

Personally I was interested in putting it forward, but I always said to them that "it will depend on the response I have from the other provinces." All along I said to them that I was not sure to go. So, this week the ministers of finance of the provinces knew that it was a possibility. At no time did they know I had the intention of going. In fact, when it was written in the paper, no provincial ministers of finance knew, because even at that time I was not sure that I would be able to proceed.

It was a working hypothesis which we utilized. In sending the documentation in relation to that, always I was very careful to say, "if we go along". Thus, at no point could one conclude that I was to go. Particularly in my case it is quite evident that I have not leaked to Dalton Camp, because I do not know the gentleman and he does not come into Liberal circles too often. I just want to say that I take it lightly, because it was only yesterday afternoon after two or three o'clock that I started to talk to some of the ministers. First I talked to the minister in Alberta, who was not really involved. After that I went across the nation and I reached all of them, but one. The one I have not talked to had told me in previous conversation that if I were to go, he had no problem with it and he would come along. Always I said to them that they would have a definitive answer just before the budget. Some of them were making contingency plans in order to be ready.

Two of the provinces brought down their budgets last night. The minister of finance for British Columbia learned definitely of it some hours before the House knew. When he got up in the legislature in Victoria, he cut his own sales tax by two points, but did not refer at all to the contribution which the federal government was to make. This is that part of the story.

Of course we are running the risk, in discussions with the provinces, that sometimes these things can get out. I was very aware of it. I remember the many debates in the House about the too great secrecy there is in this land about the budget.

**An hon. Member:** About a lot of things.

**Mr. Chrétien:** Yes, about a lot of things. I am trying to do something in my own field. I talked to them, knowing there was some danger. I am very grateful the provincial ministers of finance collaborated and dealt with this proposition in a hypothetical way.

This was a suggestion which I made public myself as a possibility, in October, to the provincial ministers of finance meeting. Again it was raised at the ministers of finance meeting in January. So, a lot of economists, political commentators and so on were writing about it. They indicated that probably it is the best mechanism we can use to make sure that any tax cut will go into the hands of those who spend their money, and that it will not go into savings.

**An hon. Member:** As well as some hon. members of the opposition.

**Mr. Chrétien:** Yes, some members of the opposition made that suggestion often. I just worked on that hypothesis. So, I

*Privilege—Mr. Broadbent*

do not think I should be too embarrassed by this story. In fact, the other article referred to R and D. I do not know the term they used regarding the R and D decision, but it was something about a tax credit. I did not go for tax credit. I chose another vehicle to stimulate R and D in Canada. Who would be surprised that I moved into R and D? At the first ministers' conference it was one of the recommendations of the first ministers. It was quite evident that anybody in his senses ought to listen to what the premiers and the Prime Minister (Mr. Trudeau) had to say.

• (1522)

A lot of groups were asking that something be done about research and development. I listened to them, but no one knew exactly what I would do. In fact, I did not take the route of tax credits. I chose another route. So I do not think I ought to be embarrassed about it at this moment. I checked with my officials—and very few of them were involved—to see whether any of them had been responsible for a leak. I asked them, although, of course, I would not expect them to tell me if any one of them had been responsible. The precautions concerning budget secrecy have been taken in my department.

Of course, I did discuss with provincial colleagues in a hypothetical way the possibility of action along the line I eventually took. But going over debate in this House and the precedents which have been cited, I can assure the hon. member that there is no leak from the department and that I have not talked to the individual who wrote the story in the Toronto *Star*. Where he got it from, I don't know. This presents a difficult problem because the proposition had been discussed with the cabinets of all the provinces to find out whether they were willing to accept that hypothetical suggestion of mine, or not.

Should we now hold an inquiry and call in the ministers of all the legislatures? Perhaps one of them has spoken. Perhaps officials in other departments of finance in the provinces have done so. I have tried to work with the finance ministers in all the provinces, ministers of differing political stripes, in an attempt to come to an arrangement which would make sense to all of us. I do not think I should apologise for doing so. The reality of the economic situation in Canada today is that 60 per cent of the tax "take" goes to the provincial and municipal treasuries, leaving only 40 or 42 per cent for the federal treasury. We try to work in close co-operation with the provinces so as to harmonize our tax policies. I believe the House should welcome this new approach.

I am willing, Mr. Speaker, to make a reference to a committee so that members might look at some of the taxes proposed before a budget, and could recommend to me what action I might take. Of course, I cannot undertake to accept those recommendations; ministers do not always accept recommendations made by committees. But I think I would gain a great deal if a standing committee were able to look at specific proposals and make recommendations to me before I reached a decision. I want to take a noble approach and to engage more