

Income Tax

price. What the government must do is institute large-scale land assembly programs to bring the development of land into the public sector. But this would go against the government's dogmatic belief regarding the primacy of the private sector. Never mind the \$500 grants to first-time home buyers and the provision allowing \$1,000 a year, up to ten years, to be deductible: both measures are an insult to the average working Canadian. We must not let the power of the private sector vanish.

So far as saving \$1,000 a year is concerned, for most Canadians with young families this is an impossibility. This is all too evident in the measures to reduce personal income taxes. Individuals who needed some tax breaks more than ever got a "whopping" 97 cents a week taken off their taxes! It is all too clear where the minister's priorities lie. Not with the average working Canadian who has lost nearly \$6 a week in real wages so far as his purchasing power is concerned.

The minister's priorities lie with the wealthy of our nation, the ones whom we have entrusted with the well-being of our nation. Yet, as I said earlier, this theory has been tried before and has failed horribly in many cases. The minister fails to see that the free market economy no longer exists in this latter part of the twentieth century except perhaps for the small businessman and the corner grocer. The United States is painfully realizing this situation now. Why must we follow through with their mistakes, mistakes that they have perpetually made over the years?

The question of resource taxation exemplifies the government's thinking in today's economy. The proposals which the government included in this bill regarding resource taxation seem to me to be the surest way of producing disunity and undermining the authority of the central government. I do not for one minute argue the fact that the new resource wealth had to be dealt with in a fair manner, but the minister, without apparent consultation or considering compensation, moved directly into provincial jurisdiction in making royalty payments non-deductible. As Walter Stewart painted out in a recent article:

This action was not taken in line with the federal government's national energy policy, because there is none; it was a simple naked exercise of power!

As has been pointed out by some of my colleagues, Alberta and Saskatchewan last year sacrificed millions of dollars—all in the national interest—by accepting a lower Canadian price for oil than the market situation would have permitted. Now, in a callous and unnerving way, the federal government has taken from the provinces a right which they have had for years. Supposedly, the justification for non-deductibility is that it was necessary for the federal government to protect a source of federal funds. In this context, it might be worth while recalling that for years the federal government thought so little of the revenue to be derived from the resource sector that it made a permanent series of tax concessions to the oil companies. These included depletion allowances, three-year mining tax holidays, exploration and development write-offs, and accelerated depreciation. Yet many of these concessions are available today.

Why on earth does the government attack the provinces now that resources can provide huge sums of money? It

[Mr. Blackburn.]

appears as though the finance minister treats royalties like income tax. If the finance minister wishes to fatten up federal coffers, why does he not levy proper taxes on the corporations? We in our party have stressed this for years. As late as 1973, only a handful of petroleum companies were paying any corporate tax. Deferring taxes has become an acceptable practice among accountants of the oil companies. Had the government taxed these corporations as it should have, the people of Canada would have received well over half a billion dollars until the end of last year.

If the finance minister is serious about protecting a source of federal funds, why does he not attempt to collect these deferred taxes? Why create resentment in the provinces? I suspect the answer lies in "the primacy of the private sector." How else can we explain the government's intentions in lowering the tax rate on petroleum products from 30 per cent in 1974 to 28 per cent in 1975 and 25 per cent in 1976? And why, when we examine the profits of Exxon, Texaco and B.P., is the government hell-bent on providing a 100 per cent write-off of exploration expenses? Again, the private sector reigns supreme in Canada today.

The companies "supertax" campaign of a short time ago was worth every million that was invested in it. As I said earlier, if the federal government wants extra revenue from the resource companies, let them go after the half billion dollars that is owing the federal treasury; in other words, owing the Canadian taxpayers. Why create another constitutional crisis? Surely Canadians have come to realize that it is time to repeal the unnecessary tax concessions we have granted these companies.

We have been at the mercy of the oil companies for too long in this country. It was not coincidental that at a time when these multinationals were eager to export oil to the United States we had over 900 years of potential reserves. Then in only 3½ years, suddenly—when the intention is made clear that Canada will slowly, ever so slowly, phase out exports—we find that our reserves will only last us another eight years. It is rather interesting. It certainly gave them a great excuse to extract all the crude they could out of Canada and export it to the United States, lulling us into the belief that we had in this country virtually unlimited crude reserves. That is something that the oil companies themselves must answer for, but I doubt that they will.

To all intents and purposes the oil companies have been dictating to us for far too long. We saw an example of this in the last week or ten days when the government caved in to the blackmail of the oil companies. The multinationals spent millions of dollars preparing themselves for this blackmail which was handed to the government last week.

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For years these oil giants have misled Canadians into thinking that funds from taxpayers' pockets were needed for the good of Canada. What absolute rubbish! These major corporations, most of whom are controlled from outside this country, have, with the acquiescence of Conservative and Liberal governments, consolidated their hold on Canada's resources, deriving for themselves the benefits which by right should belong to the people of Canada. The time has come, Mr. Speaker, to bring to an