

Income Tax

Mr. Nystrom: Mr. Speaker, I am very happy to have a fan such as the hon. member for Nipissing. I have not spoken on Syncrude before. I was about to deal with royalties, and the hon. member anticipated what I would say. I am amazed he has memorized a speech which I made in the House on November 22 or 23. I hesitate to say I did not intend to speak very much on the non-deductibility matter because the hon. member for Regina-Lake Centre (Mr. Benjamin) has already outlined our party's position on it. I know that comes as a great disappointment to the hon. member for Nipissing, who is most anxious to hear me. I just want to say that I agree wholeheartedly with the remarks made to the House by the hon. member for Regina-Lake Centre. I will not repeat those remarks. They outlined the position of our party, the Government of Saskatchewan and all Canadians regardless of their political points of view. This is essentially a non-political issue which cuts across party lines.

The people of Saskatchewan believe that under the constitution they are to develop the resources in that province as fully as possible. The citizens of the province—and I know people in other provinces feel the same way—are very resentful when a corporation such as Exxon is able to deduct a royalty paid to the CPR, the Hudson's Bay Company, the government of Guatemala or any other foreign government but they cannot deduct a royalty paid to the people of Saskatchewan. What kind of a federal arrangement is that? The Minister of Justice (Mr. Lang) claimed in the House today that he is not a friend of the CPR. He is a much closer friend of the CPR and the Hudson's Bay Company than the province of Saskatchewan, if he allows them these privileges and not our province. Perhaps this issue, more than any other, outlines the reasons our party and many other people across this country are concerned about the bill before us and the federal budget presented by the Minister of Finance.

I am sure Premier Robert Bourassa and his colleagues in the Quebec government will be as much opposed to this proviso as we in the western provinces. Quebec has many resources which they want to develop. They will not be able to develop them if the federal government infringes upon the taxing of those resources where the provinces should be taxing in the first place. Eric Kierans, a former member of the federal Liberal cabinet and the provincial cabinet of Quebec, stated that if this bill goes through unamended the premiers of the provinces will be basically relegated to glorified mayors. He said that when he meets Mr. Bourassa or Mr. Davis, he will say, "Hello, Your Workship, how are you doing?" That is the role to which the premiers will be relegated. I hope that the Liberal backbenchers from Quebec will show enough intestinal fortitude to rise in this House and say they have the same thoughts as their provincial colleagues in this regard.

The budget contains many other inadequacies. I mentioned most of them when I spoke in November. However, the economic situation in this country is worse now than it was last November. All hon. members know that. We need only look around the world to see the tremendous discrepancies that exist in balance of payments. Britain, France and Japan are billions and billions of dollars in debt. A few of the oil states have a surplus from the last

[Mr. Deputy Speaker.]

year and a half of some \$50 billion to \$60 billion. There are great imbalances in the world.

The unemployment rate in the United States, which I referred to earlier, is skyrocketing. The rate of inflation in the United States is increasing very rapidly. Most economists in that country say the situation will not get better, but worse. When that happens, the situation will get worse in Canada. We are nothing more than a branch plant economy, and when the trunk of the tree dies, the branches fall off. As long as we do not control our own economy we will not be able to insulate or isolate ourselves in any way from what is happening in the United States. That is why this government must become serious in its budgets from now on with regard to gaining economic control over this country. We must take over control of the financial institutions, control our interest rates and direct our investments and capital.

We must own and control the resources of this country in co-operation with the provinces. If we do not do all these things we will be only a little island floating in the sea, responding to whatever waves come from the United States, Japan or Europe. That is why in the next few months, if the government is serious with regard to doing something about inflation, it must create jobs in this country. There is no reason why there should not be an additional tax cut for those in the middle and low income brackets. Hundreds of millions of dollars should be poured into job-creating programs. We should be refining and processing more of the resources which we have in this country, rather than exporting them in their raw form to other countries.

These are not radical or socialist ideas which I am presenting. These are things which the United States did years ago when they gained control of their economy. These are things the Japanese did after World War II. They are things which every rational and sensible country in the western world did years and years ago. The time has come for this government and this House to become serious about developing Canada for Canadians of today and Canadians of tomorrow.

We are moving into a new world. We will be moving into a world of scarcity of food and many other commodities. If we do not control the economic rivers in this country, Canadians will be left in the back seat without much influence over our destiny. Generations which come after us will wonder why this generation let them down. That is why I am participating again in this debate and why I am asking this government to make some serious moves and take a new direction with regard to our resources, the economy, unemployment and the development of our nation for the future.

If this government will not do that, I can assure them that in future elections the Canadian people, particularly the young people of this country, will move en masse for changes in order that we will be masters in our own house, able to make our own decisions and reap for the Canadian people, and not foreign-based, multinational corporations, the profits from and benefits of our resources.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, as I have indicated to the Chair, at the end of my very brief talk—and I trust it will not be longer than ten