

The Budget—Mr. Broadbent

would like to say, but let me make this point. The world is in a difficult state. One need only travel outside Canada, outside the scope of government publications, to know that there is a great deal of pessimism abroad in the world today and much of it is justified. No matter what we do in the country, even if we give the government credit for doing the things we would like to see done, we are not immune from the difficulties that will wash over Canada. We will have to deal together, the people, the government of Canada and the provinces, in good faith, honesty and forthrightness if we are to come anywhere close to surmounting these problems.

I suggest to the government that in view of its record of deceit and dissimulation it should withdraw that part of the budget relative to taxation. The government should not withdraw these provisions completely but should put them to one side, do what the Postmaster General (Mr. Mackasey) used to say and what the Minister of Labour (Mr. Munro) says, namely, go back to the bargaining table. That is the place where this issue should be settled between the provincial premiers, the Prime Minister and the federal ministers. I suggest that this can be done in spite of what has happened. It is not too late yet. I would suggest to the government that if they want this country to rise above the sea of troubles that will confront us, they should embark now on a program of frankness and honesty. They should deal in good faith with the provincial governments, otherwise I am afraid we will be in serious trouble.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, at the outset, because the Prime Minister (Mr. Trudeau) spent so much time on the Liberal Party's oil policy, as he described it, generated as he said by the Liberal backbenchers, I would like to make a very brief comment on the origin of that so-called Liberal oil policy. First of all I want to say that in so far as the Liberal government has a policy that is in any way substantial or worth while, it is entirely the product of negotiations that took place between the NDP and the Liberal Party last December.

Some hon. Members: Oh, oh!

Mr. Broadbent: I hear howls from the backbenchers. Let me document this.

Some hon. Members: Oh, oh!

Mr. Broadbent: May I have the attention of members, please? We listened to the Prime Minister for a considerable length of time.

Some hon. Members: Oh, oh!

Mr. Broadbent: Can I have the attention of the House, Madam Speaker?

The Acting Speaker (Mrs. Morin): Order, please. The hon. member for Oshawa-Whitby (Mr. Broadbent) has the floor. The Chair would appreciate it if he could enjoy perfect silence.

Mr. Broadbent: Briefly stated, there are four essential aspects of that policy. There is a uniform national price for

[Mr. Baldwin.]

oil which the Liberals had rejected until last December. There is the export tax that they mysteriously accepted last December and which during the previous nine months or so was denounced around the country by the Minister of Finance (Mr. Turner) and the Minister of Energy, Mines and Resources (Mr. Macdonald). There is the acceptance of the need for a national pipeline, which the Liberal Party had denounced for many months in 1973. Finally, there is the establishment of a national petroleum corporation. These were the four points which were dismissed out of hand by that wonderful, smug cabinet and by a set of backbenchers who were so laudatory in their support of the policy enunciated here today. All those points were proposed, argued for and forced upon a reluctant minority government by the NDP.

Some hon. Members: Hear, hear!

Mr. Broadbent: Apparently the Prime Minister has trouble reading even the daily newspapers, but he quoted from today's *Ottawa Citizen*. He attributed to Premier Blakeney of Saskatchewan a view and a policy that is entirely incorrect, and all the Liberals cheered. This part he attributed accurately, and I will read it:

● (1800)

... as a matter of principle the provinces should get everything over and above a fair return for the corporations.

This is with reference to the corporations operating in the provinces in the resource field. The implication the Prime Minister left with this House and country was that Mr. Blakeney was saying that the federal government should have no access to the corporate taxes of those corporations.

Some hon. Members: No.

Mr. Broadbent: It is a clear implication. The Prime Minister did not quote further, as he should have if he had wanted to be fair to Premier Blakeney. I will get to some of the serious omissions in the correspondence to which the Prime Minister referred. I will not quote what Premier Blakeney said at length, but would refer hon. members to page 9 of the *Ottawa Citizen*. The Premier of Saskatchewan makes it clear that the federal government is entitled to and should have tax benefits from profit derived by corporations operating at the provincial level. That is surely a totally supportable position. It is one which the Premier of Saskatchewan has taken for some time, but this afternoon the Prime Minister deliberately distorted it beyond recognition.

I want to say, Madam Speaker, that as a thoroughly committed federalist I was dismayed, as were my colleagues, to see a provision in last May's budget which prohibited corporations from deducting provincial royalties from federal taxes. Such provision strikes at one of the basic roots of Canadian federalism. As a constitutional expert, the Prime Minister knows very well, and the New Democratic Party agrees, that in Canada we need a strong federal government to deal with many of the problems which are national in scope. That is beyond argument. The Prime Minister also knows that the surest way to produce disunity and undermine the authority of the central gov-