

Employment Tax Credit Act

relationship of natural gas to oil. In preparing himself, the minister found it appropriate to start tossing punches left and right by in effect bringing forth a report that was intellectually dishonest. This was done by exercising the *force majeure* clause in the Syncrude contract and by recently publicly speculating on the possibility of a refinery tax on crude oil. I also understand that the Minister of Finance (Mr. MacEachen), that great wizard of economics or perhaps the great wizard of ooze or economic ooze, is planning another punch against western Canada, in particular Alberta, with regard to some possible changes to the Public Utilities Transfer Act. What a climate for negotiating an energy price agreement with western Canada!

As I said yesterday in talking about the economic leadership that is provided to the nation, I had referred to the filling of this vacuum which now exists on the other side, because the government of the day is not grappling with the real economic problems of this nation. I had stated that this gap was now being filled by some of the leaders of the provincial governments across this nation.

It was particularly profound that the four premiers of western Canada got together to attempt to lay a foundation of economic policy for this nation and refer it to the federal government. What was the second point that the premiers dwelt on? They stated that action is required to reduce Canada's reliance on foreign capital. Among steps required are a variety of tax measures which influence both the outflow of Canadian savings and the inflow of foreign savings. The federal government should examine such measures to increase the availability and effective mobilization of domestic savings for investment in Canada.

Indeed, they went on to say that incentives should be put in place to encourage Canadians and Canadian companies to buy equities in companies doing business in Canada and so ensure that the dividends and investments of these companies stay within Canada. The previous government of the Thirty-first Parliament was moving in that direction, a needed step.

Furthermore, the premiers went on to say that federal and provincial governments should give consideration to ongoing co-ordination of essential borrowing by governments and Crown corporations in international markets.

The last time that I looked at the extent of provincial borrowings outside the nation, which was several years ago, it exceeded \$7 billion. Some of us proposed, and I was among them, that some of the accumulation of funds if kept in Alberta in a fund called the heritage savings trust fund might be lent to the provinces, if they so requested, to pay off some of this debt. Since that time interest rates have skyrocketed.

What was said is that federal and provincial ministers of finance could, for example, meet annually to plan and co-ordinate foreign borrowing in the light of current economic circumstances and the need to reduce Canada's reliance on foreign capital. This is suggested leadership in dealing with the economic, financial and fiscal climate of this nation.

The premiers also noted that the recent major natural gas discoveries in Alberta and British Columbia could provide a means to increase Canada's exports, thereby improving the balance of payments and strengthening the dollar. Subject to firm assurances by the National Energy Board that long-term Canadian natural gas needs are protected, the premiers urged the federal government to consider approval of further natural gas exports. Such exports should be tied, if practical, to a commitment to build the Alaska natural gas pipeline.

Recently in this House we moved a motion under the provisions of Standing Order 43 to direct the National Energy Board to consider the gasification of coal as long-term reserves following behind the existing natural gas reserves of western Canada. Not only is that essential, it is practical, and it should be done because the natural hydrocarbon reserves of western Canada are indeed very large. The minister indicated that he was not going to consider the gasification of coal as a backup source of natural gas to the vast fields of natural gas now existing in western Canada.

The western premiers recognized that an essential part of developing a national economic strategy requires the federal government to reduce the size of its budgetary deficit, and ultimately to balance its budget over the economic cycle. What has the government done? The government has skyrocketed the deficit to \$14 billion in the current year. The premiers noted that it was important to distinguish between government spending on programs and services and government investment on capital projects which will enhance Canada's economic position, for example such things as port facilities, railway upgrading, hydroelectric and other energy projects.

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They went to say that while a reduction in the federal deficit would likely have some adverse short-term effects, they could be offset by undertaking certain large, viable capital projects. These projects would have the desired effect of increasing employment, which this bill is all about, in a period of slower economic growth and at the same time providing productive assets which will strengthen the Canadian economy in the 1980s.

The premiers also noted that an important step in resolving Canada's balance of payments problem is to be able to identify the source of the difficulty. In 1979, for example, there was a \$4.4 billion financial drain from Canada, the source and nature of which is not known, entered in the balance of payments tabulation as errors and omissions.

Mr. Deputy Speaker: Order, please. I have listened with a great deal of interest to the hon. member, but the bill before us relates to an employment tax credit. With all due respect, I think the hon. member has strayed a bit from the central point of the bill. Can he return to the subject?

Mr. Yurko: Perhaps I will, Mr. Speaker. Perhaps I will come to the point of incentives for continued expansion of the housing stock, which is vitally important in western Canada