

Borrowing Authority

relatives without being required to pay heavy taxes on supposed capital gains. My criticisms on behalf of the NDP are obviously felt by many people.

If the Hon. Member has not looked at recent polls, he should look at them to see how far support for the Conservative Party has fallen all across the country, but particularly in western Canada and especially in Alberta, a province which during recent elections elected 100 per cent of its members from the Conservative Party. I also ask him to look at the recent provincial election and what happened in the City of Edmonton where 16 NDP Members of the Legislature were elected. The people of the country are dissatisfied with what the Government has done. They are showing that dissatisfaction quite clearly, and they are very justified in doing so.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am pleased to participate in the debate on Bill C-40, an Act to provide borrowing authority, and to try to determine what the Government is doing and where it is going in respect of its financial policy. The borrowing Bill will allow the Government to borrow \$24,300 million by the end of March 1987. The difficulty is that we are no wiser about where the money will be spent.

Certainly the Budget did not provide us with any indication of that, if it can be called a Budget. It was completely undecided about what route the Government would follow. It did not even tell us whether it would reduce the deficit. The deficit reduction, for which the Minister of Finance (Mr. Wilson) took many bows, was in the order of \$200 million. He certainly did not deal with the very serious financial problem, as he termed it.

I should like to focus particularly on the energy sector and what was missing from the Budget for that important industry. Government Members said that they did not know how they would finance assistance to the energy sector. They said that as recently as the fall of 1986. They did not know whether they would give assistance to the energy sector, whether they would finance the assistance with increased sales and excise taxes, or whether it would be from consolidated revenues or whatever. However, they decided to increase the excise tax in the Budget by one cent per litre. As a result of this one cent per litre increase, they will raise \$450 million. They also decided to equalize the excise tax on leaded and unleaded gasoline, from which they will raise another \$30 million. Through the Budget the Government is to raise \$480 million. What will that do for the energy sector? It will do nothing for that sector.

This is the same Government which said that it was interested in self-sufficiency and security of supply. It said that it wanted to maintain a strong energy sector. In the last federal election it received complete support from the energy producing areas of the country. It has completely let down the people who had every reason to expect that something would be forthcoming.

What is going on with the Government? The energy sector lost over 50,000 jobs in 1986. In Calgary it lost another 6,000

jobs in the month of January 1987. Because of the decline in the energy sector, to the end of January 1987 the country has lost at least 56,000 jobs. It is a very serious problem. It is not only a western Canadian problem; it is a Canadian one. However, the Government refuses to recognize the seriousness of it. It is walking away not only from the problem but from its responsibility as a Government.

Obviously there is complete disagreement in the Government on how to handle the situation. The Minister of Finance is doing absolutely nothing. He came out with a Budget indicating that funds would be raised from gasoline sales, but it did not indicate that anything would be put into the energy sector. On the day the Budget was released, a press release by the Deputy Prime Minister (Mr. Mazankowski) was circulated in western Canada. He indicated that the Budget was not intended to be a vehicle for announcing specific measures to assist specific sectors or regions.

What is the Budget supposed to do? What is its purpose? It is not helping the regions. It is not bringing forward any kind of financial planning.

The press release went on to indicate that the Government had another way of helping the energy sector through what it called a western economic diversification strategy. It indicated that in this strategy measures would be implemented to assist the energy industry during this period of severe difficulty. To which period did it refer? The downturn in the energy sector has been going on since January, 1986. The press release talked about a strategy which would help the energy sector for a period which had no beginning or ending. However, more important, it completely ignored the period of difficulty which has now lasted for 14 months.

The Government has absolutely no solution to the problem or no idea what it will do to help the energy sector. The Government should be honest with western Canadians. It did not say that it had no idea or that it would do nothing to help the energy sector. It said that it would come forward with a western economic diversification strategy but did not give any period of time as to when the strategy would be implemented or what it would contain. It merely tried to pacify western Canadians and let them think that the Government was interested in doing something for them.

Also the Deputy Prime Minister indicated in his press release that investments in energy exploration and development, which are so important to Canada's future energy security of supply, would be encouraged and assisted. Why cannot that be done now? Why do we have to wait for a strategy which has not been formulated or has not been given any definition? It may not even be a strategy which the Government fully intends to bring forward. Why tell western Canadians that they cannot have something now when they are at the height of economic difficulty? Why tell them that they have to wait for the Government to get its act together and come to grips with the problems faced by western Canada at the present time?