

Income Tax Act

rather than at their personal fortunes; when they can make speeches not on behalf of their own parties or of themselves but in the interest of providing a better economic life for the people. In this context the February conference will be a historic turning point in Canadian life, as will the April 10 budget. It shows that, contrary to what Mr. Lévesque, Mr. Parizeau and others say, Confederation can work if we have leaders who are interested in the electorate rather than in their own political fortunes.

The April 10 budget will be assessed by future generations of Canadians not on the issue of who is right and who is wrong in the context of the two or three cents at issue for Quebec. They will look at the April 10 budget in the light of the fact that an agreement was reached with nine provincial premiers in the course of a further evolution of the federal concept. Future historians will note that this evolution occurred during a time of crisis. But do you sincerely believe, Mr. Speaker, that anyone could now take a step backward and argue that the provinces and the federal government do not have an interlocking goal? Do you think that in future years when the subject is brought up at conferences between the federal and provincial governments, or discussions on the budget, people will not realize that a historic step has been taken in the development of Confederation?

There are some—and they should know better—who say this was a bumbling effort on the part of the federal government. They say this because, obviously, Quebec has not accepted the proposal contained in the budget. What they do not admit, though, is that nine other provinces agreed to it and that the tenth province did not make it known whether it was for or against the proposal advanced by the Minister of Finance (Mr. Chrétien). I can only compliment the Minister of Finance for risking federal prestige knowing very well that Quebec under its present leadership is not one of the strong backers of co-operation—that the province at this point in its history would surely not be the first to approve of the federal government's position in this area.

No one in this country or in the House was so naive as to expect Mr. Parizeau and others like him to compliment the federal government on its initiative in assisting the provinces to reduce their sales taxes.

Does anyone in this House feel surprise if this issue, like others in the past, is used to the advantage of a party which is, to say the least, not devoted to the idea of one nation based on equal partners? Would it be fair to say that what happened after the April 10 budget might have been predicted? But the way events have turned out is not the fault of the Minister of Finance who took the initiative. It is better to have taken this step forward in the development of joint federal-provincial relations, risking what has happened as a result of the reaction in the province of Quebec, than to have done nothing.

What was not so unexpected was the reaction of some of the members of the opposition to use this issue to cudgel the federal government, blaming the Minister of Finance rather than the failure of one province to make up its mind on the issue until the day of the budget. That was the surprising

[Mr. Anderson.]

thing. Surely at this point, when a referendum cannot be many months away, we as federalists should not be sticking knives in each other's backs for political gain.

When honest mistakes are made, criticize us. But in the circumstances I have outlined there ought to be more integrity than to lay the blame upon the federal government and claim that nice chaps in Quebec have been raped and walked over. That is not the case. If a rape occurred, it was a rape with consent. But I suggest that rape did not occur. Advances might have been made, but no consent was arrived at with the province of Quebec.

● (1612)

I said this legislation was historic. It was historic in another sense also, and I am surprised that members from British Columbia have not brought out the fact that in the April 10 budget one of the most contentious issues, in the last four years at least, has been resolved, a point that we have discussed with various ministers of revenue and ministers of finance over a period of four years. It is a point on which reports, briefs, and submissions have been made by the International Woodworkers of America and the Forest Council of British Columbia over a period of four years. Now it has been resolved, but very little has been said about it. I have seen very little in the media, in the press, and on television advising people in British Columbia of the fact that this matter has been resolved. If I may, Mr. Speaker, I should like to quote from a brief presented to the Government of Canada by the International Woodworkers of America, Regional Council No. 1, and the Forest Industrial Relations Board Limited. It states:

On April 22, 1977, Revenue Canada taxation officially confirmed in letters to Forest Industrial Relations Limited and to the International Woodworkers of America that effective January 1, 1977, the minimum valuation on board and lodging in the British Columbia forest industry is \$6 per day... The letters established that where room and board are not supplied free, there is a benefit equal to the difference between the amount charged the employee and a reasonable valuation. In addition, the letters point out that there may be reason to review the minimum valuation of \$6 per day from time to time as changes occur in "fair market value" or "cost to employer". The effect of this ruling has been to increase the taxable income of logging camp residents in the amount of \$3.50 per day since the cost per day assessed employees by employers has been \$2.50 per day under the Coast Master Agreement.

This recent ruling will generate considerable uncertainty, unrest and apprehension in the minds of logging camp residents. Moreover, it will seriously affect their morale as employees and as taxpayers. The basic reason for this situation is the fact that the Canadian tax system has never included as taxable income for logging camp residents the difference between the cost paid by the employee and the reasonable valuation of the benefit. Historically, the Canadian tax system has recognized the social realities of life in isolated logging camps, and in practice has not applied the "none shall escape" philosophy to this important segment of the work force in British Columbia's primary resource industry. The significance of the recent ruling cannot be assessed in economic terms alone. It must be measured in historical, psychological and sociological terms because of the unique nature of life and work in logging camps. In short, what may appear as a loophole and an inequity, may in fact be an equitable situation which recognizes social reality and social needs and which would create an inequity if it were rescinded.

I should like to continue with a short quotation again from the same submission to the Government of Canada, in full realization of the fact that this submission was made prior to the October 10 budget. It reads: