

Democratic Party suggests that we are giving money to Quebecers—to pay them off, or something—in a sense that we are not giving money to the other provinces. Let me make this very clear to the House: the Minister of Finance is cutting personal income tax by \$100 in every province.

Mr. Stevens: How about Alberta?

Mr. Trudeau: He is cutting personal income tax by \$100. He is not giving money to Quebecers that he is not giving to Ontarians or to Nova Scotians. When citizens fill out their income tax forms, they will see that they are paying \$100 less to the federal government, and they will see that the provinces are levying \$100. In this sense we are giving money to the citizens so that the province can take this money and use it for indirect taxes.

Some hon. Members: Oh, oh!

Mr. Trudeau: The House can disagree with the method taken: this is what the debate is about today. The Minister of Finance will make a speech on second reading. However, it is absolutely essential that hon. members understand what they do not seem to understand.

Some hon. Members: Oh, oh!

Mr. Trudeau: I have time, Mr. Speaker. I hope you have. I hope you will not deduct from my time—

Mr. Speaker: Order, please. We are into two difficulties from a procedural point of view. We are very much anticipating the order of the day, the debate on the measure and getting into a discussion on the merits of the particular bill which will be the subject of debate. We are also getting into very argumentative areas, instead of informational areas. I would ask the hon. member for Oshawa-Whitby to bear that in mind in his third supplementary.

Mr. Broadbent: Mr. Speaker, I can understand why Richard Nixon is a close friend of the Prime Minister, after that answer.

Some hon. Members: Oh, oh!

Mr. Broadbent: The income tax reduction that the Prime Minister is talking about was made last fall by the Minister of Finance—a \$100 tax cut. It was to come into effect for the first two months of this year. It has absolutely nothing to do with the budget the minister brought in about a month ago, which had everything to do with the sales tax.

I ask the Prime Minister to take the opportunity and speak truthfully to the House of Commons in this matter and say whether he agrees with the leader of the Liberal party of the province of Quebec when he said, vis-à-vis the current proposal, not the one made last fall by the Minister of Finance, “It means that whenever the federal government makes any kind of offer to a province, and when the province refuses it for reasons of its own, the federal government retaliates by handing the money over to the people.” Mr. Ryan implied that is a

form of blackmail. That is what everyone in this House sees as a form of blackmail, as do all the people of Canada.

Mr. Trudeau: Mr. Speaker, when the Leader of the New Democratic Party says we are handing the money over to the people of Quebec, he shows once again that he does not understand the scheme. He refers to last fall’s budgetary measure of \$100. I am not talking about that, Mr. Speaker; I am saying that in this particular budgetary measure we are making tax room to the extent of \$100 in the provinces, and we are making tax room so the provinces can occupy that tax room and take the money into their coffers. This is what is happening in Ontario, and this is what we are proposing should happen in the province of Quebec: it is exactly the same thing.

● (1432)

If the House cannot understand this, I am prepared to answer questions ad nauseam. But members must understand the facts. I realize this is a little complicated and I must ask for the attention of hon. members. But when we are giving tax room—something for which the provinces have asked repeatedly—we are giving it in Quebec in exactly the same way as we are in other provinces; and when members opposite say we are not helping the poor people of Quebec, then in the same sense we are not helping the poor people in Ontario either. We are cutting direct federal income tax for people who pay direct federal income tax, and not for the others.

[*Translation*]

REQUEST SALES TAX BE REMOVED OR REDUCED AT
MANUFACTURERS' LEVEL

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is for the right hon. Prime Minister. This country is now facing very serious difficulties and I am afraid that if we fail to settle this problem very soon it will keep on worsening as it did last week. Here is my question: since the object of the proposal made by the central government to the provincial governments was to lighten the taxpayers’ burden, to increase their purchasing power and stimulate consumption so as to put our economy back on the tracks, and such is the government’s intention, and since there is no understanding among governments, would the Prime Minister accept the suggestion I once made in the House about reducing or repealing the tax at the manufacturers’ level? This would serve the same purpose and nobody would complain that the federal government is overstepping its jurisdiction by interfering with a provincial field of taxation. Would the Prime Minister be willing to consider this alternative?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is a valid suggestion. I want to remind the hon. member that finance ministers of this government have often done that. For example, they abolished the manufacturing tax on children’s clothing, other consumer goods, and building materials. So the hon. member’s suggestion is quite sensible. However,