

companies or shares in multi-national corporations, because they are all losing money producing oil and gas.

The individual to whom I have referred has said that he plans to leave whatever oil and gas remains in the ground. Why should he bring it out when it costs him \$344.86 a year to do so? Let me point out, for the benefit of Canadians all across the country, that wise Canadians are not putting their money in oil and gas, and wise Canadians who already have their money in oil and gas are leaving those resources in the ground because it does not pay them to take them out after paying the taxes this Minister of Finance has levied.

The Economic Council of Canada pointed out today that the domestic price of oil should be allowed to rise to the international level by 1977, otherwise Canadians will become dependent on foreign oil before the end of this decade. That is pretty simple, but did the minister say anything about that in his budget? I suggest that he said nothing like that.

● (2050)

What does the National Energy Board report say in respect of oil exploration? It tells us what we already knew. It states that voluntary conversion and reducing oil sales to the United States are trivial substitutes for finding and developing new Canadian oil. It says what I have said many times. I have said that we will be a net importer of oil by 1982. I said in this House, time and time again, that the pipeline from Sarnia to Montreal would be empty in six years. I said that on April 9, 1974. The National Energy Board report substantiates what I have been saying in this House and what Imperial Oil has been saying. What has the government done? It has gone on blindly.

The National Energy Board report further states:

The lack of important discoveries of oil in traditional Prairie areas means Canada—caught between rising demand and falling production—can run out of oil. It will have to import heavily unless it quickly develops big—very big—new reserves.

Canada will have to import heavily unless it quickly develops big new reserves. That is the point I want to make. What did the Minister of Finance do? He attempted to ease taxes. He did not clear the air. Since his budget Gulf Oil has publicly stated that it will reduce expenditures for oil exploration from \$322 million to \$222 million. If one takes into consideration that the expenditures by Gulf Oil represent 5 per cent of the normal amount of money spent on exploration in Canada, this means there will be \$1 billion less to be spent on exploration this year because of the budget of the Minister of Finance.

Further, the National Energy Board report says that we will run out of oil unless we quickly develop big new inventories of oil and gas. We cannot do it with this budget. All the people of Canada, for whom the minister is supposed to speak, want to have an abundant supply. We do not want to be in the bleak position suggested by the National Energy Board, which says quite clearly that in 1985 Canada will be producing 900,000 barrels a day and will be importing 2,500,000 barrels a day. In 1990, if conditions remain the same, we will be producing 600,000 barrels a day and importing 3,100,000 barrels a day. We are on the wrong track with regard to energy.

### *The Budget—Mr. Horner*

Now I should like to deal with the question of food. It is interesting to hear members speak repeatedly in this House of their deep concern for the starving millions throughout the world. We always take pride in being a great wheat producing country. Last year there was an anomaly in Canada, which was no fault of the minister in charge of the Wheat Board, although I might also say it was no credit to him. World prices rose substantially. Farmers were embarrassed by the huge amounts of money they received for their wheat sales. In fact as of this day, in deferred payments through the Canadian Wheat Board the Farmers of western Canada have deferred payments amounting to \$500 million or \$600 million. That includes wheat sold through the Canadian Wheat Board and grain sold off the Canadian Wheat Board. We see the final payment for last year's crop deferred until January 1. That amounts to another \$500 million.

**The Acting Speaker (Mrs. Morin):** Order, please. I regret to interrupt the hon. member but the time allotted to him has expired.

**Mr. Horner:** I wonder if I could beg a few minutes to finish the thought I was expressing?

**The Acting Speaker (Mrs. Morin):** Is it agreed?

**Some hon. Members:** Agreed.

**Mr. Horner:** Thank you, Madam Speaker. I also wish to thank members of the House. I should like to finish this chain of thought in respect of wheat. We have an anomaly in Canada in that when people throughout the world are starving the wheat farmer is reluctant to deliver grain. We have a situation where there are now deferred payments amounting to \$600 million. The minister has deliberately deferred the final payment of \$400 million to \$500 million on last year's crop, and we see the rise in the initial payment deferred until January 1, which amounts to another \$100 million.

So without even a close tabulation there is already waiting for the farmers on the prairies payments of \$1 billion for wheat, which they will have to declare as income next year. As one engaged in the business of raising cattle I know many instances arise where farmers will defer paying income tax by deferring sales of cattle. They will feed cattle for a longer period, and attempt to defer the payment of income tax by buying cattle on December 31. We see the same thing happening in the grain industry.

There is an interesting situation outlined in the budget where, through a registered home purchase savings plan, people may set aside \$1,000 a year for a total of ten years for the purchase of a home, or the purchase of furniture for the home. There is already in the Canadian tax system a plan whereby a wage earner can set aside \$4,000 each year in a registered retirement savings plan, which he may draw upon at some future time whether or not he should be working. However, the farmers and people in the grain industry have to deliver their wheat in the next year. The government should seriously consider helping the farmers set aside some money in a registered retirement savings plan so that the individual farmer will be able to be self-reliant through hard times and good times.