

Federal-Provincial Relations

Mr. Lambert: Well, hon. members may sit back and laugh, but let me say it is not their situation which is being affected. In fact, I might say to the average hon. member opposite who is objecting that his knowledge of the situation is somewhat less than nil.

Mr. Fisher: What about Harry Hays?

Mr. Lambert: I am glad to hear the intervention from the hon. member for Port Arthur, and if the minister were present I should like to see the Minister of Agriculture stand up, because I am sure that if he were true to his constituency—and I am positive he would be—he would stand with us to a man in this regard. But I will leave it at that; the minister has not chosen to answer. We felt that a reasoned argument entitled us to a reasoned answer. We might not agree with that answer, but surely to goodness we are entitled to a reasoned answer. The minister has continued with a proposition to which a number of members have objected. Now, I am quite prepared to say that I will listen to the minister's answer without comment.

Mr. Gordon: Let us get on with clause 5.

Mr. Lambert: All right, if you want to discuss it under 5. But this is the point. A reasoned argument was put forward with regard to natural resources, and these are of the utmost concern to the three western provinces today. I wish the hon. member for Timiskaming were here, in view of the proposed development in the Timmins area.

We have certain pronouncements on participation by the lesser developed province of Quebec. As soon as the toes there are tread upon we will hear from them. We must also consider the resources on the border between Labrador and Quebec. I am sure when those resources come within the ambit of this principle, we will hear cries of anguish from hon. members opposite who represent those areas today.

I must point out that this is a relatively new principle developed in 1961.

Some hon. Members: Oh, oh.

Mr. Lambert: Surely the minister is not going to correct me. I have indicated time and time again that this principle came into being in 1961. I did not agree with it then. I know many other hon. members did not agree with it. This principle involved government policy. If a mistake has been made I am the first to admit that it was a case of *mea culpa*. At this time I should like hon. members to examine the situation and join

[Mr. Lambert.]

me in my feeling in regard to this principle, so that we will not have to say tomorrow this is a case of *mea maxima culpa*.

The Chairman: Shall the clause carry?

Mr. Lambert: Just one moment, Mr. Chairman. Clause 5 does not carry at this time because I have several more questions I should like to ask.

An indication has been given in respect of the Crown Corporations (Provincial Taxes and Fees) Act, that this principle should apply back to 1962. I am wondering why the wording of that clause is not specific in that this principle will apply to the fiscal years of 1962-63 and 1963-64 in so far as the provinces are concerned. There is no undertaking in this legislation as to when this money shall be payable. There is no specific statement in respect of interest payable if the federal government is dilatory in its payment. Let us spell out the obligations, the faults and the remedies. Perhaps I am being too much a lawyer in determining what should be the agreement, but this is the embodiment in law of a commitment undertaken some time ago. Let us express it in clear unmistakable language.

If this principle is to apply to the period prior to the 1st of April, 1964 let us say so in clear terms. When shall these payments be made? I submit to the minister that regardless of any commitment the payments could be made in 1970 without recourse to the province.

Mr. Gordon: Mr. Chairman, in respect of this particular clause I think we are all aware of the difficulties with which the government had to deal. The government respected the commitment made by the previous administration to pay these taxes for the period beginning April 1, 1962. When we dealt with this situation we found that the crown corporations in question did not have the necessary detailed records necessary to calculate the exact sales tax that would have been payable had this legislation been put into effect in respect of that period when the commitment was made. The conclusion was reached that the Crown Corporations (Provincial Taxes and Fees) Act could only apply to the period beginning April 1, 1964. However, the government recognized the commitment made to the provinces, and that it owed this money.

Estimates are being prepared of the amount considered to be owed. We hope to have completed these estimates at an early date. We will hand these estimates over to the prov-