

Finance

Mr. Knowles: That is just in the Saskatchewan case.

Mr. Pickersgill: Yes, the C.P.R. is not in northern Manitoba at all.

Clause agreed to

Clauses 2 to 9 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Rinfret): When shall the said bill be read the third time?

Mr. Knowles: By leave, now.

Mr. Pickersgill: Perhaps, Mr. Speaker, I might be allowed to express my appreciation to the house for its co-operation in this matter.

Mr. Pickersgill moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

• (5:20 p.m.)

FINANCE**PROVISION FOR PAYMENT TO PROVINCES OF CERTAIN CORPORATION INCOME TAX**

Hon. Mitchell Sharp (Minister of Finance) moved the second reading of Bill No. C-211, to authorize the Minister of Finance to transfer to the provinces the proportions of the income tax payable by certain public utility companies.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have read the speech of the Minister of Finance (Mr. Sharp) at the resolution stage of this bill and I must confess I do not find any very compelling argument in it to support the policy the government is pursuing beyond the argument perhaps that they have succumbed again to having their arms twisted by powerful provincial governments. So far as I know, in my own province of British Columbia there is only one sizeable privately owned electric power installation, the West Kootenay Light and Power Company. It is a subsidiary of the Consolidated Mining and Smelting Company which in turn is a subsidiary of the Canadian Pacific Railway Company, not an organization which one would have thought would require any particular financial help at this stage in the game.

[Mr. Pickersgill.]

Gas is another question and I think it is the reason this whole thing is so serious. I do not think there is much doubt that those provinces which have not yet advanced so far in the field of public ownership and operation of electrical power generation and utilization, having regard to other provinces in Canada, will eventually follow suit with the other provinces and that therefore the question of the application of this act to electric power companies probably will become an academic one. But it is not academic in the case of gas producing industries, virtually all of which I believe are still under private ownership.

After almost 20 years in which the rebate has stood at 50 per cent—it was brought about, as the minister pointed out the other day, as part of the dominion-provincial tax rental agreements and was opposed, I may say, by many in the provincial legislatures at that time—I am at a loss to understand why it now is being increased to 95 per cent. According to the minister, the argument that was put up to the federal government by the provincial governments was that private enterprise was being left at a disadvantage vis-à-vis public enterprise. I should like to point out to you, sir, as I said, that I think in all the provinces all the way from my province to the province of Quebec the generation and distribution of electric power is in public hands and therefore the question of private enterprise being placed at a disadvantage is largely academic. On the other hand, gas companies almost all are privately owned, with unfortunately very little public ownership in that field.

The suggestion which apparently was made by some of the provincial governments that this worked a hardship not only on the privately owned utilities themselves but also on their customers would have more force if there was some provision in this legislation to make sure that the customers would benefit. It would appear that the federal government is going to remit this money to the provincial governments and that is all, and we do not know what will happen to it after that. The provincial governments may remit it in whole or in part to those particular companies whose taxes have been remitted. It may perhaps take some measure to see that the customers benefit from this but there is no provision for that in this particular measure.

Without being unduly cynical I would suggest it is rather a broken reed to lean on if we imagine the provincial governments will have very much concern about the welfare of the customers. I have in mind again my own