

Income Tax

original government that moved within its constitutional rights, the act of the second government is thrown out.

The third point I want to make is that in this particular bill the federal government has taken unilateral action. This means only one thing, that it is going to force the provinces to take protective action. They can do this within their own province by several devices. It is not for me to outline all the ways they can get around what this government plans to do in this budget with putting in this non-deductibility of provincial taxes and royalties. However, any provincial government determined to protect the rights of the people of that province against the federal government's unilateral action against them, such as it is doing in this budget, regardless of its political face, would be inclined to take that resource and put it under the control of a provincial agency or a provincial crown corporation, turn over the management of that company to private enterprise on a fee basis, and then challenge the right of the federal government to tax that crown corporation.

I would not like to see any province forced against its political doctrine to take this type of action. Most of them know that with the record we have with crown corporations at both the federal and provincial level in the last 35 or 40 years that rare indeed is a crown corporation that can act in an industry such as the resource industry and either produce it efficiently or survive the risk factor. However, I suggest this unilateral action will stir up several of the provinces to move in this direction. That is the next point I want to make, that we are endangering the type of economic base that we need in the development of our resources.

This is not a subject that is remote. I recall that in the early days of the oil industry in the west we had an NDP government in Saskatchewan. It had to decide what it was going to do. The government of that day was headed by a premier who is now a member of this House. He looked at the situation, looked at the amount of money that was needed in that risk enterprise, looked at the people of Saskatchewan, and he faced reality. He decided to write a letter, backed by a letter from his provincial treasurers, to all the oil companies stating that as long as he was premier of Saskatchewan there would be no takeover or socialization of any of the resource industries, on the ground that it was too risky. What he said in his letter was that the government of Saskatchewan could serve its people best if it could get a share which would correspond to the best return from royalties it could get for the benefit of the people. Since that decision the government of that province has collected in royalties a higher percentage from the oil industries than neighbouring provinces.

● (2020)

We are up against the same situation as a nation. We have to acknowledge that over the next 25 years, for energy related products alone, we shall have to raise \$250 billion. The requirement in the United States is about four times as great. These are sums of money far beyond the ability of even the largest corporations to provide even when profits are running three or four times as high as they were a few years ago. They cannot raise one-tenth of the money we shall need. It will mean a united effort on

the part of government, companies and people as individuals to meet this heavy capital requirement. I would think that in the interest of resource development, and in the interest of secondary industry which follows resource development, every government in Canada, every business in Canada and every individual in Canada should be asking: how are we pulling together to meet this tremendous challenge?

I suggest to the minister that by his actions as evident from the petroleum administration legislation last April, the budget of May 8 and the budget of November 18, this government has done more to break apart co-operation than any other in the last 25 years. Ultimately the benefits of co-operation would flow to all individuals in Canada—to all those who want ownership as individuals, not state ownership. On the basis of these arguments I say the clause before us is the optimum of all that is wrong with the government's actions.

The attitude the government is taking is simple to understand if one word is used to describe it. That word is "confrontation". Canadian history, Canadian nature, demands consultation, because regardless of our political affiliation or ethnic background we are all Canadians. We are one country. The concept of confrontation is not a new one in the world but most of us hoped we had got rid of it and were moving toward an era of co-operation, not only within this country but in our relations with countries abroad. Yet here we find the government of Canada deliberately following a policy of confrontation.

As I said yesterday, every time there has been a major confrontation between the federal government and the provinces, the federal government always lost the battle when the provinces united and stood fast.

There are on the statute books of this country laws which are not good laws. I could mention, for example, the Canada Pension Plan. That plan was not the result of the initiative of the federal government; it came from another source. When all the provinces united and the federal government capitulated, the Canada Pension Plan was the result. I can only describe it as stealing from the young people of this country, because I know that when today's young people reach the age at which they are entitled to draw their pensions, there will be nothing there. Sure, it benefits those who are old now, but we have sold out our young people to achieve a purpose which is not good for the country. All right is not on the side of the federal government, neither is it on the side of the provinces. That plan, which was forced on the federal government by the provinces, is a bad one.

Let me relate this to the events which will shortly be taking place in the field of natural resources. If the government goes into the conference with the premiers on April 9 and 10 without the disposition or the means of making the slightest compromise, it will inevitably make for stronger provincial unity; and I warn the committee with all the emphasis I can muster that if those provinces unite and stand firm the result will not necessarily be good for the country. I would hate to see the provinces forced to rush pell mell into the creation of crown corporations as the only means by which they can develop their resources. There is a place for crown corporations but there is also a place for the type of efficiency character-