

Finance

consider clause 3 of this bill. In my view that kind of action should not be allowed. The hon. member for Medicine Hat earlier told the house that he had an understanding that, if it got this money in its hands, the present government of the province of Alberta, from which he comes, was going to do something, toward refunding it to the customers of the private utilities in the province. That may or may not be the case.

I am prepared to take the hon. member's word that this is the intention of the present government of Alberta. Nevertheless governments come and go, as those of us who sit in this house know only too well. Therefore it seems to me that some consideration should be given to what disposition will be made of these funds in the hands of the provinces. I am hoping that the amendment which I propose to move to clause 3 may in this instance receive the support of the hon. member for Medicine Hat, because in some respects it is along the lines he was arguing a little earlier at second reading stage. Therefore, Mr. Chairman, I should like to move:

That subclause (1) of clause 3 be amended by substituting a comma for the period at the end thereof and adding the following words:

"provided the province agrees that such amount will be applied to reduce rates paid by the customers of the respective designated corporations."

The Deputy Chairman: May I ask hon. members if they would enlighten the Chair as to the relevancy to clause 3 of the amendment in its present form.

Mr. Olson: Mr. Chairman, I was about to say something on this particular amendment with regard to its propriety, and whether it is in order. While it is an amendment to subclause (1) of clause 3 of the bill, it seems to me that if you read clause 4 fairly carefully you will find that it has essentially the same effect, because it says:

Where a province certifies that an amount that is all or part of an amount paid to it under this act has been paid or otherwise transferred or credited to a designated corporation for its own use and benefit, and certifies the amount that has been so paid or otherwise transferred or credited to the corporation, the amount so certified is exempt from income tax.

Therefore it seems to me that the amendment is perhaps slightly superfluous except for one point, and that is that the hon. member for Comox-Alberni spells out in his amendment that it will be applied to reduce rates paid by the customers of the respective designated corporations. I suggest, Mr. Chairman, that perhaps the argument I am

about to advance is not valid on a point of order. There are reasons to hold out that no province is going to apply for a refund of this tax unless the designated corporations do in fact agree to reduce the rates by a certain amount, perhaps to the extent of 100 per cent of the amount of the rebate. I think therefore that the sense of this amendment could far more properly be applied to clause 4 rather than clause 3, because as I read it, at first glance it seems there would be perhaps some conflicting and unnecessary wording in clauses 3 and 4 if this amendment were accepted to clause 3.

• (7:10 p.m.)

Mr. Sharp: This proposed amendment would substantially alter the nature of this legislation. May I say to the hon. member who has proposed it that he is really calling in question the value of public opinion in the provinces of this country. After all, the purpose of this legislation is to avoid giving an artificial inducement to any province to nationalize its public utilities; that is the purpose of the bill. It is being brought forward in response to representations made by provinces that unless to a large extent these taxes are refunded—and this bill proposes 95 per cent—the privately owned utilities are at a great disadvantage compared to the publicly owned utilities. Moreover, the province or its consumers could gain a great advantage from nationalizing these enterprises.

As far as I am concerned the decision as to whether a particular utility should be nationalized or not should not be affected by taxation. I am not opposed to public ownership; indeed I have often advocated it and I defend it quite vigorously. However, I do not think the federal government should provide a reason for nationalization which has nothing to do with the inherent advantages of public ownership. The purpose of this bill is to remove this artificial stimulus to public ownership.

I believe it should be left up to the province concerned to decide whether it wishes to pass on the benefits of this refund of taxes to the consumers or whether the people of that province prefer to use the money for other purposes. That is a decision that should be made by the provinces. I do not think it is good public policy for us to require under this bill that the provinces pass this refund on to the consumers of the utility.

As I listened to the hon. member's argument, it was obvious to me that he was protesting against the activities of a certain