

the federal government not be involved in the funding of those programs? Why should the federal government not be concerned about the level of manpower training in the 1980s, the 1990s and in the year 2000? There is no reason for calling it an elitist program. The federal government should continue, and must continue, to be concerned about the level of funding for secondary education—there is nothing elitist about that. That is fundamental to the growth of a democratic society. We will have a poorer country if we take to university bashing, health care bashing or hospital and library bashing. Failure to provide for very basic and essential services, for artistic funding, and so on, will only serve to create a poorer country. We will have a country which lacks the level of services it deserves to have.

I suggest the answer, Mr. Speaker, is to go back to certain basic principles of co-operative federalism and the basic principles of the co-operative commonwealth. We must attempt to create an economy which reflects the regional reality of our country. We need an economy which reflects the need of the provinces for an assured income, a steady income. We must have programs which they can develop in their own way to reflect the needs of their communities—programs not imposed by people from the outside. But to guarantee that kind of system we will also need a federal government which has the ability to lead and the ability to co-ordinate and redistribute. There are new ways of doing this, they do not have to be the old ways. Even the Leader of the Opposition (Mr. Clark) has recognized that we must have this. The method does not simply have to be in the form of straight taxation followed by distribution. There are various ways of doing it among the provinces.

Mr. Speaker, the reason we are so concerned about getting this issue to committee is because this is precisely the kind of debate we should be having in committee. We should be looking very seriously at the challenges, not the problems. We talk too much of problems and of the insoluble difficulties which we face. We must look at the challenges which face us because we live in a country which is diverse and rich. Yet it is a country which needs to do so much more to provide for the needs, desires and the wishes of all its people.

**Some hon. Members:** Hear, hear!

**Mr. Harvie Andre (Calgary Centre):** Mr. Speaker, before I get into the main part of my remarks I would like to comment on some of the points raised by the hon. member for Broadview-Greenwood (Mr. Rae).

I am sure he inadvertently stated that the Public Utilities Income Tax Transfer Act was, in effect, an equalization payment from the federal government to provinces which happen to have private utilities. He cited the figures and indicated that the amount of money involved for Alberta is \$50 million, for Newfoundland \$7 million and for Ontario \$15 million. I am sure he would not want to mislead the House with an indication that this is some sort of subsidy for the taxpayers of Canada because the Public Utilities Income Tax

#### *Fiscal Transfers to Provinces*

Transfer Act simply rebates to the provinces corporate taxes collected from private utilities. All it does is put the consumers, if you will, the provinces which have privately-owned utilities, on the same basis as those provinces which have publicly-owned utilities.

Socialists believe that socialized public ownership is somehow superior to private ownership. I take no offence to them believing that. Where they find the economics to support that belief is beyond me.

**Mr. Evans:** Alberta owns some companies. Public ownership is not good on one side and bad on the other.

**Mr. Andre:** The Parliamentary Secretary to the Minister of Finance (Mr. Evans) is interrupting with some inanities which have nothing to do with the subject at hand.

**Mr. Evans:** Public versus private ownership.

**Mr. Andre:** In Canada the bulk of our utilities, certainly electricity, are publicly owned by the provinces. For example, there is Ontario Hydro, which we in Alberta like to think of as the Ontario heritage fund. It is about equal to the value of the fund, as a matter of fact.

**Mr. Rae:** I do not think of it that way.

**Mr. Andre:** Obviously not. There is also Quebec Hydro which could also be equated to a heritage fund, if you will. It is approximately of the same magnitude.

Clearly, one of the principles of taxation should be that it is fundamentally equal and fair in its application, that is, that a person of similar circumstances in one part of Canada should not be taxed more heavily than a person of the same circumstance in another part of Canada with regard to the federal government. I am sure everybody in this House accepts that fundamental principle. If you are a farmer living in southern Alberta your power is supplied to you by Calgary Power. Calgary Power is a privately-owned, widely held Canadian-owned utility. It is not foreign owned, it is Canadian. It is an efficient and well-managed company. For example, if you lived in Irricana, Alberta, your hydro bill might have been, as this typical bill I have in my hand shows, for the month of September, 1979, \$81.37, less a \$15.05 income tax rebate for a net cost of \$66.32. This puts you on an equal basis with a farmer in Ontario and Quebec who receives power from the provincially-owned utilities. Of course, these utilities, such as Ontario Hydro and Quebec Hydro, and the other public utilities, do not pay income taxes. So all PUITTA did in 1966 was restore into our income tax system that sense of equity and fairness which everybody, socialists included, would favour.

What is so offensive about this cancellation of the Public Utilities Income Tax Transfer Act—

**An hon. Member:** Not a cancellation, a reduction.

**Mr. Andre:** That is right, it is not a cancellation it is a reduction. The original intent was to eliminate it altogether,