

Income Tax Act

been necessary or, for that matter, which has never before been desirable. We will need a Buy Canada policy both at government level and in the private sector. These are the challenges we will have to face if our investigation proves that American intentions are what they appear to be.

Another proposal which has been made in this House is that we retaliate against the American measures by imposing an export tax on all of the resources which are exported to the United States. This measure is proposed on a false premise. I refer to the remark which the hon. member for York South (Mr. Lewis) made a few days ago. He said we should have an export tax; we should go to Washington, not on our knees, and say to the Americans that they desperately need our oil, natural gas and other resources of which they are short. It is true that the United States has a considerable reliance on Canadian resources, but I submit there is no such dependence. There is a big difference between dependence and reliance.

Some hon. Members: Hear, hear!

Mr. Kaplan: I wish to refer to some of these resources. Pulp and paper are referred to as commodities which the United States desperately need from us. The fact is that American pulp and paper are substantially cheaper than the Canadian product. I suppose the reason for this is our climate. The fact remains that Americans are into Canadian pulp and paper, probably because of union problems.

Second, people say that Americans desperately need our oil. How true is that? The fact is that oil from the Middle East comes to the United States at times at \$1.50 a barrel less than Canadian oil exported to that country.

Why do the Americans buy our oil at \$1.50 a barrel more than they pay for oil from the Middle East? They buy it because it is important for them to maintain what they call an uninterruptable supply. If by our policies we indicate that our export of oil depends on their good behaviour, on our terms, I do not think we will have that protected market for very long. I do not think we will have that subsidy for very long. In any event, production of oil in the United States itself is only a matter of cost. At \$3 or \$3.10 a barrel they could be converting shale and tar sands to oil. They have no enormous dependence on Canadian oil: they have a reliance but not a dependence. What about natural gas? There is one thing you cannot get from the Middle East.

An hon. Member: Get it from the NDP.

Mr. Kaplan: In my house I use natural gas for heating. I am delighted to do that. However, if I could save a cent per unit I would transfer to oil. There is no major business in the country that is not equipped to use either oil or natural gas as fuel. They make their decision entirely on the basis of cost. Of course, if we were to cut off the United States supply of natural gas on Christmas eve or something like that, we might really be able to get them—but to argue that natural gas is a resource which is absolutely required and comes only from Canada is ridiculous.

The last resource I will itemize is nickel. I think I have covered all the main categories. It has been suggested that we could cut off the whole supply of nickel to the United States. That used to be true, but a lot of nickel is now

being produced in other parts of the world. Another thing the advocates of an export tax do not realize is that our nickel production depends on the volume we sell. If we do not have big customers abroad for Canadian nickel, we cannot be in the nickel business. To withhold our nickel would contribute to cutting our economic throat.

I sincerely hope the government will not be sucked in by arguments, however politically attractive they might be, that we should retaliate with an export tax. We have to assess what the Americans intend to do with regard to us and our power of coping with the situation. We should direct ourselves accordingly.

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, the hon. member for Don Valley (Mr. Kaplan) opened his speech by referring to a romance that our country has apparently had with other countries of the world, particularly our friendly neighbour to the south. After listening to many of the debates concerning Bill C-259 and the amendment before us, I am reminded that the Canadian people have had a rather short-lived romance with the Liberal party. We have spent some years listening to the Prime Minister (Mr. Trudeau) promising us that the just society was just around the corner. We have spent some years listening to the Prime Minister, the leader of the Liberal party, telling us that the just society is here.

Mr. Faulkner: He never said that.

Mr. Gundlock: I will say something about that later. The debates that I have heard in this House have not suggested in any way, shape or form that the just society has arrived. As a matter of fact, it is probably the other way around: it is going around the corner at a very rapid pace in a way that is discouraging to the economy of this country and to the people of Canada. The hon. member for Peterborough (Mr. Faulkner) said earlier in this debate that opposition members never have anything important to suggest.

Mr. Faulkner: Hear, hear!

Mr. Gundlock: I am glad to hear the member saying "Hear, hear". I point out to this House and the Canadian people that the strong suggestions and feelings that have been voiced here, particularly since last September, have not come from members of the opposition alone. In fact, some of the strongest pleas have come from the government benches.

Mr. Mahoney: That is true; most of the strong voices come from here.

Mr. Gundlock: This is in spite of the fact that certain members, including the Prime Minister, think opposition members do not suggest very much. They say our suggestions are not worth much. I remind this House and the Canadian people that when we reach such unanimity these suggestions must be listened to.

• (9:00 p.m.)

I see no better measure to try to improve the economic affairs of the country, particularly since the action of the United States, than a tax bill, especially one which is supposed to be so far reaching. I fail to see any change in this measure at a time in Canadian history when changes