

Income Tax

genuine about reaching understanding and agreement on resource revenues with the provinces, they had better shut up some of their colleagues who have been talking about taxing Crown corporations.

Some hon. Members: Oh!

Mr. Benjamin: That notion has frightened the daylight out of people in all political parties. I should like to ask the Minister of Justice what he would do if the government of Saskatchewan were to decide to repeal the legislation which established the Saskatchewan Power Corporation, the Saskatchewan Transportation Company, the Saskatchewan Insurance Company and so on, and put them all under one provincial department? I should like to know from the Minister of Finance and from the Minister of Justice, who is supposed to be a legal expert, whether they would be prepared to tax a provincial government department? There was half a nod from the Minister of Justice. Those are the ramifications involved in a budget of this kind. They will do more to create disunity and cause harm—

An hon. Member: To socialism.

Mr. Benjamin: —than anything which has happened in the past.

Of course the federal government has to tax for the benefit of all Canada. There is no argument about that.

An hon. Member: Yes there is.

Mr. Benjamin: The federal government is entitled to fair sharing not only of resource revenue but of all revenue. I am getting tired of the straw man the Minister of Finance is putting up. All political parties are agreed on this. We disagree on how to do it.

The methods used by the Prime Minister and the Minister of Finance included the betrayal of an agreement; they betrayed an agreement, they double-dealt, they chose to take only their version of what the agreement meant. I said at the beginning that a man was only as good as his word, and that governments were only as good as their word. If the Minister of Finance and the Prime Minister felt they were in a corner and were obliged to disallow royalties as a deduction for income tax purposes, they should have gone to the premiers and said, "This is the way we see the agreement; do you?" But they did not do this.

I always understood you don't back out of an agreement without the consent of the person with whom you made the deal, and that if you want to change a deal you go back to the people with whom you made it. The Prime Minister and the Minister of Finance failed to do this. They chose to quote the correspondence which suited their argument, while ignoring other parts of it. This does not contribute to national unity. If they really believe in national unity they will change their way of dealing with the provinces and make a better effort to reach understanding.

I was only being half serious when I spoke about the provinces getting it down in writing but, as a result of the experiences of the past months, it might be well for both sides if it were in writing. It would certainly be good for the country if the Minister of Finance and the Prime

[Mr. Benjamin.]

Minister were much more open in their dealings with their provincial counterparts. It is not just Saskatchewan or the other oil producing provinces which are concerned. What about Ontario's nickel and hydro-electric power? What about the lumber in the Province of British Columbia? If there is to be sharing it cannot be just the resource of one area of Canada. It has to be a sharing of all the areas, of all the resources. I hope the Minister of Finance and the Prime Minister will, in future, do a much better job than they have done in the past year.

If the Minister of Finance would withhold the provision concerning royalties until after the meeting of first ministers in April he would be making a significant contribution to mutual understanding between the federal government and the provinces.

Hon. Marcel Lambert (Edmonton West): Madam Speaker, I found a familiar note in the speech made by the hon. member for Regina-Lake Centre (Mr. Benjamin). He echoed what one has been hearing in western Canada for months.

I am glad he made that speech tonight, although we cannot accept his nationalism, along with some of the other doctrinaire theories of the NDP. I invite members of this House from central and eastern Canada to go out and walk up and down the streets of our western cities. They will see. It will come up and hit them right in the jaw. I am very serious when I make this assertion. This is not in my notes for this speech and I am deadly serious when I tell hon. members that the vote in July in western Canada was a clear reflection of the ill-considered proposals put forward in the budget of May 6.

Mr. Lang: Everything else was all right?

Mr. Lambert (Edmonton West): I invite the Minister of Justice (Mr. Lang) to go to the Province of Alberta and stand up and explain his policies. The only time he would be well received is when he is dispensing judgeships among his Liberal friends.

The government took the same position on the night of November 18. It is amazing, but I will repeat what I have said before with regard to the budget:

[Translation]

I shall say it again and again: had the province of Quebec owned those natural resources, this budget would never have been introduced.

The Quebec Minister of Natural Resources is protesting against it, but the revenue of his province is not at stake this time; however, we will know what his reaction is when this bill is passed.

Under our Canadian statutes, we will have problems with the other provinces because Quebec is rich in natural resources. All of them have not yet been discovered. Some day, let us hope in the near future, the province of Quebec will have a far more vigorous and viable market for its natural resources than it has at the present time.

In view of the attitude of the provincial governments, the revenue of the province will be higher than it is for the iron and ores now extracted.

We will see, for instance, that when the shoe is on the wrong foot, toes are pinched. I say, even now, that there is