

Perhaps, however, it would be best to let Senator Argue's remarks speak for themselves. I must confess that when he launched his attack on the so-called multinationals, which he practically accused of raping the Canadian economy and pillaging western Canada, I wondered if he had somehow reversed himself and rejoined his political colleagues in the New Democratic Party—although I must add that, from my perspective, I find it increasingly difficult to distinguish policy initiatives advanced by Prime Minister Trudeau and those advocated by Mr. Broadbent, particularly as they apply west of Thunder Bay.

I shall make one final observation on the remarks of Senator Argue. Not long ago in this chamber he dismissed out of hand any talk of western separatist sentiment. I think his words, in effect, were that he had travelled the west extensively and never met a separatist. Now he concedes that such a movement may in fact exist, but he refuses to take it seriously. At the risk of being presumptuous, I offer some gratuitous advice to the honourable gentlemen and his cabinet colleagues who may share his views. I suggest that they abandon their attitude of smug complacency and wake up to what is really going on out there. The sense of alienation and outrage does exist and is significant, and it is not helpful to characterize strongly held views on unpopular federal policy as being some form of hysteria or over-reaction.

I should now like to identify those characteristics of the so-called energy policy and budget proposals which I consider to be counterproductive in the sense that they will work against what should surely be our fundamental policy goal—self-sufficiency and security of supply.

Honourable senators, I submit that Prime Minister Trudeau's sweeping new proposals on energy policy are nothing less than a surefire prescription for disaster. The Government of Canada proposes to outdo its counterparts in the United States, Norway, the United Kingdom, or any other developed country. Each of these countries has taken action detrimental to energy development, such as controlling prices below world market levels, or taxing away much of the revenue from oil sales, or confiscating ownership of oil operations, or legislating increased domestic ownership of industry, but no developed country has ever proposed doing all of these things—until now, that is.

If Prime Minister Trudeau's government gets its plan adopted, the consumer will suffer under a scenario of rapidly increasing dependence on ever more costly foreign oil.

All product prices, despite a government mandate of low prices for domestic crude, will soar far above what they would have been under a policy encouraging domestic development, and the enormous potential of Canada's tar sands, heavy oil, frontier oil and gas regions probably will never be realized. Without exception, industry leaders forecast a deepening of the Canadian recession, which analysts have been tracking for months, as money and equipment have been moved south to the United States where returns on new oil and gas are infinitely better than they are in Canada. Now this trend will surely be accelerated.

[Senator Balfour.]

Attempting to break the back of foreign companies may make Prime Minister Trudeau seem like a giant killer to some consumers, but the price which all consumers will pay for that spells not only bad economics, but bad politics.

Honourable senators, I wish to make this point abundantly clear. The damage that the energy budget proposals will do will not be limited to western Canada. The effects will certainly be felt there first, but those effects will spread to touch and harm the whole nation. Because of oil rigs leaving Saskatchewan and Alberta today, jobs will be lost in Ontario and Quebec tomorrow. It is not just the west that will suffer; it is the nation that will suffer. This is not just a western question; it is a national question.

Just to make the point, already in the community of Orillia, Ontario, a Canadian company, Fahramat, which manufactures castings used in the energy industry, has laid off 33 employees. That is the first group of workers to be laid off in Orillia. Last week, as a direct result of the budget, a Stratford, Ontario, manufacturing firm had a half-million-dollar contract with Alberta withdrawn, and it had orders for several million dollars' worth of other work delayed, perhaps to the point of never being acted on, because of the budget. Simmons Drilling Company of Calgary has announced that 10 of its 17 rigs are being forced to move south of the Canada-United States border because of the budget.

The effects of that spin-out are affecting large Canadian industries, such as the steel industry. Of the total output of the Canadian steel industry, 12 per cent goes into the energy industry in western Canada. The Canadian Association of Oilwell Drilling Contractors estimates that only 5,500 wells will be drilled in Canada next year. That is down 40 per cent from last year's figure. It is down 40 per cent in one year, and that reduction will mean a loss of \$2 billion to the economy of Canada—not just to the economy of western Canada but the economy of all of Canada.

The special tragedy of turning away Canadian investment and Canadian growth in the energy industry is that Canada today is in a recession. Many sectors of our economy are weak for reasons that are beyond the immediate control of the Government of Canada. One sector that was strong was the energy industry. The energy industry had the opportunity and capacity to help lead the nation out of the recession, but instead of taking advantage of that capacity, the Ottawa government, in a time of recession, has struck at the one industry that could have helped it fight the recession.

There is a capacity in the Canadian energy industry to lead the Canadian recovery, to help create new jobs, to help create Canadian security of supply, to help create and secure individual Canadian futures, but the Ottawa government, instead of fighting the recession, has added deeply to the recession by weakening a Canadian energy industry that was naturally and potentially very strong.

The Trudeau energy policy will, in the name of protecting Canada, force Canadian companies to leave, force the reduction of Canadian jobs, and force Canadian consumers to rely on Saudi Arabia and OPEC when they should be counting on Canada. The Trudeau energy policy helps the OPEC sheiks