

● (1422)

[English]

Mr. Clark: May I ask one further simple question of the Minister of Finance? Since we have now been assured by the Prime Minister that there was never any intention to call an election and that there was never any urgency, consequently, to bring in a budget, why did the Minister of Finance not avoid all of this problem? Why did he not secure the absolute agreement of all the provinces before he proceeded with an act that involved an intrusion into provincial jurisdiction?

Mr. Chrétien: Mr. Speaker, for the first time I, the Minister of Finance of the land, took the time to visit the provincial ministers of finance and discuss this proposition.

An hon. Member: And you messed it all up.

Mr. Chrétien: It is beyond me to listen to the Leader of the Opposition who for weeks and months was asking me when we would have a budget, and today he gets up and says we were too early with the budget.

Mr. Clark: I said you are incompetent.

Mr. Chrétien: In a nutshell, I want to say that what we have done for Quebec in reducing federal income tax is the same thing that we have done for the other provinces.

Some hon. Members: Hear, hear!

PAYMENT OF INCOME TAX REBATES

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is also to the Minister of Finance. I want to refer him to a statement made by the Prime Minister at the December, 1969, constitutional conference regarding the rationale for direct payments through income tax rebates by the federal government to individuals. The Prime Minister said:

Within each province where the scheme applies, there is going to be a redistribution of benefits and certainly we are going to tax all rich Canadians, no matter where they are, a little more to help the less rich Canadians—

I would like to ask the Minister of Finance how he is going to explain to those 2.2 million poor people in the province of Quebec who are at the lower end of the income scale how the federal government can justify paying a rebate to those in the higher income levels, reversing what the Prime Minister said would be the rationale for this type of payment back in 1969?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I am doing exactly the same thing for Quebec as I have done for the other provinces. I have reduced the income tax of the federal taxpayers. That is exactly what I am doing in Quebec with the balance of the money that the Quebec government did not want to use to cut sales tax. I think it is very clear what we are doing. There is no difference in treatment between Quebec and the other provinces. We have cut income tax in the federal budget for the citizens of all provinces and the provinces raised their own income tax by the equivalent amount of money.

Oral Questions

Miss MacDonald: Mr. Speaker, once again referring to the 1969 statements of the Prime Minister which seem to have been so reversed now, when referring to the spending power and payments to persons and institutions at that time the Prime Minister said:

It is not possible to enter into a discussion of this particular proposition without considering the whole of the structure of Canadian federalism—

● (1427)

Now that the Minister of Finance has taken the country into an era of balkanized federalism and established a very dangerous precedent in what is going on, why has the government decided to endanger the very basis of our federal system by choosing a method of payment which bypasses the provincial governments and which the government at one time considered should only be proceeded with in a review of the whole structure of federalism?

Mr. Chrétien: Mr. Speaker, I made exactly the same offer to the Quebec government as I made to the other provinces at the time of the budget. It is not me; it is the Quebec government which decided to balkanize the country in proceeding the way they have.

Some hon. Members: Hear, hear!

Mr. Chrétien: After I made the offer there was no way I could go back to the other provinces and offer the same deal, because I wanted to be fair to everybody. For example, the citizens of Ontario would like to see the automobile tax cut; however, that would not have been agreeable to British Columbia because they are more interested in building materials. The ones who are trying to divide this country are the Parti Québécois in their manoeuvring. I am surprised that a national party wants to save the neck of the Parti Québécois.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

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THE CANADIAN ECONOMY

INVESTMENT IN CANADA TO CREATE JOBS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, when the Minister of Finance has no other argument, he hides behind the Canadian flag.

I have a question for the Prime Minister. The Royal commission on the effects of corporate concentration having wasted \$3 million of taxpayers' money on behalf of Argus, Power Corporation and the like, I would like to ask a question on this important subject which we thought would be dealt with by the royal commission. When the Prime Minister cancelled plans for a summer election, he said he wanted co-operation on measures to deal with the Canadian economy. The Royal commission said nothing about the serious effects of multinationals like Inco setting their own priorities: having