

Where was the Senator when this bill was discussed in cabinet? Where was this minister who comes from Alberta and is presumably the member of cabinet who should represent Alberta? Where was he when he let this bill get through? Where are his principles? I guess that is something one gives up when one crosses the floor in exchange for the remuneration one receives for being a minister; he must forget about all his obligations and responsibilities and the things he might have said in the past.

We in this party cannot accept the PUITTA provision. We cannot accept such discrimination. We cannot allow the government to carry on in this way. The bill itself is very short, containing only three clauses. The first two deal with the question of equalization and the ramifications of resource revenues as affected by equalization. By and large I share many of the views expressed by the hon. member for Broadview-Greenwood with regard to the problems which exist in arriving at a more modern way to reflect the reality of Canada today considering the changes in income patterns, and revenue patterns of individuals and provinces.

Perhaps a better way of dealing with this bill would be to refer it to the finance committee. The current equalization regime runs out at the end of the next fiscal year, March 31, 1982. Certainly at the rate we work around here, it is not too early to begin talking about what might be done in the future. It is a very worthy subject for that committee to debate and discuss over a considerable length of time. I say this in the context of the bill before us because if we were to get that subject discussed in committee, the bill would not come back until next June, July or August, so extensive is the subject.

Since we are all presumably in agreement with clauses 1 and 2 of this bill, I think I can speak on behalf of my party and say we are quite prepared to let clauses 1 and 2 pass. For that matter they could be heard in the House and passed very quickly through all three stages and receive royal assent. If there is insistence on tying all three clauses together, then I am afraid we cannot give our commitment to that kind of co-operation. We would certainly support any suggestion by the hon. member for Broadview-Greenwood to have the subject matter referred to the finance committee, since it is a subject worthy of consideration. It deserves a lot of discussion by this House and I agree with the hon. member it is a subject with which this House should be seized. It is not something to be worked out exclusively by officials in the federal and provincial governments and finalized at the time of some first ministers' meeting.

● (2110)

I want to outline just a few things with regard to the remarks made by the spokesman for the NDP. One pertains to his comments on the question of recycling revenues from oil and gas. Listening to him, one gets a notion that somewhere in Alberta there is a huge vault full of currency called the Heritage Fund, or a huge pot of gold. That money is being recycled today by the banking system. Alberta is in the money market. The bank is buying that money daily, weekly and

Fiscal Transfers to Provinces

monthly. It is using it within Canada in the normal way by responding to the normal economic situation in the country. People borrow from the bank, the bank borrows it from the Heritage Fund and that is how the money is in the system today. Without that Heritage Fund, I think the federal government would be having a terrible time financing its deficit.

Mr. Lang: That is the problem.

An hon. Member: Sit there and listen.

Mr. Andre: I heard the hon. member for Kitchener (Mr. Lang) say that is the problem.

An hon. Member: The problem is economics.

Mr. Andre: The problem resides right here in Ottawa. The deficits were not caused by provincial governments, I can assure the hon. member of that. The deficits were caused by this government.

The question of redistribution of the capital funds needs some discussion. It is illusory to claim that somehow it is not being redistributed today. Frankly, I worry about some of the suggestions being made. The banking system has the benefit of operating according to economic principles which have served this country very well. If all of that money is to be recycled by governments, you are talking about it being recycled by bureaucrats. You are talking about decisions being made—whether through an energy bank or some other development funds—by bureaucrats deciding whether such and such is a good investment or a bad investment and so on. So we are getting into the question of philosophy again. But there is precious little evidence anywhere in the world that bureaucrats make better decisions than do people in the marketplace who borrow these funds against their own assets and are, therefore, obliged to repay them. Because of that, they are guided by constraints which, in my view, make for better decision-making.

The other slogan which the hon. member used and upon which I must comment was "geological roulette." He said accurately that Shell did not put the oil there and that it was therefore a matter of geological luck. I suggest to the hon. member that he might profitably use some of his Christmas break by taking a trip to southern Saskatchewan. One of the biggest plays in the United States today is a play called Williston Basin. At Williston, North Dakota, there is a large deposit of sedimentary rock. The sediments extend into Wyoming and well up into Saskatchewan. In North Dakota, there are wells being drilled everywhere. There are wells so close to the Saskatchewan border that a roughneck on the top of a rig with a wad of chewing tobacco in his mouth could spit into Saskatchewan. There are drilling rigs on the Canadian side. I can assure hon. members that the geology does not stop smack right on the 49th parallel.

An hon. Member: Let the NDP deny that.

Mr. Andre: What happens at the 49th parallel is you change politics and thereby political systems. You change countries; you get into Canada, and if you happen to be in Saskatchewan,