

that he will determine what is an adequate royalty, and if he thinks it is too high he will disallow it in his capacity as lord justice and high executioner. Let me tell you, Madam Speaker, there is a spirit abroad in this country which takes offence at the words contained in the speeches of the Minister of Finance, repeated tonight by the Prime Minister, and this will do little to allay the spirit of frustration, anger and annoyance throughout western Canada and parts of the Atlantic provinces. Hon. members opposite may jeer at me, but I say to them that they are fooling with forces lying beyond their control and it would augur well if they would heed what the situation is. If they do not want to be known as the godfathers of confederation, let them take heed of their actions.

Let me now turn briefly to the issues surrounding the meeting of March 27 and the statements made by the Prime Minister. During the winter and fall of 1973, issues had arisen in this country involving the supply, transportation and cost of petroleum products. There had been concern, anguish and great anxiety. Threats had been made by the provincial governments and the federal government. There had been concern on the part of a great many people and the oil industry. As a matter of fact, it is rather interesting to note that at a meeting of the committee on natural resources in November, 1973, the Minister of Energy, Mines and Resources urged the provincial governments to increase the extent of their royalties. He suggested they were the judges of the extent to which they should be increased. I shall not go into that matter to any great extent; however, that statement appears on the record.

Prior to the meeting of March 27 there had been concern and anxiety. This is not contradicted by the Prime Minister. The Prime Minister met with the premier of Alberta on March 4. At that time the Premier of Alberta told the Prime Minister that it was his intention in due course, not too long from then, to increase royalties. He indicated specifically the extent to which he intended to raise them. That was made quite plain. I suggest that if the Prime Minister had the gumption and honesty he should have, he would have said categorically to the Premier of Alberta that this was not satisfactory. He should have said that he would not accept this attempt to increase royalties to such an extent. He should have added that the government did not agree with it and would not allow it.

Surely this is what first ministers have meetings for, so that they can honestly and frankly lay their cards on the table. In the words of an insurance contract, it is not enough not to be deceitful; it is essential to be completely frank and truthful and to tell all the facts. There must be the utmost good faith. In the name of heaven, how can anyone in this House, after hearing the Prime Minister and reading the contents of the letters, say that he accorded anything like good faith to the Premier of Alberta in these discussions? If we need any corroboration on the issue of equalization, we have the discussions with the Premier of Saskatchewan. I am not as well acquainted with the Premier of Saskatchewan as I am with the Premier of Alberta, but from what I know of him he is an honest, reasonable and truthful man. Each of the leaders of these provinces, the premier of Alberta and the premier of Saskatchewan, has said they were deceived and that there was dissimulation on the part of the Prime Minister and the Government of Canada.

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They have said that when they emerged from the meeting of March 27 they had every reason to believe they had reached agreement and knew what the facts were. When I hear these gentlemen make such statements, even if I were not an opponent of the Prime Minister but were an unbiased observer I would have to say that the balance of credibility goes against the Prime Minister. On March 27 the government had in place the petroleum administration bill. Four days later they introduced it in the House for first reading, including four provisions which were entirely contrary to the agreement reached on March 27.

● (1750)

The Attorney General of Alberta, appearing before a committee of the House earlier this year, said, "Here are the things we agreed to about Bill C-18, and here are the things we disagree with." He enunciated them clearly and categorically. He said that these were not subject to the agreement and they were not discussed. In fact, the agreement, to the extent it was discussed at all, was contrary to the provisions to which I have referred. So at the very time the Prime Minister was standing in the House after saying goodbye to his friends, the ten provincial leaders, at the last supper, he had in place a legislative proposal which was contrary to the views of the ten provincial premiers. Just five or six weeks later the budget was brought down.

I read the letter of March 12 to which the Prime Minister referred today. Any reasonable person can search that letter to find anything by which the Prime Minister suggests it is the intention of the government to disallow provincial royalties. Of course, the Prime Minister said that the federal government intended to exercise its right to tax corporations as it saw fit. But that is far different from the frank, forthright, honest and decent treatment which the ten provincial premiers are entitled to receive from the Prime Minister. The very evening he had discussions with them he had ready budgetary proposals which destroyed the whole basis of their discussion. That is what he did. Legislation must be prepared ahead of time. The income tax Act amendment is very thick, and the ways and means motion, translated into French and English, is a lengthy, formidable document not prepared overnight. I do not believe the Prime Minister for one moment when he says that he was not aware, on March 27, of what the Minister of Finance and his government intended to do with regard to royalties. He knew it.

Mr. Cullen: He said he did not.

An hon. Member: Are you kidding?

Mr. Baldwin: You can take your choice—ignorance or deceit. That is not dealing in honesty and good faith. How can you have meetings of the first ministers of the provinces and the Prime Minister in order to carry forward the essential business of this country under circumstances of this kind? Any first minister dealing with the federal government will have holes in his head unless in the future he has the most categorical assurance in writing, and if I were him I would have it sworn to as well. That is why I spoke about the Bible.

I do not have much time left, Madam Speaker, but I want to make this statement. There are many things I