

### *Borrowing Authority*

oil and other energy sources of a liquid nature. I have listened over the past few days to the questions with regard to the purchase of Petrofina. It reminds me of an Abbott and Costello show. These gentlemen would flummox each other and neither ever understood the other. They had a famous routine of who was on first. It would be appropriate to change the names to the Minister of Energy, Mines and Resources (Mr. Lalonde) and Mr. Hopper because they did not know for sure who would buy the company or who would pay for it, but they went out and bought it anyway at a somewhat higher price. Given this higher price and the confusion between those two gentlemen, it is not beyond the realm of possibility that the minister was bidding up shares in Montreal while Mr. Hopper was bidding them up in Toronto. In any case, they paid far too much for the company.

Petrofina is merely a row of service stations. Dian Cohen described the situation as well as anybody. She said:

The purchase of Petrofina will do nothing to further the goal of security of supply, since supply is not what Petrofina is concentrating on.

She went on to say:

It makes sense if your priority (as the government's seems to be) is to be visible—what better way than to buy a string of service stations that will fly the Canadian flag?

The hon. member for Kamloops-Shuswap kept saying that the government would work with industry. I believe industry would have a different word to describe the actions of the government as, for example, when the minister of energy tries to dictate the terms of working with the oil industry. The purchase of these service stations will do absolutely nothing except shorten our cash availability in trying to obtain what we desperately need, a secure source.

However, when the government gets the desire to become bigger and bigger, the cost is borne by the taxpayer. While I suppose Petro-Canada is a success story to its top echelon of management, it is not to many other people. It does not mean that the people of Canada have gained anything. I heard the minister say that Petro-Canada belongs to the Canadian people. If it belongs to me, then I would ask the government to sell my share so I can invest the money myself. I would certainly not buy shares in Petrofina at the price which the government is willing to pay.

I would like to turn my attention to the way in which the government spends money on national defence. I am concerned that the defence expenditures which were projected to be made will not be made for the main reason that the government will not have sufficient funds for the capital expenditures it described. Perhaps I should go into the background. In 1971, the government published a white paper on defence. It was the last such paper published. That document identified the major roles of the Canadian armed forces as; first, the protection of Canadian sovereignty; second, the defence of North America in co-operation with the U.S. forces; third, the fulfilment of such NATO commitments as may be agreed upon, and fourth, performance of such international peace-keeping roles as we may assume from time to time.

Since 1971 many changes have occurred nationally and internationally which have affected the structure and role of Canada's armed forces. External pressures to increase our defence effort in a variety of ways and internal pressures to assign more and more tasks to our forces have all worked to spread what little we have even more thinly. There has been no attempt to review those changes and to produce a new white paper. Without a policy statement, the military's long-range planning is thwarted and the public is left in the dark regarding the defence plans and policies.

The importance of this latter fact should not be overlooked. I have an example of what happens when the government leaves the public uninformed about the defence policy. The Minister of National Defence (Mr. Lamontagne) has stated on various occasions that the Canadian forces' priorities remain the same, but the emphasis has changed. He has not enlightened us as to what is the new emphasis. A poll completed on behalf of the Department of National Defence showed that 37 per cent of the respondents thought that the main role of the Canadian forces was peace-keeping, which happens to be the last priority according to that 1971 white paper.

The Minister of National Defence has stated that he does not want to produce a new white paper, that he would prefer to issue an annual statement on his department's activities and policies. This idea in itself reflects the Trudeau government's attitude toward defence. Instead of the government putting time and effort into producing a clearly defined and coherent departmental statement of direction, we are to be treated to an annual report, much like a company might distribute to its shareholders.

Listening to the Prime Minister and the Minister of National Defence, one might get the impression that much is being done to upgrade the state of our armed forces after years of neglect. They speak at length on the subject of a 3 per cent real increase in the defence budget and new equipment programs. I would like to discuss these and other aspects and then hon. members can decide if the government is fulfilling its obligations to our military.

In 1968-69, 16.4 per cent of total federal expenditures were on defence. In 1978-79, ten years later, the expenditures had decreased to 8.8 per cent or approximately half of what they had been ten years before. In 1978 the Canadian government agreed with the NATO decision to increase defence spending by 3 per cent in real terms each year for five years. Whether or not the government has met and will continue to meet that objective depends on with whom one talks. According to the Minister of National Defence, the DND budget has increased by 3 per cent in real terms for the past six years, if the increases are averaged over that time. I disagree with that. The average is 2.85 per cent.

I also disagree with the premise of the minister's argument. The 3 per cent rate was agreed to in 1978. Therefore, we should be looking at the defence budget since that time to see if Canada has lived up to its commitment. From that perspective, we see that in 1978-79 the DND budget increased by 2.79 per cent and that in 1979-80 it decreased by .23 per cent. In