dends of 1958 and 1959. To their credit I think the Social Credit administration under Premier Manning recognized that they had committed a monumental booboo and they pulled back, but it was then too late. It was instructive that at the 1961 conference Premier Manning literally confessed the error of his way. There was no great objection, and I think he recognized the retribution that was coming to his administration in this regard.

However, I am still dealing with the question of natural resource revenue. We have not heard from the minister any justification for the continuation of this lumping together of capital receipts and revenues under the natural resources classification. The hon. member for Burnaby-Coquitlam, the hon. member for Red Deer, the hon. member for Medicine Hat, others and myself have at all stages of the discussion of this bill raised this question, but the minister has been singularly silent in this regard.

I must say that as the years have progressed we have seen the effect on Alberta. This afternoon I used an expression which is quite a slangy one but very apposite: one cannot kill deader than dead. That is precisely what this formula does to Alberta, to a lesser but growing extent to British Columbia, and Saskatchewan as it develops its phosphates and gas and oil. The margin beyond the national average as envisaged under the present formula is so wide that it does not matter one iota whether you include revenue and capital receipts; but I am looking to the years ahead. I do not look forward to another Suez or another Korea, but already we see disquieting signs in the United States of mounting pressures against oil exports by western Canada to district 5, although over the years we have enjoyed quotaless entry of oil and gas. But should there be a change in the economy of the United States, then from a position of relative or absolute prosperity Alberta and British Columbia and Saskatchewan to a lesser extent are going to be suddenly faced overnight with relative bankruptcy because those provincial administrations to their misfortune, or should we say to the misfortune of the citizens of those provinces, have committed themselves to programs of expenditure on a continuing revenue basis which do in fact and have deliberately been chosen to confuse capital receipts and revenues.

What will happen if those capital receipts decline? I do not know how many trial balloons have been launched in Alberta about a sales tax to make up this deficiency because an unrealistic expenditure program, I maintain, has been undertaken. After all, when your jeans are full of dollars you do not have any worries, and this has been the problem of the provincial administration. It has not seen fit to recognize its relative prosperity.

Mr. Olson: May I ask the hon. gentleman a question? I wonder whether he would care to discuss the main criticism that the Alberta government has received over the years for building up such a tremendously large reserve amounting to between $400 million and $450 million at the present time?

Mr. Lambert: The reserve is very simple to explain, if I may digress for a moment. It covers the outstanding provincial debt. It covers what in British Columbia may be the equivalent of a moral responsibility on the provincial government. In British Columbia they have sloughed it off on crown corporations but there is still a provincial moral and legal responsibility. In Alberta they have lent the money to the municipalities. Look at the municipal debt load and look at the debt load of the province of Alberta as a whole. If there was a redistribution of this debt between the municipalities and the provincial government it might be a little more equitable. If the hon. member will look at the indebtedness of the people of the province of Alberta I think he will have his answer.

Be that as it may, I would say that the provinces of Alberta, British Columbia and Saskatchewan are relatively new in the natural resource field and have now been blessed by fortune as the events of the world have gone by.

An hon. Member: And good management.

Mr. Lambert: Mr. Chairman, I have many times characterized the situation by saying that if there had been less good management it would have either been in the hands of criminals or morons. The management was that of reasonably prudent men. This I will admit, but let us not qualify it beyond that. I can tell you something about the deficiencies of the Alberta land oil policy, which is now being changed because the government has realized some of the deficiencies in its policy. I am talking about the natural resource revenue factor involved in this equalization formula. Hon. members who may not be affected by this may be a little impatient, but then unless you are being affected you have no concern. The hon. member for Burnaby-Coquitlam, the hon. member for Medicine Hat, the hon. member for Red Deer,