

*Oral Questions*

tions which took place. I should think they would be interested in having the facts.

**Some hon. Members:** Hear, hear!

**Mr. Speaker:** The difficulty is not in principle; it is with the length of the reply that may be required.

**Mr. Clark:** The very real difficulty, Mr. Speaker, is that I have asked a question on one topic, but the Prime Minister has twice deliberately avoided replying to that question, for reasons that I do not know.

I ask the Prime Minister if he can confirm whether officials of the department of finance in Quebec are in Ottawa at present, or whether officials of the federal Department of Finance are in Quebec City, and whether any discussions are under way that might lead to a change in the application of the budgetary proposals of the Minister of Finance to the province of Quebec.

While he is answering that, perhaps I could try for the third time, and he could also address himself to my original question of whether the government has reconsidered its rejection of the proposal put forward by the government of Quebec in relation to the application of the provincial sales tax within the jurisdiction of that province.

**Mr. Trudeau:** Mr. Speaker, on the first part of the question—

**Mr. Hees:** And you will never get to the second part.

**Mr. Trudeau:** That is possible, if I have hyenas on the other side. The interjection was that I would never get to the second part of the question. If they keep on shouting, I may not even get to the first part of the question.

**Mr. Fraser:** An honest man on the other side would help.

**Mr. Trudeau:** What are you so grumpy about?

**Mr. Fraser:** Have I got a few minutes to respond to that?

**Mr. Trudeau:** Yes, go ahead.

● (1452)

**Mr. Clark:** Mr. Speaker, I, at least, consider the effective functioning of the federal system to be important in this country.

**Some hon. Members:** Oh, oh!

**Mr. Clark:** I always considered parliament to be a place where members of parliament need not keep their mouths shut. When the Prime Minister opens his mouth, I would very much appreciate it if he would answer the simple question I have now put to him three times. I need not repeat it; the Prime Minister knows the question. Will he give us the answer?

**Mr. Trudeau:** Mr. Speaker, the reason I sat down was because the colleague of the Leader of the Opposition, the hon.

[Mr. Trudeau.]

member for Vancouver South, asked if he could stand up and elaborate, and I said yes.

**Mr. Fraser:** You are not the Speaker.

**Mr. Trudeau:** No, but you are asking if I will yield to you, and I am saying yes.

**Mr. Fraser:** I think Mr. Speaker has something to say about that.

**Mr. Speaker:** One way or another, I wonder if we could solve this impasse before the next seven minutes go by. We have to get through by three o'clock.

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[Translation]

### INDUSTRY

INQUIRY WHETHER GOVERNMENT REFUSES TO NEGOTIATE WITH QUEBEC ON SALES TAX

**Mr. Heward Grafftey (Brome-Missisquoi):** Mr. Speaker, my question is also directed to the right hon. Prime Minister. I mentioned last week that considering that in the province of Quebec we have definite problems in the textile and furniture industries, in the clothing and footwear sectors for example, and that before presenting his budget here in the House of Commons last Monday the Minister of Finance was flexible enough to accommodate the other provinces as far as the sales tax is concerned, why is he not prepared today to negotiate with the province of Quebec as he did, I admit this, by consulting the other provinces of the country?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, in the case of the province of Quebec, our Minister of Finance spent three weeks discussing the matter with his Quebec counterpart, Mr. Parizeau. He made certain proposals, while making them as well to the other provinces. In the case of the other provinces, they said: We agree, or we do not agree unless you make certain changes. In their case, the Minister of Finance negotiated with them in good faith and made a number of accommodations. In the case of the province of Quebec, the minister refused to say whether he would agree or not. We then brought down a budget. That budget made a proposal to the province of Quebec, as all the others, whereby federal funds would be at their disposal to reduce indirect taxes. The other provinces reduced theirs as had been agreed. But Mr. Parizeau reached no agreement with the federal government. He informed us later on that he would have a different budget. We will see tomorrow night what that budget is. We will see whether, in fact, he is willing to use the \$200 million or so the federal government is putting at the disposal of Quebecers and we say that, as far as we are concerned, we do not want to see Quebecers penalized. We hope Mr. Parizeau finds a formula that is not unfair to the other provinces, that will not be unfair to the taxpayers of the other provinces,