unaware of what might be the kind of development which could take place. By way of illustration I might point out that one of the most important natural resources of British Columbia—I am sure the Secretary of State for External Affairs, in view of the recent consideration of the Columbia river treaty, will agree with me here—is to be found in its waterpower in its streams.

It might be argued that, now that our power is controlled by a publicly-owned corporation, all of the revenues of the B.C. hydro authority are revenues from natural resources. Conceivably, if that corporation finds itself in the position of making a surplus, then any surplus revenues from that corporation might be turned over to the provincial government and become part of the natural resources revenue of the province. Conversely, the management and operation of the forests of British Columbia is conducted directly by a government department, and if this kind of approach is going to be taken in the tax sharing formula I see nothing to prevent the provincial government from deciding to set up a crown corporation to operate and manage the forest resources of British Columbia, just in the way they have set up a crown corporation to operate the water resources in the province. In that event it would appear to me that the main source of natural resources revenue in the public accounts in British Columbia today would come under a separate operating entity and would not be part of the natural resources revenue as set out in the public accounts of that province.

These to me are some of the important considerations which are involved in the introduction of this element into the equalization formula, and I for one, as I have already made clear, do not like the direction in which we are moving in this connection. This could very well lead to a great deal of unnecessary distortion of the manner in which the provincial authorities are going to decide to operate and manage the affairs of the province.

If before the debate is concluded the minister is in a position to obtain a legal opinion and answer my earlier question in connection with the basis of the argument relating to the original source of the definition of natural resource revenue as provided in the main act, of which this amendment will become a part, I would be happy to receive it. I agree with the Minister of Finance, and certainly do not expect any province deliberately to do these things without notice and behind the minister's back. I think we should be fully aware of those things which might happen as a result of what I feel is a step in the wrong direction.

Mr. Chairman, I will conclude my remarks by saying I wish the minister had agreed to leave this part of the bill out until the tax structure committee had completed its examination. Perhaps this kind of question could be referred to that committee for consideration. While the minister has admitted that this kind of change might be made in the formula at some future date after the study has been completed, it does seem to me the work of this committee would be much more simple if it was not faced with this particular problem which is the subject of the objections many of us have expressed.

Mr. Lambert: Mr. Chairman, I do not for one moment share the political views of the hon. member for Medicine Hat. Nor do I make myself, as he might try to do, an apologist for the Alberta government, whose political philosophies the hon. member for Medicine Hat might attempt to espouse. I must say however, I do have some sympathy for some of those principles he has enunciated tonight.

I apologize to the committee for repeating myself. Notwithstanding the minister's repetition of the legal definition of section 2(c) of chapter 58, of the Statutes of Canada, 1960-61, defining natural resources revenue, I find myself as a graduate of commerce, accountancy and business administration, in some difficulty in reconciling actual fact with this legal definition. I am sure the minister would find the same difficulty.

I admit at the outset that Alberta, and British Columbia to a lesser degree, may be wearing a self-fashioned hairshirt at this time. Because of their own political desires and motivations they have seen fit to lump together capital receipts and revenues in the natural resources field. The hon. member for Medicine Hat, as well as myself and others, have made a distinction in this regard. I think also the government formerly headed by the hon. member for Burnaby-Coquitlam also lumped these items together so far as natural resources were concerned.

I think these governments have committed a factual and economic blunder. I do not think they should have considered these things together. I feel there must be a clear distinction made between capital receipts and revenues from natural resources. I am sure had those governments treated receipts and revenues on different terms, and fashioned their spending programs and budgets in this way, we would not now be faced with this