

*Federal-Provincial Relations*

government revenues on the one hand, and debts which are largely, or wholly, self-sustaining occasionally even self-amortizing, such as the bonds issued by provincial power commissions, toll highway commissions and similar government agencies.

An indirect provincial debt is simply one the service of which is guaranteed by the province in the unlikely event that a power commission, etc., would default on its own obligations.

In times of generally rising government direct debts and the steady growth of interest requirements on such debts, one would have thought that B.C.'s achievement would have been greeted with serious interest. However, the fact that it was done by a government that happens to label itself "Social Credit" was enough to bring out venom and ridicule.

It is said that substantial sales taxes were needed to retire the debt. But at least these taxes did have this result. We note very high sales taxes in other provinces (and in Ottawa) without any evidence that a similar result is even contemplated. This is one instance where emulation rather than carping is definitely in order.

I see the Minister of Finance has been able to return to the house. I hope he will take time to read this statement that has been put on the record. Even though the Minister of Finance may deny the fact, and even though some of the other critics may deny the fact, yet those in financial circles recognize the fact and acknowledge it. I think possibly a little honesty would be of value in the consideration of this matter. The Minister of Finance, replying to the suggestion made by my hon. friend from Medicine Hat that the government of Alberta might have to make some changes in its accounting procedures, said he did not believe any self-respecting government would do such a thing. May I say—perhaps I should—that no self-respecting federal government would act in the way this one is doing in this particular instance. Are we reaching a point where a federal government is continuing to crowd the western provinces into a corner every time? Then they wonder why it is we take exception to their actions and to their legislation. They did it when the premier of British Columbia asked that the utility corporations be exempted from corporation tax in the same way as crown corporations are. He was met with refusal on every hand until he was forced into the position where, in order to give the consumers a fair deal, he had to take action. This legislation appears to be following the same course. Once again the federal government is crowding us into a corner and refusing even to give a satisfactory explanation why they are doing it. As the hon. member for Edmonton West has said, the question has been raised by members from various parts of the country but no satisfactory reason has

[Mr. Patterson.]

been given why the government, in the words of the hon. member for Medicine Hat, should have cooked up this formula which militates against the best interests of two of the western provinces and perhaps the three, as is being suggested.

The hon. member for Edmonton West says the government out there cannot take credit for the natural resources which are being developed. That is true. But I believe they can take a measure of credit for the fact that they have been developed and administered in such a way that the province has benefited from them. The same situation obtains in the province of British Columbia. We all know the problems which were faced there prior to 1952 and we know what has transpired since that time. The present government there does not take credit for the fact that the resources are available to the province, but I believe the people of the province give the government credit for seeing that they were developed and are being developed in the best interests of British Columbia.

As I said the other day, I find it difficult to understand why certain members of this house continue to downgrade their own provinces. Just the other day, the hon. member for Comox-Alberni—I am glad he is here tonight—said that the premier of British Columbia was one of the greatest separatists he knew. I would like him to prove that. I do not believe he could. I know charges are thrown around wildly without any basis in fact, and this is one of them. I should like to call attention to the report of the federal-provincial conference in 1963. The conclusion of the representations made by the province of British Columbia, as reported on page 71 reads as follows:

Certainly we offer these proposals in the interests of British Columbia but we do so confident that our proposals will help all of Canada to grow and prosper, for we, like all Canadians, are citizens first of a country and not of a province.

That does not sound like separatism. So I trust the Minister of Finance will take some of these matters under advisement, give consideration to the statements which have been made and come up at least with an answer, if not with changes in this formula so as to bring it more in line with reality.

**Mr. Fleming (Okanagan-Revelstoke):** The committee will perhaps forgive me if I do not indulge in any further exploration of the labyrinth of British Columbia debt accounting, but if I return to the clause now under