

## THE BUDGET

### SALES TAX REDUCTIONS—GOVERNMENT REACTION TO QUEBEC'S PROPOSAL

**Mr. Joe Clark (Leader of the Opposition):** Mr. Speaker, my question is directed to the Prime Minister. Having had the opportunity to read the communiqué of the four western premiers and to reconsider the position put forward by the government of Quebec, supported, as the Prime Minister knows, by all the provincial political parties in Quebec, in relation to the operation of the provincial sales tax within the jurisdiction of that province, has the government reconsidered its rejection of the Quebec proposal as to the operation of the sales tax within the jurisdiction of that province?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I disagree with the premise of the question about all parties agreeing with the position taken by the Parti Québécois. In so far as the western premiers are concerned, I have the communiqué and I understand that their problem is one of form rather than of substance. They feel that this was generally a good tax, but they did not like the way the consultation went forth.

I am honestly somewhat puzzled at that, Mr. Speaker. I have here a list of dates on which this subject was discussed with the provincial ministers of finance. It is incredible, the extent to which the federal Minister of Finance went to make sure that every province was involved.

**An hon. Member:** What dates?

**Mr. Trudeau:** The hon. member asks, "What days?" I can begin to read them, Mr. Speaker, or we might—

**Some hon. Members:** No, no.

**Mr. Trudeau:** No, they would not like to have a recital of the consultations which took place, Mr. Speaker, but I can assure you that they were very very numerous and that—

**An hon. Member:** Table it.

**Mr. Trudeau:** We are prepared to stand on the record and indicate that we went as far as we could in consulting with the provinces. There may have been some areas where they would have proceeded differently, but on the consultations in general we reassert that they were numerous and they were with every one. At no time did the premiers contact me and indicate that they were displeased with this procedure. On the contrary, two of them changed their budget dates and the form of their budgets in order to accommodate this federal-provincial co-operation.

It is still a puzzlement to me that after the fact, when they have all accepted it and all adjusted to it, when they have had consultations amongst themselves, suddenly, when it is all done, they should find there was not the right kind of consultation. I really do not understand the cause of this.

## Oral Questions

**Mr. Clark:** Mr. Speaker, I think all of us find it unfortunate that this government cannot make the federal system work more effectively. This is the latest example. I am sure the Prime Minister would not want to leave the impression that the discussions the Minister of Finance had with his provincial counterparts, whenever those began, were specific discussions. The Prime Minister knows they were not. He also knows that the provinces received very late in the day the final, precise proposals that the Government of Canada was putting forward.

That was not my question, however. My question was whether the government has reconsidered its rejection of the concerns put forward by the government of Quebec, with the support of the other political parties in that province, relative to the application of the provincial sales tax within the jurisdiction of the province of Quebec.

**Mr. Trudeau:** Mr. Speaker, on the remarks made by the Leader of the Opposition, it was only at the very end that the federal finance minister said that this was going to be the budget. Already we know that accusations were made against him by the Leader of the New Democratic Party for having broken budget confidentiality. So in that sense, of course, the provinces did not know with certainty until the very end what would be in it. The provinces do know, and did know for a period of a few weeks, however, what we were going to put into it in general terms and what adjustments we were making—

**An hon. Member:** Answer the question.

**Mr. Trudeau:** I am answering the remark made by your leader. You don't want me to remark on the falsehoods that were put on the record by the Leader of the Opposition.

**An hon. Member:** We can see through you.

**Mr. Trudeau:** On Thursday, March 23, the Minister of Finance discussed the sales tax proposals by telephone with Mr. McKeough of Ontario and Mr. Parizeau of Quebec. On March 24, the minister was in contact with Mr. Parizeau to discuss the sales tax proposals and other issues. On Monday, March 27, he was in touch with all deputies except Mr. Collins of Alberta. The proposal was elaborated and discussed by finance officials on Monday afternoon.

**Mr. Fraser:** Answer the question.

**An hon. Member:** Table it.

**Mr. Trudeau:** Mr. Speaker, I think the issue is one of consultation.

**Mr. Fraser:** The issue is whether you will answer the question.

**Mr. Trudeau:** It is that to which the provinces object and that which has the support of the Leader of the Opposition. He said we are not making federalism work because we do not consult enough. I am informing the opposition of the consulta-