

*The Budget—Mr. Gillies*

We do not know whether the management of Pacific Petroleum will remain with Petro-Canada. We do not know whether the management of Petro-Canada, a nationalized company, will be as efficient as the management of a private company. If we look at other nationalized organizations in this country such as the Post Office, and if we look at the scandalous management of Atomic Energy of Canada Limited a few years ago, how can we be sanguine about the prospect that the management of Petro-Canada will be any better? We certainly do not know. Therefore the first statement made by the Deputy Prime Minister this afternoon was certainly open to question.

The Deputy Prime Minister dealt with security of supply for Canadians, as if the National Energy Board does not exist. Surely the Deputy Prime Minister knows that there is no export of energy from this country without permission from the National Energy Board. Has he no confidence in that agency, which his government had a great deal to do with setting up?

I do not have the words of the Deputy Prime Minister in front of me, but his words with respect to security of supply are clearly open to challenge. When he says that there has not been a nationalization because the government has not expropriated, that seems to be a very peculiar understanding of what nationalization is all about. To anyone who understands these things at all, government ownership is nationalization. It is national ownership. Just because there is no expropriation does not mean there is not nationalization. The confusion of the Deputy Prime Minister about this matter gives me a great deal of concern. If a senior spokesman of this government thinks something is not nationalized because it is not expropriated, we are going to have very serious problems.

If the government moved in and took over the department stores of Canada but did not expropriate them, I suppose the government would not consider those department stores nationalized. Of course they would be. Why is the government pretending that the Petro-Canada acquisition of Pacific Petroleum is something other than what it is?

I was in the committee when Petro-Canada was established. As a member of that committee I asked the then minister of energy, mines and resources whether the position of the Government of Canada was that the private sector could not develop our resources effectively. The answer of the minister at that time was that that was basically the position. The government is nationalizing, and pretending it is doing something else.

The most important issue, the one which brings me into this debate, is that every time members of the government talk about this acquisition they say it is a perfectly private transaction and that the money is being borrowed from banks. We are told that the assets of Pacific Petroleum are being pledged for security for those loans and that the Government of Canada is not involved. Well, that is not true. The fact is that under the Petro-Canada Act and under the Financial Administration Act there is a contingent liability on the people of Canada in relation to this transaction. Perhaps it is the position of the

government that contingent liabilities do not matter, but that is dangerous thinking. It is the kind of thinking in which this government has indulged for a number of years.

The government thinks there is no need to be responsible about spending, about accounts, or about liabilities of any kind. I am sure the government does not know whether the people of Canada would be much better served if those contingent liabilities, which are not endless, were used to back loans for housing or to back loans in other areas. Who knows? But when we are talking about this transaction and about borrowing and then not making a final statement, or following the transaction to its conclusion and pointing out that Petro-Canada as an agency of the government, either under its act or under the Financial Administration Act, has a liability and is creating a liability for the people of Canada, that seems to me to be something less than open.

If the government wants to argue that these liabilities do not mean anything, that is all right, but today the Deputy Prime Minister said that the Conservative party is misinforming the Canadian people. He did not follow the transaction through to its conclusion and point out that a liability is being created for the people of Canada. That seems to me to be less than open. It is the government that is misinforming the people of Canada.

In terms of financial obligations, financial accounting, and recognizing liabilities of one kind or another, there is a difference between the party of which I am a member and the government. The position of the government is that these things do not matter, and the government does not talk about them. It was this very type of thinking, as the Auditor General pointed out—that taxpayers' money is a bottomless pit—which has placed us into this trouble that we are in today in the operation of our economy.

● (1412)

It is interesting to participate in the budget debate on its last day. The economic indicators in the country show that the cost of the living is up a full point, the Canadian dollar has declined again, unemployment is still high, and our trade balance is down. These are all negative factors in the operation of our economy. Why do we not, in a rich and prosperous country like Canada, have an economic performance which is more tolerable than we have been getting? No longer can Canadians believe that it is because of what is happening in the rest of the world. Surely Canadians realize now that we are in the economic difficulty we are in because of the total mismanagement on the part of the government.

What is a budget about, Mr. Speaker? Up until the middle 1930s, indeed up until World War II, it had a very simple purpose, to raise the money necessary to finance expenditures which are in the estimates. It seems really naive to think that way today. Nobody today thinks that the purposes of the budget is to raise money to finance the expenditures of the Government of Canada. If the people on the government benches would realize that the things they are promoting have