

Economic Policies and Unemployment

Mr. Deputy Speaker: Is there unanimous consent to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Woolliams: Thank you, Mr. Speaker. I will try to be brief, but I should like to read what the minister said at page 26:

In particular, I cannot see that it would legislate—

The word "it" means the Canadian government.

—a tax climate in which the Canadian petroleum industry would be put at any significantly increased disadvantage compared with the industry in the U.S.

I asked the Minister of Energy, Mines and Resources (Mr. Greene) about this, and he admits that he made that statement. He admits that we should only compete in the petroleum industry or in the manufacturing industry if our industries are in a comparable competitive state with that of the tax structure of the United States. I had the pleasure and privilege of cross-examining Mr. Bryce and Mr. Brown who appeared as officials before the Finance Committee two weeks ago last Thursday. Mr. Bryce admitted, whether the minister likes it or not, that if the white paper goes through in the manner of the recommendations contained therein—that is why it is called the Benson iceberg, because only 10 per cent shows above the surface—we will have the highest capital gains tax of any western nation. Read the cross-examination. Don't deny it until you have read it—I say that through you, Mr. Speaker.

Mr. Paproski: Shame.

Mr. Woolliams: Mr. Bryce said that he drew up that document and handed it to the minister. I ask hon. members to read the cross-examination. If there is any question, the minister should rise on a question of privilege. I asked, "Would our capital gains tax be higher under the white paper than the United States and Great Britain, taking everything else into consideration?" The answer was, "Yes". Now we have the Minister of Energy, Mines and Resources going to the United States and telling them these things in an official manner. Ministers cannot speak for themselves; when they open their mouths they are speaking for the Canadian government and Canada as a whole.

Some hon. Members: Hear, hear!

[Mr. Deputy Speaker.]

Mr. Woolliams: That has always been the case. But we have the minister going down to the United States saying, "I do not think my government will bring in a system of taxation that will not put Canada in the same competitive position as the United States." Yet under certain circumstances the first year in capital gains tax, Mr. Bryce said, can be as high as 80 per cent, as high as 50 per cent thereafter, and in a widely-held corporation as high as 25 per cent, which he said would be higher than the capital gains tax in the United States and Great Britain.

On top of that, Mr. Bryce admitted that we are in a different position. In order to develop the extractive industry of Canada we are an importer of capital. They are basically exporters of capital, and therefore we are putting ourselves under the law as far as I am concerned. But today the Minister of Finance (Mr. Benson) was asked, "Will you make any changes in the white paper in this regard?" and he replied, "Oh, no." The Minister of Finance is not only trying to pilot the white paper through committee and the House of Commons, but he is piloting it through the country. The white paper is the document of the Minister of Finance. The Minister of Energy, Mines and Resources, knowing full well that we need the capital to develop our resources and get full employment, when he told the United States that we would be in a competitive position was merely whistling Dixie while the Minister of Finance was ramming through the white paper.

Then the Minister of Energy, Mines and Resources goes on to say at page 27:

I feel very certain that if, in America, some 70 per cent of your petroleum industry and some 60 per cent of your natural resources, and some 50 per cent of your manufacturing industry was owned by non-Americans, you would share an equal concern.

Certainly we are all concerned about Canadians owning their own resources. But surely, Mr. Speaker, in a nation like this no government can fly in the face of the fact that if we are to encourage Canadian investment we must have a lower tax system than that of the United States, Great Britain, Japan and West Germany, to be able to leave pools of capital in the hands of those people who have the know-how of investment and the know-how of industry.

• (3:10 p.m.)

The minister read us the sort of simple little lecture on economics that we heard in university. But it was a lecture written by

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