reached a plateau over the last 18 months. Labour in the 25 to 55 year old age group in western Canada is very hard to come by for many industries. For instance, western agricultural industries which provide large amounts of foreign exchange for our country without the contractual link of the European Common Market, which seems only to want to buy an excessive amount of raw materials from us, not the finished products as the government had hoped, are severely hampered because no agricultural workers are available. There are rows and rows of want ads in western farm papers advertising for workers at good wages.

Our trading position is not all that favourable, but has not been quite as bad as it seemed it might be at the beginning of the year. As far as the dollar is concerned, things would be better if the Canadian dollar were slightly lower than the U.S. dollar; at the present time it is only 2 per cent lower. The foreign dollar deficit has been covered by an enormous inflow of capital funds. True, most of this represents sales of securities by provinces and will have to be paid for eventually. It is a little like the family who have a lot of money in the bank but who have to mortgage the house to get it there.

I cannot see why the government chose at this time to introduce these general guidelines, that are as full of holes as Swiss cheese, since the rapid increase in inflation is subsiding. Is the government using them as an excuse to fasten on to the economy a bureaucratic apparatus which will continue, longer than the three years, to stifle and hobble private enterprise? In this regard I agree wholeheartedly with the Leader of the Official Opposition (Mr. Stanfield), who has stated emphatically his demand that the guidelines be re-assessed at the end of 18 months, that they be voted on by this parliament, and that a new bill be introduced if they are to be continued. Only in this way will we be prevented from hobbling private industry in the years ahead.

The failure of the government to bring forward an energy policy that makes sense is creating shortages for the future. We are being amply warned on all sides that the federal-provincial fight has severely reduced exploration and development. Holding energy prices at below world prices is always dangerous in the long run.

This fall the energy committee travelled to the Athabasca tar sands, among other places. There is no doubt that the Athabasca tar sands are probably Canada's greatest reserve, but their development, however, will be very expensive. With private industry being allowed $1.57 or $1.60 on a barrel of oil costing $8, there is no way the tar sands can be developed at anything like this price. Certainly at Great Canadian Oil Sands, for example, 1,600 men are required to produce 50,000 barrels of oil a day. It is simple arithmetic to prove that with workers being paid between $10 and $12 an hour the labour cost alone of a barrel of oil is around $3.

This morning's *Globe and Mail* carried an article pointing out that the Prime Minister (Mr. Trudeau), splashing around in his $200,000 swimming pool, does not contribute to any energy savings.

Mr. Alexander: Shame.

Mrs. Holt: Grow up.

Mr. Ritchie: This pool is heated. I don't mind his splashing around in a swimming pool, but it is heated.

Mrs. Holt: He does not splash, he is a good swimmer.

Mr. Alexander: How do you know?

Mr. Ritchie: While Canadians blithely use up the immediate pools of oil and gas at low domestic cost, governments on the other hand are choking off investment in the industry. Even the premier of Saskatchewan in his latest budget promised to do something to make the oil and gas industry more attractive to private enterprise.

I do not think that governments alone can handle these problems without the help of private industry, at least not without instituting a rigid state something along communist lines. The present oil and gas policy encourages excessive use of all these premium fuels, and there is no incentive to find new sources.

Another problem has arisen in Saskatchewan where the premier of the province has resorted to expropriation in order to take over the potash industry. Perhaps he is bluffing a little, as has been suggested, and he may have had personal reasons for taking this action, but after two decades in which private industry has been exploring and developing the huge potash deposits in Saskatchewan, the provincial government now wants to nationalize the mines. This could not have come at a worse time.

Why the government could not have obtained for the people of Saskatchewan all that was required through the tax system does not seem to be very obvious. Although prices of potash have risen from $20 to $75 a ton the industry has been prevented from reaping large profits by the federal and provincial governments taking most of the gain through taxation. What the province essentially seems to want is to end the federal government's tax share of potash profits, and if the industry is nationalized and a Crown corporation set up, corporate tax will not be levied. This again underlies the jeopardy in which the government will place itself if it argues with the provinces, particularly over the mineral and resource industries. This question should have been settled long before this.

How will the potash mines fare under the Saskatchewan government's management? This no doubt depends a great deal on world markets and continuing prosperity. Already this year excess fertilizer stocks are being reported. Eventually, it seems, supply and demand will come more into balance and the profit on potash will become less lucrative. Saskatchewan may gain the industry's profits but will lose the technical resources and marketing connections. It seems likely that, if the Saskatchewan government nationalizes the potash industry, few companies will be prepared to risk their time, their effort, and their money in developing the province's metals.

Furthermore, this would pose considerable problems for Canada's financial position. The Saskatchewan government has to raise from $1 billion to $3 billion to buy out the companies, and much of this will have to be raised in foreign markets, a formidable undertaking. It is fashionable to say that it is all right to owe debts but not to owe equity. In the long run there is little, if any, difference because the return to the borrower who lends money, either directly or in equity, must work out at the expected