myself and our colleagues from the three western provinces—

An hon. Member: Four.

Mr. Lambert: —three western provinces at the moment, feel that there is an injustice in the application of this natural resources factor.

Mr. Lamontagne: Capital punishment.

Mr. Lambert: The Secretary of State says "capital punishment". This may be the apposite term; it is certainly a capital receipts punishment. I would put it to the minister that he heed the representations of the members from these provinces in the working out of this formula.

Now, his post-predecessor—

Mr. Gordon: You mean predecessor but one?

Mr. Lambert: His predecessor but one, if I may use better grammar and I thank the minister for it, certainly would want to have these points brought out. However, we face regional influences of one kind and another, and it is always easier to pick on the fellow who has got it. These are the provinces who have it, and they are being picked on today.

The Minister of Finance was kind enough to give me a preview of the tables he put on the record today concerning the changed position of the three western provinces as a result of this natural resource factor in the equalization formula. Well, frankly, the position of the province of Alberta has not changed one iota, certainly in so far as the 2 per cent is concerned. However, I am not talking about the 2 per cent; I am talking about natural resources, and the province has gone deeper and deeper into the mire. In other words, it has been killed deader than dead, to use a slang expression. The position of British Columbia and Saskatchewan, who are much closer, shall I say, to the point of life or death, indicates that they are being carried down also.

May I once again to the point of being repetitious and perhaps a little annoying to the minister and hon. members, underline this particular point for re-examination. Do not, for goodness sake, kill one of the most golden geese you have in the national economy—and it is just that. A tax that you exact in one area comes out as costs in another. The minister, as a chartered accountant, knows that you cannot hide a tax. I do not care how you do it, it comes out in costs. This is the case with regard to the oil and gas industry. If it is one of your best export industries, if it is one of your best income tax producing industries, if it is one of your best customs revenue producing industries, if it is one of your best excise tax producing industries, do not come along and knock it on the head. I urge, therefore, and plead with the minister that he underline three times, and double three times, to his committee that they re-examine this natural resource factor because I think it is a step in the wrong direction.

Mr. Patterson: There have been several things said this evening that have caused me to take part in this discussion. I hope the Minister of Finance will find it possible to come back very soon. No doubt he has been called out for a moment. He made a statement that he was enjoying this debate. I would not want it said that the hon. member for Fraser Valley refused to make his contribution to the happiness of a colleague in the House of Commons. I should like, therefore, to make a few observations, especially with regard to what the minister said tonight.

In the course of his reply to the hon. member for Medicine Hat regarding the financial position of British Columbia, he said that if any province reaches the state where it is debt free, in the true sense of the word, that would be a cause for rejoicing. I noticed, sir, that he inserted that little word "if". I do not believe the Minister of Finance read the editorial in the *Financial Times* of Friday, August 7, 1959. I believe that for his enlightenment and edification it might be interesting if we put it on the record tonight. This editorial refers to the time when the premier of British Columbia set fire to certain cancelled bonds in the interior of British Columbia. I quote:

> Perhaps the showmanship on the occasion of B.C.'s bond burning last week was extravagant but the achievement was real.
>
> When Premier W. A. C. Bennett of British Columbia, in an elaborate ritual, consigned some $70 million of cancelled bonds to the fire, thus wiping out the balance of the province's direct debt which stood at $191 million seven years ago, he accomplished something which taxpayers all over Canada wish could be done in the name of their own provinces (and of Ottawa too).
>
> But politics creates strange moods. There has been an extraordinary amount of carping; charges of trickery have been raised and fingers are pointed at the indirect or contingent debt of the province. The critics have really made hay out of their disapproval of the Bennett claims, although they are on very poor ground indeed.
>
> There is a difference, a very real difference, between direct and contingent debts; between debts the service of which is a direct charge on all