

Excise Tax Act referred to yesterday and, second, whether he had any personal conversations with the parliamentary secretary prior to the introduction of the budget itself with respect to excise tax matters?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I cannot recall specific instances in either case, but I repeat what I said yesterday. Neither before the budget, which is not in issue because the tax was reimposed at an accelerated rate in the November 18 budget—

Mr. McGrath: An accelerated rate? It was the same tax.

Mr. Turner (Ottawa-Carleton): Well, it was 3 per cent in the May 6 budget and 10 per cent in the November 18 budget. The allegation, I understand, was that the tax was going to be removed on boats, and of course it was not removed on boats. I said quite categorically yesterday that neither before the budget nor between the budget and the introduction of the amendment which relieved the tax on boats, did I give any indication to any member of this House, other than cabinet colleagues when the matter came before cabinet, of the introduction of the amendment. That procedure I have used in five budgets and five sets of budget bills.

POSSIBILITY OF LEAK BY DEPARTMENTAL OFFICIALS
CONCERNING EXCISE TAX ON BOATS—REQUEST FOR REPORT

Mr. Sinclair Stevens (York-Simcoe): A final supplementary question, Mr. Speaker. In view of the fact that the affidavit referred to by my colleague the hon. member for St. John's East specifically states that the 10 per cent excise tax in the November 18 budget, as compared to the 3 per cent tax in the May 6 budget, was known or communicated to the deponent of the affidavit two weeks before the budget was introduced on May 18, and alleges that the information arose from the hon. member, the parliamentary secretary, would the minister indicate whether he has checked if there was any leak within his department with respect to this information?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have checked with senior officials of the department and I have had it confirmed to me that in no event was any information given either to the parliamentary secretary or to any other member of parliament.

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HOUSE OF COMMONS

MR. REID—REQUEST FOR CLARIFICATION OF STATEMENT
CONCERNING FOREKNOWLEDGE OF CHANGE IN EXCISE TAX
ON BOATS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to address a question through the President of the Privy Council to his parliamentary secretary, the hon. member for Kenora-Rainy River, which follows directly from what the Minister of Finance has just said. I should like to have the hon. member clarify for the House the accuracy of the quote attributed to him, in terms of his knowledge as a parliamentary secretary, of forthcoming changes in the November budget which came about in

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January. He is quoted as having foreknowledge of the changes before they were introduced in January. The quotation is:

We put on a lobby and we knew about six weeks before it was announced that it was coming off the boats but not the motors.

I ask the hon. member whether that is an accurate quotation, and if he knew precisely, how did he come to know precisely?

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer is that I did not know precisely that the tax was going to come off the boats. I did know, and I think a great many members of the House knew at the time, that there were going to be changes in that particular tax. Hon. members who have read *Hansard* yesterday, though not the edited transcript that appears in the *Gazette* this morning, will realize that I quoted the evidence of a member from the other side who also confirmed that he had knowledge, based on his being a member of parliament and paying attention to the debates in the House, that the tax would be coming off. For those members who would like to look it up, I would suggest they read *Hansard* of yesterday and then go back to the evidence given in the privileges and elections committee, I believe on page 12 or page 15 of the report for March 6, 1975, where they will see the evidence quoted. I do not want to give the hon. member's name.

Mr. Broadbent: Why not?

Mr. Reid: The other question was whether I had any information that the tax would be changed as a result of my being Parliamentary Secretary to the President of the Privy Council. The answer is no. The only inside information that I have as Parliamentary Secretary to the President of the Privy Council concerns what the House leaders say among themselves at different times.

● (1120)

MR. REID—POSSIBILITY OF CONVERSATIONS WITH
CONSTITUENTS CONCERNING EXCISE TAX ON BOATS PRIOR
TO INTRODUCTION OF BUDGET

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, in view of the related fact that members of the New Democratic Party, who have checked their correspondence and their memories concerning conversations they have had with the minister and officials when some of them were making the same kind of appeals the hon. member was making, found that their correspondence in fact indicated no knowledge whatsoever of the certitude of the tax change coming—in fact they got quite clear answers from the Minister of Finance to the effect that such matters were confidential and they in turn conveyed to their constituents that uncertainty and did not indicate they had any knowledge, and in fact none of our members had any knowledge of the kind the hon. member refers to—I should like to ask a question related to the letter he sent on December 19 to Mr. Nelson which reads in part:

—I understand they are likely to relieve the excise tax against boats, although not on motors.

In addition to this letter to Mr. Nelson, prior to the date of this letter or after but prior to the introduction in the House of the budgetary changes, did the hon. member