with, but we hope we can catch up so that everybody who wishes to speak will have the opportunity to do so. We would like to have as many members speak as possible, at least those from this side of the House. Also, I understand the Parliamentary Secretary to the Minister of Finance (Mr. Cullen) has a list, as long as both arms, of members who wish to speak. So I think we should get on with it.

In beginning my remarks this afternoon I wish to underline and reinforce as much as possible what was said by my leader yesterday about what I consider had its origin more last May than on November 18. This question deals primarily with taxation of the resource industries. The minister made some changes from what he said on May 6, but they are merely crumbs. I know the working capital position of the Canadian independent company may be helped and those few companies which may be able to obtain capital will perhaps embark upon limited exploration programs. They may be able totally to recover their expenses now, whereas such would not have been the case under the May 6 budget.

However, the problem is much deeper than that. I find it astounding that the minister, who has been to Alberta many times since May 6, has not the comprehension that I thought he had with regard to the nature of the oil industry. This is not a debate on the oil industry, but so far as the cabinet is concerned I wish it would take a lesson in fundamental economics with regard to the industry. Perhaps some members of the cabinet understand it, but for some blind reason they have decided that the government should take this course, perhaps to punish or try to punish the province of Alberta because of its stand on oil and gas, since it has not toed the line in respect of the demands of the Prime Minister (Mr. Trudeau).

This problem did not start in May; it started last September when a grievous error was committed by this government in respect of the resources belonging to a few provinces. This government took unilateral action without consulting the provinces. There is the first sin of omission—lack of consultation with the provinces. The government decided to act by imposing a price freeze and an export tax. At the beginning the government did not know what to do with the export tax. I remember that when we came back to parliament the Leader of the Opposition (Mr. Stanfield) suggested there should be a uniform price for oil and that the Atlantic provinces and Quebec had to be held firm. This was agreed to by the Premier of Alberta. There was no quibble about that at any time. I find it rather naive on the part of the parliamentary secretary who spoke before me to suggest that the province of Alberta would take advantage of the situation and profit off the backs of fellow Canadians. That has nothing to do with it.

Mr. Breau: I did not say that.

Mr. Lambert (Edmonton West): It has been said so often that we are sick of hearing it. The Minister of Finance (Mr. Turner) did not learn one lesson from the May 6 budget; he did not learn one lesson from the election campaign so far as the provinces affected are concerned. What is the situation? The first ministers of the provinces of western Canada have rejected in the last few days this barefaced raid on their resources. There is no way the minister can escape that fact. The government talks about co-operative federalism. The minister was part of the administration a few years ago which thought it had invented the term co-operative federalism. With regard to taxes, the Government of Canada has the right to change the Income Tax, but we are concerned here with corporate taxes regarding which the provinces have an equal right. Yet unilaterally the minister will change the corporate income tax structure.

● (1600)

We will find out about that argument when it develops and see whether the minister has so much freedom that he can change the level of taxation without the consent or co-operation of the provinces. I am absolutely repelled by the thought of the struggle that will take place. I see headlines such as the one in last Tuesday's Edmonton *Journal* about Alberta cancelling the oil agreement. They have the right to do that. The only trouble is that the minister himself would like to have changed the policy on oil royalties, but unfortunately he found himself in a corner and so did his colleague, the Minister of Energy, Mines and Resources (Mr. Macdonald), who is in an even worse corner. I think we should send the Secretary of State for External Affairs (Mr. MacEachen) ahead of the Minister of Finance if he should go to Alberta. As a matter of fact, I would like to see the Prime Minister go back to Calgary. He thought he received a warm reception in the month of May or June, but that was a tea party compared to the kind of reception he would get now.

We have indicated in our resolution that this budget includes measures which strike at the heart of unity in this country. I was never more serious in underlining those words. I would have liked the minister to visit Edmonton with me and circulate among the people. He would have learned their reaction during the election campaign and later. I can promise the minister that it will take a very long time for this legislation to pass. Many features of this budget repeat those of May 6. Some of these measures, such as some aspects of the personal income tax and some of the reductions, had merit. But here again I must temper my congratulations by saying that the combination of runaway inflation with a tax system that feeds and battens on to inflation gives the minister all sorts of scope to be generous.

Even with these tax cuts and the claim that hundreds of thousands of taxpayers will be removed from the tax rolls, is it not a fact that the tax yield for 1974-75, on the basis of the reductions and the additional exemptions, will be 27 per cent higher than it was in 1973-74, just through a combination of a bad tax system and inflation which this government does nothing to control? Total government tax revenues will increase 32 per cent—by$5,517 million—on the basis of the tables of budgetary revenues introduced by the minister Monday night. Corporation income tax will go up 42 per cent; Customs duty, 26 per cent, and other duties and taxes—that is, where the export tax is hidden—will go up 105 per cent, for a total of $1.446 billion. That is the increased take from the pockets of Canadian citizens and Canadian corporations.

The total is $5,730 million in additional budgetary revenues that will be siphoned off. No wonder the minister can be generous. He can take the tax off clothing and foot-