

tax." So the father of this legislation does not sit on that side of the House, but is the voice I just heard.

Mr. Saltsman: Just call me papa.

Mr. Hamilton (Qu'Appelle-Moose Mountain): I want to give an opportunity to the former leader of the New Democratic Party to take part in the debate before five o'clock, so I will bring my remarks to a close. The point I want to make is that the budget of May 6, 1974, was an attack on all the provinces and not just on the "Arab" provinces of Alberta and Saskatchewan.

An hon. Member: Explain.

Mr. Hamilton (Qu'Appelle-Moose Mountain): When you say to all the provinces, "If you are taxing your resources at 50 per cent, the federal government will turn round and take that 50 per cent", it is no longer a battle between Alberta or Saskatchewan and the federal government: every province is under attack, whether it be British Columbia with its forests, or Ontario and Quebec with their mines, or Newfoundland with its hydro power. Every province which contains a resource is under attack. Even the land taxes imposed by Ontario are vulnerable. If provinces wish to retain the point of view that under the constitution certain powers are given to the federal government while certain other powers are retained, they should recognize that the budget of May 6 was nothing less than a declaration of war.

If we look at tax decisions arrived at by the courts over the decades we find that over and over again, when a province levies a tax which it has a right to levy under the constitution, and when that tax interferes with a tax already put in place by the federal government, the courts overrule the province. Likewise, when the federal government, acting within its jurisdiction, seeks to impose a tax which has the effect of sterilizing or nullifying a tax imposed by a province, the courts hold that the first authority to impose the tax, when it has the right to do so, is the one whose position must be upheld.

This is a matter which will be dealt with later by members of my party who are better versed than I am in questions of constitutional law. However, I know enough about history to assure hon. members that there is a considerable body of opinion upon this subject. I will put just one quotation on the record as an illustration. The author has the name Laskin, and the subject of the book from which I intend to quote is Canadian constitutional law. In this passage, the author confirms what I have just said:

The respective taxing powers of dominion and provinces may not be used by either of them to sterilize powers conferred by the other upon its functionaries or substantially to impair their status.

This means that neither jurisdiction acting within the constitution can do anything to impair or sterilize the other jurisdiction acting within the constitution in the exercise of its powers. One government cannot negate what the other is doing. But this is what happened in the budget. I know, and Canadians know, that what we are witnessing in this budget is a fight for power between greedy governments, and I cannot see much difference between the provinces and the federal government in this fight. I have brought along, for the edification of some of

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my innocent colleagues, a statement made by a cabinet minister in this imperialist regime. He was speaking in Estevan during an election campaign. This minister—everyone knows who he was—said, "Claiming royalties was allowed in the past because it was a relatively insignificant amount. Now it is a major provincial tax, that is wrong."

In other words, a long as you are doing it under the constitution and only taking a little bite in the form of royalties, the federal government will not interfere, but if, though still following the terms of the constitution, you take more, it is a sin. That is a new principle of justice. A second statement by the same minister was, "The provinces are getting an unfair share of our revenues and the budget cannot allow this to happen."

Those passages are from the minister's speech. If the provincial royalties were allowed, the minister claimed, provinces would be encouraged to make royalties as high as possible. Imagine that! As a partner in a property, you have been content with one-eighth, then the value rises so high that you ask for a half and get it. It is all right to take one-eighth, but it is wrong to take a half. That is what the Minister of Justice (Mr. Lang) said. Imagine the provinces, asking for more money! That is a terrible thing. To be quite frank, I think they asked for a little too much, but the fact is that the federal government went in and started grabbing, too.

An hon. Member: To the benefit of the majority of the Canadian people.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Another statement from the Minister of Justice was, "Canadian tax revenue from oil should be the same irrespective of where the wells are located." He did not like different rates being imposed. But what is wrong about there being a different rate in each province? I will say no more about the Minister of Justice.

This legislation started out with a temporary bill; now it is to become permanent. It will affect oil sands, natural gas and the development of hydro power, including the James Bay development. That is bound to make Mr. Bourassa happy. It will affect the Labrador development. Mr. Moores will be up here immediately. It will have a bearing upon the Columbia River development. That playboy will really be down here giving press conferences. When they begin developing Fundy power, I can see the premier of Nova Scotia coming here on the next train, or maybe flying his plane. Hydro power must be included, if everything is to be brought under control. Ontario is building four big nuclear power plants. They will have to be brought under the control of the federal government. The same applies to all other sectors of provincial resource development.

● (1630)

In conclusion, Mr. Speaker, may I say that the principle of staging is not fully dealt with in this bill. There is no principle of *quid pro quo* in the bill; neither is there any clause providing for consultation. I point out that this is part of a pattern that is developing. As I see it, it is part of a pattern to move centralized power to the bureaucrats here in Ottawa. At the same time, the government is