

*Summer Recess*

high of 9,188 in the previous year, which is an approximate 25 per cent reduction. Canada's drilling fleet decreased from 650 before the NEP to 450 afterward. What is worse, Mr. Speaker, is that most of the remaining rigs are preparing to leave for the United States, while 65 per cent of those which remain in Canada are inactive. Those are the figures from that report.

What are the estimates for the future? These are the estimates as provided by a recent survey by the Independent Petroleum Association of Canada. That is the Canadian oil industry. That association has estimated declines of 27 per cent this year, 33 per cent in 1983 and 41 per cent in 1984. This is with respect to exploration and drilling activity. Simultaneously, in the United States, drilling activity is projected to increase by 70 per cent this year and a further 88 per cent in 1983. There you have those estimates. I could go on to give further examples.

What we see happening in Canada as a result of this decline in drilling activity is sheriff sales, receivership sales, public auction sales and bankruptcy sales, one after the other. The papers in western Canada are full of these sales; close-out auctions, receivership auctions, gigantic farm auctions, and sheriff sales.

**An hon. Member:** And U.S. buyers.

**Mr. Mazankowski:** That is correct; U.S. buyers with a premium dollar.

**Mr. McKnight:** Tell them about Lloydminster.

**Mr. Mazankowski:** I have told them about Lloydminster. There was a large liquidation auction sale which came about as a result of two firms, which had a booming business three years ago, being forced into receivership and ultimate bankruptcy as a result of the National Energy Program. Some \$3.5 million worth of equipment, including Cats, cranes, welders, trucks, tractors and trailers, sold for about 30 cents or 40 cents on the dollar, purchased by Americans with their premium dollars. And people wonder why there is no bitterness.

If the government wishes to talk about the world situation, let us see what is happening in Australia. There is an article in *Canadian Business*, February, 1982, with the heading "Waltzing with drill bits: The Search for Aussie Oil." It says:

Five years ago, Canadian exploration companies had scarcely considered Australia. Now, our major players down under are punching drill holes all over the map looking for major finds.

Why is that? The reason is that the climate and the policy are conducive to attracting that activity down there. I could go on to quote at length. Therefore, it is not only the result of a world situation. It is a fact that the climate is conducive toward exploration and development in some areas but this country's government has chosen to drive investment and oil research and development as well as other exploration activity away, as it has driven jobs and investment capital out of the country.

We can also consider other areas such as the petro-chemical industry. Here again, the discriminatory and unfair taxes

applied to ethane which is used for petro-chemicals has made our fuel stock non-competitive in the world market place. As a result, there are 15 projects in Alberta that have been postponed, cancelled or delayed indefinitely. These projects are worth some \$8 billion. I did not bother translating what that means in terms of lost jobs and opportunities.

These conditions are again blamed on the world situation. What has occurred is that the government has failed to acknowledge that it has created the problems through Canadianization taxes, the petroleum gas and revenue tax, the increased prices and the anomalous tax on ethane, not to mention nationalization.

The petro-chemical collapse in Canada is not caused by a world problem. It is a made-in-Canada problem. This problem was created by this government and its vicious penchant for attacking western Canada, a region which stood on the threshold of greatness and opportunity. It is now being destroyed as a result of the deliberate policy aimed at destroying the economic future of western Canada.

Those words should not be considered in any partisan way. It is commonly accepted in western Canada, even by Liberals. I want to quote what a well-known member said about the federal government policies as they relate to western Canada. He was a distinguished member of the House of Commons and is still someone who is distinguished in economic affairs, farming and in the consulting field. His name is Hu Harries. I would like to quote what was said in the *Edmonton Journal* on August 1, 1982. The article states:

—former Edmonton Strathcona Liberal M.P. and economic consultant Hu Harries sees Canada's recession as being deliberately politically induced by the eastern Liberal establishment, which didn't want political or economic power to shift to the west and saw oil revenues as a way to subsidize federal economic mismanagement.

He is right on.

**Mr. Laniel:** He was brainwashed.

**Mr. Mazankowski:** The hon. member opposite said that he was brainwashed. I think the hon. member had the privilege of serving with him—

**Mr. Laniel:** He was brainwashed.

**The Acting Speaker (Mr. Corbin):** Order.

**Mr. Mazankowski:** The hon. member who just interjected knows very well that Dr. Hu. Harries has a mind of his own. I should repeat his statement because it is very clear that it is a view which is shared by most western Canadians, including Liberals. My hon. friend who has visited my constituency should come out again to test the water.

**Mr. Laniel:** Mr. Speaker, I rise on a point of order. May I ask the hon. member a question? I want to know what the ex-minister of transport does to defend and promote Canadian unity instead of promoting division in this country.