

*Income Tax Act*

goes for a ride with the Minister of Transport he had better make sure he has enough money to get back to Ottawa or he will find himself like a certain nanny—he will only get halfway home.

**Some hon. Members:** Oh, oh!

**Mr. Towers:** I hope I am clear in what I am saying to the minister. One of his first remarks was to the effect that he was not clear about what we were saying.

One of the reasons I am here tonight is to make it clear that we who live in Alberta expect to be treated like residents of any other province but, no matter how you cut the cake, there is no way the government can say that Albertans have been so treated. The hon. gentleman told us that the minister of finance from Alberta did not say anything when the original proposal was made, rightly so. The minute the Minister of Finance (Mr. Chrétien) changed the rules of the game, Alberta wanted to be considered. It is my contention that Alberta has the right to be considered and, until a better argument is produced, we will retain that view in the province.

I wish the Minister of Transport would do something well. He is trying to do so many things that he is not doing anything right. If he wants to be minister in charge of the Wheat Board, that is fine and dandy, but let him do his job well. If he wants to be Minister of Transport, that is fine and dandy too, but let him do the job well. Tonight he is here trying to save the skins of the Minister of Industry, Trade and Commerce (Mr. Horner) in Alberta and the Minister of Finance, and there is no way he can do that job well. He is not going to save the reputation of either of those ministers.

We have to recognize that Canada is a family and that every member of the family has a right to be considered. Even though, perhaps, Dame Fortune has smiled upon us in Alberta, we want to be considered as a member of the family and as part of the Dominion of Canada. The insolence and the arrogance of the government will certainly not encourage Canadians to stay together. We have to realize that the federal government is responsible for about 40 per cent of all government spending and collects some 49 per cent of all taxes. We in Alberta contribute to that tax revenue. We recognize that this is part of the process which makes the constitution work. When we in Alberta expressed willingness to stand aside while the federal government tried to implement a six months' reduction in sales taxes, it was because we thought that at the expiration of the six-month period there would be a return to the same arrangement as before. We were willing to stand aside while this was happening, although we realized what the Minister of Finance was up to: he thought there would be a federal election and the extra spending which might take place in that period would make the economy buoyant enough to increase the probability of the Liberals being elected again—perish the thought.

Canada has never been so divided as now. The economy is in worse shape than ever. This is the first time we have been obliged to resort to borrowing to pay our interest charges. If we carry on with a \$10 billion deficit year after year, bank-

[Mr. Towers.]

ruptcy is inevitable. The minister planned this tax reduction for a period of just six months. What was going to happen after the six months were up? Canadians are clever people. They will simply step up their spending and do their buying in the six months but, after that period is over business and industry will experience harder times than before. There was only one reason in the mind of the government for doing things that way: it was to try to get beyond the election. If the Gallup poll had not turned out as it did, there is no doubt we would now be in the middle of an election campaign.

The Minister of Finance has entered into a new arrangement whereby the provinces are being involved in the preparation of the federal budget. I think this is a dangerous course, however good the idea may be. If sales taxes can be cut, fine and dandy. But ministers on the opposite side had better not be in a hurry when contemplating such a course. They should not rely upon telephone conversations on the afternoon of the day on which the budget is to be presented.

I think it is dangerous for any federal government to become involved in provincial taxation. It is not a requirement of confederation and there are other means by which the federal government can intervene in the taxation field.

One of the best ways of stimulating the economy would be to reduce the building tax. If ministers opposite want to speed up development in this country, let them cut out the building tax which has nothing to do with the provinces. Why do they not cut out the manufacturing tax if they want the economy to become more buoyant? Why do they not remove the 10 cents excise tax on gasoline? This is a tax I thought should never have been imposed. We have been asking successive ministers of finance to drop that tax because it is recognized that it costs 1 per cent to collect it in the first place. Retailers and users, whether they be truck drivers or farmers, have to pay an extra cost. It costs the government 1 per cent for collection, so it is nonsensical for the government to be involved in this kind of taxation. I do not understand it. It just does not make sense.

● (2112)

The Minister of Finance says the reason Alberta was left out of this tax scheme was that it receives benefits other provinces do not. I challenge that statement because I believe the benefits which accrue to Alberta in the form of incentives for the oil industry also accrue to all Canadians. All Canadians will have cheaper oil as a result. The figure runs into the billions of dollars. My friend and colleague, the hon. member for Vegreville (Mr. Mazankowski), said the other day that over \$10 billion has accrued to the economy of Canada because we have enjoyed oil at prices lower than the world price. If this is not a significant contribution from one province, I do not know what is.

The minister says that is to our benefit so we get nothing else, but I do not think he is being fair or just. He certainly is causing a great deal of ill will in Alberta. We are getting certain benefits, but let me impress upon the minister that