

Middle East countries and other oil producing countries such as Venezuela and Nigeria.

For 50 years they put oil into Montreal at \$2.35 per barrel. When any of the producing countries in the Middle East tried to increase the price, they ruthlessly and dramatically cut them down at the knees. In 1959 they finally got together and built a solidarity to form OPEC. But they were not able to get a first increase until 1971. Then in 1973 they had a major increase. We knew since 1959 that it was coming. We knew it was wrong. People were speaking out against that type of conspiracy which was holding down people throughout the world. Of course, the chickens have now come home to roost.

What did our government do? It was the government under our Prime Minister (Mr. Trudeau) who really should have been taking a position of leadership, certainly by 1971 when they were able to get the first price increase. But it did not do anything in 1971. Then in 1973 when the price went up, it did do something which was worse than if it had done nothing. What it did was to freeze the price of oil. While Japan and Germany went to world price, the two North American governments said they would not be subjected to blackmail.

They were acting as if the conspiracy could carry on and they were not facing reality. What happened was that it sent price signals throughout our system. It sent a signal to us as individual Canadians that we could continue to buy big cars and continue to waste. It sent a signal to the manufacturers to continue to produce the big cars, and so seven years down the road Japan and Germany, having made the adjustment, are now whipping us handily in the marketplace for automobiles.

So here in central Canada ordinary citizens are suffering a great deal because of a decision which the government took some years ago which in the circumstances was unrealistic. But it was easier as a matter of politics to try to continue to mislead people that they could have something for nothing. The chickens do come home to roost and that is where we are now. Then when the government does feel moved to do something, what does it do? It attacks a successful industry which was working hard toward putting us into a position of self-sufficiency. But that is gone now.

We must understand that in this country we really have three sources of oil. One is the imports at about 450,000 barrels per day for which we pay world price, \$3 billion now and it will be \$4 billion next year. We also have about 270,000 barrels a day which come from the two synthetic plants which are in place now, the Syncrude plant and the Suncor plant. They receive world price. They receive \$38 a barrel and there is the promise of CPI for rates of increase.

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Then there is the third source of oil which happens to be the light conventional crude from Alberta. We know as a matter of historical record that there were about 16 billion barrels of oil in 1947 when Imperial Oil first struck oil. Much of that oil has been used and we are now left with about five billion barrels of that oil which is cheap to produce. Only nine or ten years' supply is left because at one time we produced 1.2

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million barrels a day. The obvious solution to our problem is to bring on the synthetics and frontier oil. As the light conventional crude diminishes, we need to increase synthetic production. That is what Alberta's offer was to the rest of the country. Alberta said, "If you pay us up to 75 per cent, staged, for that decline in conventional crude, we will guarantee there will be enough synthetic tar sands plants on-stream not only to cover that declining conventional crude, but to cover the imported oil. Therefore, by 1990 we could be genuinely self-sufficient in Canada. Once we are self-sufficient we will not care what the Arabs do or what Mexico, Venezuela or Nigeria do. We will be self-sufficient and we can make those decisions then. However, Alberta's offer went beyond that. Alberta said, "Pay us that kind of money and we will also cover the entire infrastructure costs of putting in roads, towns and sewers to develop the tar sands. We will put money into Fundy tidal power, the lower Churchill, the lower Nelson and into transportation in the west. Out of that will come a much stronger country because every dollar spent will have the leverage and the multiplier effect in Canada rather than in Venezuela or the Middle East." The government rejected this offer.

Another area relates to agriculture. In Canada we have operated under a cheap food policy. It was easier some years ago to make a political decision to let our own agricultural processing industries go in favour of importing cheap food. The Americans with a warmer climate, three crops a year and oil at the conspiracy price of \$2.35 could produce food more cheaply than we could. A political decision was made to import food. As a result, we lost 15 to 17 processing plants through the Niagara peninsula. We lost beef manufacturing plants in western Canada. But now that the oil price is up, the cost of importing food from the United States is enormous. But having destroyed our infrastructure, we are caught, because now we have to pay. As the Canadian dollar goes down, the cost of those food imports rises dramatically.

That cheap food policy has had another effect which is even more serious to us as a nation. The cheap food policy forced the smaller farmer off the land. The remaining farmers had to take on the additional land. The price of land rose, and in the meantime we printed more money. This caused the high land prices. The farmer who was surviving and wanted to be efficient, had to buy more land, take on more machinery and more debt. Our farmers now have a debt ratio which is absolutely staggering compared to what it was ten years ago when we started the cheap food policy.

If we continue on this path, it could end in our having only one farmer left. Many people in my constituency, including myself, have the feeling that it was not just an accident which happened. There is a group of people, whether it is the Prime Minister and his close advisers or a group of senior officials, who genuinely believe that central planners can make decisions better than the millions of Canadians individually. We could end up with one farm. There is evidence to lend credence to that. In the constitutional package, we note the glaring omission of the right to acquire and hold property. Why was that left out of the package? These planners are intelligent people.