from where they are today.

Today we are in a recession. An article appeared in *The Globe and Mail* headlined: "The Longest Recession Since 1954 is Predicted". One of the key reasons for the recession is the intergovernmental squabble, the complete deadlock. The constitutional deadlock and the energy deadlock have resulted in slowdowns and, in some cases, in a cessation of economic activity in the oil industry which, as I have said many times in the past, affects all of Canada, not just the province of Alberta.

It is for these reasons that I appeal to the government to get on with the job of breaking the deadlock, to get the country going, and to get on with getting us out of the crisis in which we are today.