

because the government is at no risk. It has not invested anything except man hours so why should it make more money than the entrepreneur? What we have is a disincentive because of overtaxation.

There is a final aspect of this situation that bothers me, Mr. Speaker. The government ought to know by now that the taxpayer's willingness to pay is directly related to the way the money is spent. If he is called upon to be prudent in handling his resources then he feels he can call upon the government to be prudent as well. When he sees a budget of \$60 billion this year, a deficit of something like \$16 billion and interest on the deficit amounting to about \$1 billion, he feels justified in asking whether the government is prudent in the way it is using that money. The taxpayer cannot look kindly on a government that is guilty of such extravagance; he wants a return on investment.

This budget does not solve the country's problems, Mr. Speaker. It is a budget which attacks the consumer, a budget which calls on the consumer to pay. It is an attack on the reinvestment possibilities for companies, which in turn means a reduction in job opportunities. It will be seen as an attack on the rights of citizens to save for themselves, to invest for themselves and to plan for their own future rather than having the government do it for them.

Some hon. Members: Hear, hear!

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, it is indeed an honour for me to take part in such an important debate.

As I was listening to the Minister of Finance (Mr. MacEachen) deliver the budget speech on Tuesday, I was reminded of how fortunate Canadians were to live in a country endowed with so many human and natural resources. Throughout our history, Canada has managed to respond and adapt to world-wide economic and political developments like no other industrialized nation in the world.

Developments such as the world oil crisis which have severely handicapped some of our closest allies, have only inflicted a minor wound on our economic performance. Canadians today are fortunate to have before them a budget which does not in any way severely affect their lifestyles, such as would have been the case with the ill-fated Tory budget of 1979. Over the next few years Canadians will have to make only modest sacrifices in the way of higher domestic oil prices. When one considers the price of oil in the United States, and especially in the western European countries, these sacrifices will appear insignificant.

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What we have before us tonight is a very sound and realistic budget which will provide us with the right ammunition to deal with our economic problems in the short term and, at the same time, provide us with some of the key policy objectives for the complete implementation of our national energy program in the longer term. The budget in itself is non-discriminatory and very selective. What we are attempting to do is to concentrate

on those sectors and industries which, on the one hand, can best support tax increases and which, on the other, can be the most equitably taxed to benefit all Canadians. These are the industries and resources which for the moment, and in the foreseeable future, figure more prominently both internationally and domestically, and also assume socioeconomic proportions of national significance.

We are not, as some members opposite have accused us of doing, picking on certain provinces or on certain industries and resources. If today we are taking steps to collect more revenues from oil and natural gas production, it is not because we want to fill up our coffers at the expense of certain provincial governments. It is because we, as a national government, must participate more actively in developing and protecting these valuable instruments of national growth and progress.

The opposition has argued many times that, regardless of their value in the world markets, oil and gas resources should be treated no differently than any other resource; that they are provincial property and should be treated as such, in much the same way, for instance, as is potash, iron ore, or hydroelectric power. Our government respects the provinces' rights to levy direct taxes and collect royalties on natural resources found within their borders. In fact, we offered the provinces the right to levy indirect taxes on resource production, as well as the right to engage in interprovincial trade. However, we must, as a federal government, resort to the use of our own powers by way of indirect taxation to carry out our national responsibilities.

By imposing a tax on natural gas, applicable to Canadian consumers and foreign customers alike, we are not in any way intruding into provincial jurisdiction. Our taking action in this field is completely within the established constitutional powers of the federal government.

Provincial politicians have, it appears, historically taken a position against our using this, one of our rights, to tax their natural resources. Premier Lougheed has accused us of singling out oil and gas resources unjustly for taxation. However, he must not forget that there was an export tax on hydroelectric energy in the years from 1926 to 1968 when the federal government considered such a tax to be in the national interest. The truth of the matter is that the federal government has exercised this right to indirect taxation on natural resources on previous occasions in our country.

From 1947 when a major oil find was made in Leduc until the mid-1970s, imported oil was cheaper than domestic oil from Alberta. It was the national government which, through its policies and its construction of a TransCanada Pipeline, helped and encouraged the growth of this vital western Canadian industry.

[*Translation*]

Mr. Speaker, when natural resources or any other sector of the economy takes on a national significance, and when the well-being of all Canadians depends on a single natural resource, it is then important for the federal government to intervene in a positive manner in the economy. The federal