

Finance

the particular emphasis that they give to their work, would be for many of the interns. Perhaps the answer would be to have the interns assigned to the offices of the Prime Minister and the Leader of the Opposition where they would be most directly involved with the on-going work of the House of Commons in the legislative process, and in the other processes of this house which are perhaps even more important in our system. However, there are obvious difficulties in that proposal as well.

Mr. Deputy Speaker: Order, please. The hour for considering private members' business has expired and the house will now revert to the business interrupted at six o'clock.

FINANCE**PROVISION FOR PAYMENT TO PROVINCES OF CERTAIN CORPORATION INCOME TAX**

The house resumed consideration in committee of Bill No. C-211, to authorize the Minister of Finance to transfer to the provinces the proportions of the income tax payable by certain public utility companies—Mr. Sharp—Mr. Rinfret in the chair.

The Deputy Chairman: When the committee rose at six we were about to consider clause 3.

● (7:00 p.m.)

On clause 3—*Payments to provinces.*

Mr. Barnett: Mr. Chairman, I have no desire to detain the committee at any great length on this clause, but it does seem to me that in view of the fact that the house did not see fit to accept the amendment which I moved at the second reading stage, which if it had carried would have resulted in a rejection of this proposal, perhaps some consideration should be given to the terms of the bill as set out in clause 3.

If I understand this clause correctly, it provides that the Minister of Finance may from time to time pay to the various provinces of Canada out of the consolidated revenue fund certain sums which have come into the federal coffers as a result of corporation tax levied on private utilities. Under the terms of this clause the minister will be empowered to refund into the hands of the provincial governments 95 per cent of such corporation tax that they pay as a result of revenues obtained from their public utility operations.

[Mr. Stewart.]

It seems to me that if the house is going to approve this bill we should be concerned about what is going to be the end result of placing these funds back in the hands of the provinces. Indeed, in my view, if this action is to be taken at all, parliament in this bill should set out the terms and conditions under which these funds should be administered, once they are refunded to the provinces. Basically, as I understand it, this is federal revenue, revenue which has come into the hands of the government of Canada and in my view it should not simply be handed back to the provinces as another form of unconditional grant. We had a discussion earlier about the pros and cons of the advisability of the operation of public and private utilities. The question whether the operation of publicly owned utilities may be more in the interests of the consumers than privately owned utilities can be a subject matter of debate.

In regard to my own province of British Columbia, where of course within the last few years our major private utility was taken into public ownership and has been managed since that action was taken by the present government of British Columbia, there is some question in my mind whether it is being operated in what one considers to be the best interests of the consumers, the customers of the B.C. Hydro and Power Authority. One has in mind for example that perhaps an undue proportion of the revenues of that corporation are being siphoned off into financing expansions in certain parts of the province, rather than being used to bring lower rates and better service to the people of the province who are the customers of the corporation at the present time.

If I understand this proposal correctly, it will apply to the private utility corporations which are operating in the southeasterly part of the province. One of the questions that arises in my mind, at least as this clause is worded, is whether when the government of British Columbia gets its hands on the money which it is proposed should be rebated by the Minister of Finance, in effect the customers of the Kootenays in British Columbia will be doing what the customers of B.C. Hydro and Power on the lower mainland and Vancouver Island are now doing, namely assisting out of their power bills in the financing of the development of a project in the Peace river, which is commonly referred to as the Peace river dam and power development. These are the sort of considerations which I think should give us some cause for concern as we