

Federal-Provincial Relations

certain provinces being denied a cash grant in lieu of the taxes that they might have collected? To make the situation even worse, the government is now going to go back and make this provision retroactive for two years.

The Minister of National Revenue stated that they could not calculate what the amount would be in the case of provinces that do not levy such a sales tax now, but now the Minister of Finance says that a recapitulation is going to be made of all this potential tax revenue for the past two years as if in fact the legislation passed on May 13 had been in effect. There is more to the matter than that. What is going to happen from now on if these taxes and fees are going to be paid by crown corporations? Are directives going to be issued to crown corporations that they must make their purchases in certain provinces? If you want to take the two extremes of Alberta and Manitoba as opposed to Quebec, certainly when tenders are called—

Mr. Gordon: Mr. Chairman, surely we should stick to the subject before the committee.

Mr. Olson: I cannot believe, Mr. Chairman, that the minister is objecting to the relevancy of my remarks.

Mr. Patterson: He is not enjoying them.

Mr. Olson: He may not be enjoying them, but certainly I am talking now about what is going to happen in connection with the administration of this measure. We are considering clause 5 if the minister is not aware of that. This is a matter of collecting provincial taxes from crown corporations. The point I tried to make, Mr. Chairman, was that there would be a 6 per cent difference in the amount of tenders, for example, from the province of Quebec as opposed to those from the provinces of Manitoba or Alberta. Is the federal government going to insist—

Mr. Gordon: I wonder if I might rise on a point of order, Mr. Chairman? I do not see how the question of tenders could possibly come into this matter when we are talking about a retroactive payment for two years. We are not talking now about the future or the present, we are just talking about the past. So far as I am aware, no tenders are going to be called retroactively back to 1962.

The Chairman: It appears to the Chair that the last two or three sentences of the hon. member's remarks seem to be getting away from clause 5 which, as he knows, is the subject matter of the discussion before the

committee. He knows also that in committee discussion must be strictly relevant to the clause before us. On the other hand, in so far as the Chair could judge, before those last few remarks the hon. member appeared to be relevant. I know he will keep this in mind in continuing his remarks.

Mr. Olson: I appreciate your guidance in this matter, Mr. Chairman. I point out to you, sir, that on a number of occasions in the past I have tried to get some information from the minister as to what is going to happen after federal crown corporations are required to pay provincial sales taxes. So far the minister has not said what is going to happen with respect to the discrepancy between the cost of purchasing supplies. Obviously, there is going to be a 6 per cent differential between some provinces for exactly the same article, if it is being sold for the same price. We have had no explanation from him in this respect.

I am asking him now, are there going to be directives go forward in connection with this matter to insist that crown corporations in Saskatchewan, for example, must buy their supplies in the province of Saskatchewan? Is the government going to grant a measure of tolerance to crown corporations to take care of this differential? If they do not, then Manitoba and Alberta are certainly going to be in preferred positions when it comes to tendering on supplies for crown corporations. We have had no answer so far, Mr. Chairman. I think I am dealing specifically with matters related to the payment of provincial taxes by crown corporations.

The Chairman: It seems to the Chair that the hon. member is really talking about the operations of a provision of a prior bill. It seems to me that, even though there is a reference in this clause to the prior bill, this does not open for discussion the details of the previous legislation.

Mr. Olson: As has been pointed out to me, Mr. Chairman, we are amending that previous bill now. This previous bill was passed on May 13, as I understand it, and is now up for amendment to the extent that this provision is being made retroactive for two years. This is a major amendment, and inasmuch as that is the case surely we have the right to ask the minister questions about the practical application of this measure. I still maintain, with deference to you sir, that when we are considering a measure amending this