

*The Budget—Mr. Trudeau*

Mr. Speaker, even though the economic uncertainty is extremely serious, the Canadians seem to be deeply aware of the strength and good fortune of Canada: they are confident that by working together at home and in co-operation with other nations, they will finally succeed in solving the world problem with which they are now grappling.

On this side of the House, I admit it willingly, we are disappointed to see how weak an influence governments can exert on the problem that exists on a world-wide scale. But that feeling of frustration has reinforced, and not weakened, the will of this government to act vigorously everytime it can hope, ever so slightly to succeed, even partially, in the common fight against the plague of inflation.

[English]

Despite our frustration, Mr. Speaker, this government has been, and will continue to be, a government committed to strong and effective action to protect the individual in his personal fight against inflation and to protect the country by maintaining a high level of economic activity.

**Some hon. Members:** Hear, hear!

**Mr. Trudeau:** While we have refused to put on the economic strait-jacket which the Conservative Party tried unsuccessfully to sell to the Canadian people, we are continuing to wage war against inflation on several fronts. The budget we are debating is proof of our resolve. Because shortages often drive up prices, create hardship and slow down economic activity, we are giving high priority to measures designed to stimulate the production of a greater supply of the things we need, especially food, energy and housing. Through the two-price wheat system and the federal-provincial energy agreement we are protecting Canadian consumers against the worst effects of high world prices for two vital commodities while at the same time guaranteeing a fair return to Canadian producers.

It was with reference to the oil pricing agreement of March 27 that the Leader of the Opposition (Mr. Stanfield), in his speech a week ago, most clearly revealed the policy vacuum within his own party. To set the stage, let us go back in time to the spring of this year, to the discussions which resulted in the agreement to set \$6.50 as the fair domestic price for a barrel of oil. Consider the political problem which confronted the Leader of the Opposition at that time. He could not at one and the same time support the Conservative premier of Alberta who would have liked a higher price, and the Conservative premier of Ontario who would have liked a lower price. Still less could he support the federal compromise of \$6.50 because, in the rather antiquated political philosophy of the Conservative Party, that would be the most serious crime imaginable—admitting that a Liberal government of Canada had accomplished something worth while for the people of Canada. What could he do? He had to say something lest the Conservative Party should appear to be an irrelevant observer in a matter of critical importance to the country.

● (1610)

The Leader of the Opposition found his answer in a kind of rhetorical camouflage which allowed him to endorse all the motherhood principles involved, which allowed him to avoid either agreeing or disagreeing with any of the parties to the discussion and allowed him, most importantly, to avoid taking any position whatsoever on the most crucial question at issue, that is, whether \$6.50 was a fair price. Yes, he was in favour of a fair return to the producer, and he was even in favour of a fair return to the consumer. Yes, he was in favour of a domestic price lower than the world price. But what about the guts of the issue: was he in favour of \$6.50 as a fair price, a reasonable compromise between the competing interests of producer and consumer? His answer was a revealing silence, a pervasive silence which continues to this very moment.

There was a time, Mr. Speaker, when political games of that nature—creating the appearance of a policy to mask the fact that a party does not want to take a stand—and that kind of tactic could have fooled a large part of the electorate. The difficulty for the Conservatives is that the Canadian electorate has become too well informed, too sophisticated to be fooled by the old tried and true Tory strategy. I would have thought they had learned that lesson in July, but they have not.

The proof can be found in the address delivered in this chamber last Wednesday by the Leader of the Opposition. In only one part of his speech could I find any reasonable attack. He pointed out, rightly, that some months ago I had cited the Carter commission as supporting the government's view on disallowing provincial royalties as an expense for federal tax purposes. I have learned that I was misinformed at the time and I agree with the hon. gentleman opposite that the record should be corrected. I know that the Leader of the Opposition, in similar circumstances, would be equally willing to admit a mistake, just as I know he would be as surprised as I was to hear a human error described as a dishonest act. In his speech he also used words like "bad faith" and "treachery"—headline grabbers which deflected attention from the fact that he took no position whatsoever on the issue he was purporting to discuss.

The issue, Mr. Speaker, is the entitlement of the federal government, the producing provinces and the producing companies to fair shares of resource production profits, shares consistent with the rights, needs and responsibilities of each. The question before us is whether the provision in the budget which disallows provincial royalties as deductible expenses in the computation of federal corporate income tax is a reasonable and necessary step toward re-establishment of an equitable pattern of revenue sharing. We believe it is. Some provincial spokesmen believe it is not. Premier Blakeney even stated to the Canadian Press a couple of days ago: "Since resources are constitutionally a provincial area, they are owned by the provinces. As a matter of principle the provinces should get everything over and above a fair return to the corporations". That is what Premier Blakeney believes.

What does the Leader of the Opposition believe? We do not know. We cannot know. Only he knows, and he's not telling. Through the stratagem of harsh accusations he has avoided giving any answer to the critical questions at