

Borrowing Authority

with respect to the capability of the port at Gros Cacouna and its chances of being the location for the liquid natural gas terminal.

Third, I want to speak about energy. Let me say very briefly, as I have said many times in the House, that we have a very serious energy problem in Nova Scotia and on the east coast. For many years, we have been dependent, to the extent of 90 per cent of electric generation, on foreign oil supplies and we have been totally dependent on foreign oil supplies for home heating and for transportation fuels. But we have moved, in the last few years, under the guidance of Premier John Buchanan of Nova Scotia, to instituting a coal conversion program, which has substantially reduced our dependence on foreign oil. Now we are dependent, for electrical generation, to the extent of only about 3 per cent. But this involves the development of our coal resources. I am happy to note that the Minister of Finance announced last week a grant of \$109 million for the development of a coal mine at Donkin and the Prince mine.

The hon. member for Cape Breton-East Richmond (Mr. Dingwall) was with the minister when the minister made the announcement, and apparently he was not in the least embarrassed by the fact that this announcement might have been made two or three years ago. We hope now that they have finally broken the ice and made the decision, they will proceed with the development of these mines so that we can utilize the coal resources, which are estimated to be in the range of 3.5 billion tonnes, with 800 million tonnes which can be mined by conventional means. So by 1990, we expect to use some 8 million tonnes of coal in Nova Scotia, and that will be welcome relief in relation to our energy problem.

We look forward to a natural gas pipeline extension in Nova Scotia which was promised by practically everyone on the other side of the House. It was promised by the Prime Minister (Mr. Trudeau), by the Minister of Finance, and finally by the Minister of Energy, Mines and Resources who said it will go ahead and the only problem is that the National Energy Board has not approved it yet. That may be a stumbling block, but the minister has assured us it will go ahead, even if he has to pass a bill, as he said for those who did not know that the minister could pass a bill on his own.

One of the big projects in Nova Scotia for the future is the development of the Fundy tidal power. If you look at the National Energy Program, you will find that there is not one word in it about tidal power. Yet the Minister of Energy, Mines and Resources has the colossal gall to stand in the House today and speak about the development of tidal power. He did that because the Premier of Nova Scotia is in New York City right now negotiating an agreement with the New York state power authority over the development of Fundy tidal power. We hope that that development will go ahead with or without the help of the federal government because, as an article reporting on the meeting states, Nova Scotia and New York are natural partners in this venture.

There are other matters in relation to energy which I should like to mention. There is the location of the liquid natural gas

terminal, but, most important, there is the development of offshore oil resources. It has been said that the oil fields already under exploration and development in Hibernia off Newfoundland could supply the east coast area with petroleum sufficient for their needs. But there is the danger that the development will be retarded by the disputes between the federal and provincial government over ownership and the effect of the National Energy Program. So I hope that the government, and more specifically the Minister of Energy, Mines and Resources, will resolve these difficulties so that we can get on with the development of offshore resources by the private sector.

In concluding my remarks on Bill C-59, let me say, Mr. Speaker, that no one believes the government can go on overspending and borrowing without drastic results being felt in the economy, but at the same time we have problems in Canada which must be resolved by the government, with appropriate assistance in the appropriate places. What we need is sensible judgment on the part of the government in cutting expenditures and in economizing, but not at the expense of the Canadian people and not at the expense of the projects which must go forward to resolve our problems in Canada and in Nova Scotia.

Mr. John Thomson (Calgary South): Mr. Speaker, I would like to suggest to you that I think 95 per cent of the constituents in Calgary South would vote against Bill C-59. I would go one step further and say that if all Canadians were given the opportunity, they would vote against Bill C-59.

● (2030)

The Liberal government is a great proponent of referendums. I just wonder what would happen if this government were to put Bill C-59 to a referendum in Canada. Do hon. members opposite honestly think that the majority of Canadians want our government to go out and borrow \$14 billion?

Mr. Collenette: Hear, hear!

Mr. Thomson: "Hear, hear": the favourite government response is contempt for the Canadian people. Most Canadians recognize the insanity of borrowing ever-increasing amounts of money to finance a government which has no commitment to restraint. I think most Canadians would go along with borrowing some money if they had any trust that this government would practise restraint, but with this government, spending is out of control. This government gives lip service to curtailing its expenditures but proceeds to spend money in the same way it has since 1968.

How does a country continue to spend more than it takes in revenues? This is the answer of one government spokesman: the answer is quite simple; the state will have budgetary deficits and finance itself through loans; in practice that will be done through the intermediary of the Bank of Canada, which will open up a credit account in the name of the government in return for loan certificates; if the bank does not have enough currency in circulation, it can always print some without any inconvenience, when needed.