

*Borrowing Authority*

Arctic resources of our country. These are among the most promising sectors for new oil exploration. The policy also offers opportunities for further development of the conventional oil areas of Canada. Additionally, the policy does offer, by a new price incentive mechanism, the opportunity for tertiary or enhanced recovery in conventional areas.

**An hon. Member:** Everybody is moving out and shutting down.

**Mr. MacLaren:** The details of those incentive programs are under discussion with the industry. The hon. member opposite is clearly drawing some early conclusions from what he regards as evidence to the contrary.

**Mr. McDermid:** Leave Etobicoke, go out west and you will find out.

**Mr. MacLaren:** I would remind the hon. member opposite that when he refers to self-sufficiency and quotes various people who believe that we shall not achieve self-sufficiency by 1990, he concentrates, as many have done, on the supply side of the equation. He paid no attention to the vital role that conservation and substitution will play in our energy future. Nor for that matter, if he does want to concentrate on the supply side of the equation, does he quote those who have taken the contrary point of view from his. In quoting from recent submissions to the National Energy Board, he overlooks, for example, the predictions of Dome Petroleum, which indicate self-sufficiency by 1990, by increased supply only, without taking into account the role conservation and substitution can play.

The hon. member opposite, in referring to the criticism of the program by the head of one chartered bank, conveniently overlooked the contrary testimony of the chairman of another chartered bank. I make that point merely because there can be honest differences of opinion on policy. But it is equally evident that there are benefits to all Canadians in the program through Canadianization, through the gradual implementation of a made-in-Canada pricing policy, and through the more equitable sharing of revenue from this dynamic sector of our economy.

In his statement the hon. member opposite did not refer to the fact that in Canada the price of oil has risen quite substantially in the past six years, from \$6.50 a barrel in 1974 to its current price. This is a level which does not satisfy many in western Canada, but which does, nevertheless, represent a very substantial increase of about 20 per cent annually over those past six years.

**Mr. Mazankowski:** Forty-one per cent of the world price.

**Mr. MacLaren:** That being the case, a massive financial problem has been created for the national government of this country when the volume of revenue directed to Alberta is taken into account.

The previous government grappled in its own way in its aborted budget with the same fundamental policy challenge

facing Canada today. It is a policy challenge to the federal structure of our country which the recent governments have attempted to meet in a variety of ways.

For example, the federal deficit has grown, something which has not pleased everyone in Canada. This government and the previous one acted to constrain the growth rate in the wellhead price of oil. Also, we have phased out certain equalization payments concerning energy revenues. All those factors combined have still not prevented the rapid increase in government deficit. They have not prevented the provincial share of energy revenue from growing rapidly to the point at which the equalization system in this country is being called into question. They have brought into question the ability of the national government to sustain the equalization system, which has been a basic characteristic of the Canadian confederation in recent years. When the hon. member addresses himself to the National Energy Program in the future, I would ask him to bear in mind that one of the fundamental reasons for the approach taken in that program is fairness, in the sense of enabling the national government to offer those essential services, with which he is fully familiar, for the benefit of all Canadians, and to increase the share of revenue flowing to the national government to meet the legitimate demands of the Canadian people.

• (2050)

**Mr. Blaine A. Thacker (Lethbridge-Foothills):** Mr. Speaker, I rise tonight to make a few points with respect to the borrowing authority legislation for 1981-82. Bill C-59 asks this House to give the government authority to borrow some \$14 billion. You will recall, sir, that in July, 1980, just some six months ago, Parliament passed, on division, a borrowing bill respecting some \$12 billion. So this Parliament is really being asked to approve \$26 billion by way of a blank cheque. I do not believe I have a mandate from my constituency to approve a blank cheque in the sum of \$26 billion. We need only look at the bill to realize the gravity of the situation. It authorizes the Minister of Finance (Mr. MacEachen) to borrow:

—in addition to the sums now remaining unborrowed . . . by the issue and sale or pledge of securities of Canada, in such form . . . at such rates of interest and on such other terms and conditions as the governor in council may approve . . . fourteen billion dollars—

The government's financial administration is so bad that it must add an extra clause to this bill which allows it to borrow this money in any currency other than that of Canada.

What an enormous crime this is against the citizens of this country! Historically, the role of Parliament has always been the elected people against the Crown—the government—insisting that the king and the government give details as to what the money is for. In ages past our predecessors were prepared to go to the block. They were prepared to lose their heads and hold back supply until they received a satisfactory answer as to how the money would be spent.

I am convinced that the massive deficit of our federal government is distorting our whole Canadian way of life. From my own background as a solicitor I know that it is poisoning the relationship between the people and their government.