

*Oral Questions*

ring on several occasions with the Quebec government and at no time did it suggest any amendment either before or after, except its unilateral decision to cut the sales tax on four items only.

**Mr. La Salle:** Mr. Speaker, unfortunately the minister did not answer the question, because the proposal is clear.

In the light of the general protest from all parties in Quebec against the rebate formula put forward by the Minister of Finance in the sales tax dispute, could he tell us today whether he is at least prepared to defer or withdraw Bill C-56 so long as a solution has not been found?

**Mr. Chrétien:** Mr. Speaker, Bill C-56 is the bill deriving from the budget brought down in the House on April 10 last. It is important that the bill is passed as soon as possible.

I remember very well that last fall the opposition criticized us because we delayed the adoption of the budget until the fall rather than having it adopted in the spring. Therefore, I intend to proceed with the budget, and we are going to proceed with the study of the bill following the budget. We shall proceed with the second reading of the bill this afternoon, which does not prevent us from considering in good faith any offer on the part of the government of Quebec if any, as we always did in the past in this area.

INQUIRY WHETHER MINISTER OF FINANCE WILL CONSULT  
QUEBEC COUNTERPART ON SALES TAX

**Mr. Roch La Salle (Joliette):** Mr. Speaker, I should like to address my question to the one who is responsible for this parliament, that is the right hon. Prime Minister.

In the face of the dilemma fraught with consequences in which we now find ourselves as a result of the wishes expressed yesterday by the Liberal leader at the National Assembly, Mr. Gérard D. Lévesque, can the Prime Minister tell us whether, in view of the circumstances, he intends to start making the necessary arrangements to meet his counterpart, the Quebec premier, to discuss this dilemma and try, as leader of this government, to solve the matter in the interest of both sides?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, the position of the government is the same as that of the Minister of Finance. If meeting the Quebec government can serve any useful purpose, not only are we ready but we are anxious to do so. The Minister of Finance has already made certain proposals, and we are willing to discuss counter-proposals.

For my part, I should like that meeting to take place. I should also like the Canadian people and parliament to understand clearly what the matter is all about. What we are doing in the case of the province of Quebec, contrary to what the Leader of the New Democratic Party said a while ago in his motion, as I say, what we are doing with the province of

Quebec is exactly the same thing as with the other eight provinces, that is, Mr. Speaker, we are withdrawing from certain fields of taxation on income so that the provinces may occupy them.

In the case of the other provinces, they already do so; in the case of the province of Quebec, we expect it to occupy that tax field in the same way. I hope that will be clearly understood.

[English]

CONSULTATION WITH ALBERTA ON SALES TAX PROPOSALS

**Mr. Gordon Towers (Red Deer):** Mr. Speaker, I have a supplementary question for the Minister of Finance which concerns the province of Alberta. Does the minister intend to make Alberta a participating province, so that Albertans too can receive the \$100 tax remission under Bill C-56 now that it has been made clear that the government's budgetary measure is no longer exclusively a sales tax credit but includes a direct payment of \$85 to the people of Quebec?

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, I had occasion to say earlier that this scheme was designed to help people in the provinces where they are obliged to pay sales tax. I said from the first that this was not the case with Alberta. I discussed that with them at the time of presentation of the budget, at least ten days before the budget, on the day of the budget and later on in other discussions with the minister of finance. This proposition applied to the provinces less fortunate than Alberta which have to pay sales tax.

**Mr. Towers:** A supplementary question, Mr. Speaker. The Minister of Finance told this House yesterday that Quebec is being offered the same deal as every other province. Since that is not the interpretation being placed on his measure by some members of his own party, as well as many well informed people, will the minister consider making the same offer of a direct payment, without any strings attached, to taxpayers of every other province in order to dispel this notion of special status for Quebec?

**Mr. Chrétien:** Mr. Speaker, I have made the offer to the other provinces in the budget that we will be voting on in the bill before us this afternoon. We have reduced the federal income tax in the other provinces by \$100 per taxpayer and the provincial legislatures have increased their income tax accordingly. This is exactly the same deal that we are offering to Quebec.

**Mr. Towers:** Mr. Speaker, a further supplementary question. Since the Minister of Finance still leaves Alberta with no status, and since the government is demonstrating flexibility after the fact in this sales tax credit proposal, is the minister prepared to convene an immediate meeting of his provincial counterparts to more adequately explore some of the ideas they expressed to him during his so-called pre-budget consultations with them?

**Mr. Chrétien:** Mr. Speaker, we have had some meetings of ministers of finance. I have had two since my appointment,