

Income Tax

Some hon. Members: Yes.

Mr. Knowles (Winnipeg North Centre): Shades of last night.

Mr. Benjamin: But to us this is not fun. We are trying to make a sincere and genuine effort to persuade members on the government side. Whether or not we succeed is not the point. I want to warn hon. members. I predict that what they are doing strikes at the very foundation of confederation.

Some hon. Members: Oh, oh!

Mr. Benjamin: If a national government, which has campaigned in three successive elections on the principle of conserving confederation and national unity, proceeds to pass legislation that removes the right of the provinces in an area which the constitution reserves to them is not striking at the foundation of confederation, then I do not know who is.

An hon. Member: Let's not be provincial.

Mr. Benjamin: I will not take a back seat to any hon. member—in fact I think I am in the front seat compared to the hon. member who interjected when it comes to being for a strong confederation and a strong central government. It is only the NDP that is accused of wishing to centralize everything. In so far as a strong, national, central government is concerned, I will not take a back seat to any member of this House.

For confederation to function properly there must be consensus, accommodation and mutual agreement. We have had many examples in the last 100 years of matters that have divided us, in most cases, on economic grounds, on grounds of taxation. We have had one region pitted against another region, or all provinces against the federal government. In the present situation, nine of the ten provinces are opposed to what the government is trying to do.

I agree that the federal government must protect the national interest, in the cause of confederation and national unity. It is entitled to a fair share of the revenues. However, this can only be arrived at as a result of agreement on both sides. There has been no accommodation from the government. This is not a one way street. To use this method of disallowing royalties as a deductible expense only in the case of governments and not in the case of private companies—that inconsistency alone should have jarred any fair-minded Liberal because Liberals profess to be reasonable and fair and great democrats.

● (1610)

An hon. Member: We are.

Mr. Benjamin: They all say that our law should be fairly applied, and here they stand up like sheep and support a piece of legislation which openly states that the disallowance of royalties will not apply when it is paid to private companies, but that it will apply when it is paid to a provincial government. How can you have it both ways and call that fair and equitable?

Mr. Nystrom: They have wool over their eyes.

[Mr. Benjamin.]

Mr. Benjamin: We do not ask members opposite to vote against their own legislation or against their budget bills. We only ask them to hold off for another couple of months. What is unreasonable about that? I have heard a number of hon. members opposite say that they are reasonable men, and here is their opportunity to prove it.

I want to say to the Minister of Finance that the acceptance of this amendment would not be looked upon by myself or my colleagues as any kind of backing down. We would look upon it as a gesture by the Minister of Finance, and by the government, equivalent to the gesture which has already been made by the premiers of the two oil producing provinces. We would look on it as a piece of statesmanship, and evidence of a genuine desire on the part of the federal government and the Minister of Finance to go further to reach accommodation and mutual agreement with the provinces in the interests of our confederation and national unity.

I want to warn hon. members that this has nothing to do with whether we are Liberal, NDP, Conservative or Creditiste, but it has to do with what binds this country together. I just cannot understand the reluctance to do this reasonable thing. I wish hon. members could have agreed to that on clause 4 last night. There is no wish on our part to make this a partisan political matter, but if the legislation is passed as it is, we are left with no choice. This is the time for parliament, the government and the Minister of Finance to demonstrate that willingness to reach accommodation and mutual agreement.

I accept the telegram from Premier Blakeney—which I hope my colleague will hand back to me—and I think the Minister of Finance will as well because he likes and respects that gentleman as much as I do. It indicates that the province of Saskatchewan desires to reach accommodation and agreement. I believe the same is true of Premier Lougheed, and I am certain of the other seven premiers who are opposed to this attempt by the federal government to get what it considers a fair share of these revenues. The government is aware of the desire of the provincial premiers to reach agreement.

Premier Blakeney asks in his telegram:

... I would request that the federal government give consideration to delaying passage of that portion of the income tax bill pertaining to non-deductibility of royalties until after the conference.

He is not demanding that the bill should not pass. He is asking for the delay of the bill until after the conference.

If it is not considered possible to delay the passage of legislation until that time...

Premier Blakeney further suggests that we:

... consider amending the proposed legislation to provide for the adoption of principles similar to those recognized in the recently-announced Syncrude arrangement.

Surely that can only be arrived at by further discussion. This is a perfectly reasonable request, but what is more important is that it is a way of telling us of a willingness to try to reach agreement and accommodation. Our doing an equivalent amount here does not defeat the legislation, does not defeat the budget and does not rule out what the Minister of Finance wants to do. It only delays it for a couple of months; that is all. Surely that is a reasonable and fair request. If it can be done for oil and gas, it can be