continue, however, if he has the unanimous consent of the House.

An hon. Member: No.

[*Translation*]

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, in opening my speech I would like to join all those who preceded me in congratulating the Minister of Finance (Mr. Chrétien) who presented what I would call a responsible budget.

No doubt that when the Minister of Finance decided to present a budget to the Canadian people, he did so essentially and exclusively in view of economic considerations. I listened to the hon. member who spoke before me and who tried to play politics with the general aims of the budget. I want to say to him immediately that the views and goals which the Minister of Finance set for himself in presenting the budget were essentially to encourage economic recovery and the rate of industrial development, and any hint of an election ploy the hon. member wants to see in that budget is unfounded. Undoubtedly, Mr. Speaker, had the Minister of Finance of Canada wanted to come up with an election budget, he would have filled it with many more concessions to Canadians, Canadian companies, and all groups of society. The budget would have provided for much more reductions of all kinds to the various groups of Canadian society. But the Minister of Finance of Canada consciously and courageously decided to present a well balanced and reasonable budget knowing full well that in the following days some hon. members of the opposition would try to use that budget as a political weapon.

He even took a risk which, in my opinion, is a precedent in the history of the preparation of budgets in Canada—close consultation with his provincial counterparts, the ministers of finance of the various provinces, in order to make them a part of the decision making process, to the extent that economic issues were concerned, before preparing his budget. However, shortly before the Easter recess when the Minister of Finance decided to introduce that budget, he had several alternatives among which to choose. One of them, of course, was to cut down the income tax rate. He did not do so and decided to reduce selected taxes because he understood and recognized that a cut in the income tax rate would not be equally favourable to all categories of Canadians.

When one considers that a sizeable number of Canadians do not pay any income tax or live on a fixed pension, or fixed income, one readily understands that an income tax cut is highly illusory for them. So he chose to follow the route suggested by several very well-advised authorities in the economic field, whether it be the Economic Council of Canada, the Canadian Chamber of Commerce or distinguished Canadian economists who had advocated and favoured a tax cut. Now, what did the Minister of Finance do? He consulted all provincial ministers of finance and, for three weeks, intensive consultations were held with all the provinces of Canada.

I think that Canadians can appreciate and understand how important the Minister of Finance felt it was to consult the provincial authorities before taking that decision. As everyone knows, it is the provinces' responsibility to set and apply the retail sales tax. The Government of Canada has never wanted or tried to intrude directly and unilaterally in that particular field of provincial jurisdiction. The federal government has offered to share the cost of a provincial sales tax cut without any discrimination with regard to the products. Several provinces—

Mr. Crosbie: Nonsense!

Mr. Ouellet: The hon. member for Newfoundland feels it is nonsense to have reduced by 3 per cent the sales tax in the provinces of Newfoundland. Well, to my mind he is the one who will not make sense when he says such things to people in his province, for they have accepted that reduction as a very wise and proper decision which, besides, has been recognized and accepted by the provincial government of his province.

An hon. Member: That he didn't know!

● (1602)

Mr. Ouellet: What is a little special about the government's decision to prepare a budget in close co-operation with the provinces is the fact that the Quebec government has decided recently to put forth a proposal which differs from that of the Minister of Finance of Canada (Mr. Chrétien).

Now, it is quite all right for the Quebec government to hold different views on sales tax but what is unacceptable is the fact that the Quebec finance minister, Mr. Parizeau, has remained silent throughout the three weeks of negotiations and made no comment to the Minister of Finance of Canada. That is unacceptable and shows at the very least a lack of good faith on the part of the provincial minister of finance. What strikes me most is that the Quebec premier should recently state on television that Ottawa has fooled around with the most intimate parts of the Quebec government. Well, Mr. Speaker, if the Quebec finance minister stood silently by and let his federal counterpart to mess around with his government's most intimate parts, I say it was gross ignorance on his part or perverse enjoyment.

Playing the offended virgin and hollering rape when pawing has been going on for three weeks is, I think, overreacting to the real situation. I suggest the serious point in this whole issue is that two provinces—British Columbia and Saskatchewan—have indeed proposed a number of changes during these discussions with the Minister of Finance of Canada. These proposals were presented to all provinces during the discussions and consultations the Minister of Finance had with them and they were accepted.