

income program geared to the gross national product and to undertake immediate negotiations with the various provincial governments in order to implement that program.

Mr. Speaker: Order. The House has heard the hon. member's motion. Pursuant to Standing Order 43, this motion cannot be presented for debate without the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

ORAL QUESTION PERIOD

[Translation]

FINANCE

QUEBEC SALES TAX—INQUIRY WHETHER SELECTIVE PRINCIPLE WILL BE OBSERVED

Mr. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Finance. In view of the communiqué issued yesterday by the Quebec finance department announcing that its deputy minister would contact his federal counterpart today—needless to say we are happy to see the resumption of communications—could the Minister of Finance tell the House, in light of today's talks on the possible financial arrangements regarding the sales tax, if the compromise he has in mind will respect the selective principle on which the National Assembly insists?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I have no comment to make.

Mr. La Salle: Mr. Speaker, I think that Quebecers are quite anxious to have answers to those questions. Given the circumstances and this communication, would the Minister of Finance tell us if he is aware of the visit of Mr. Caron in a few days and if his officials will meet him or if he himself intends to have a meeting with Mr. Parizeau?

Mr. Chrétien: Mr. Speaker, Mr. Caron is already in Ottawa; so it is not a matter of a few days.

Mr. La Salle: The minister is telling us that Mr. Caron is already in Ottawa. Would he have at least the decency to assure the House that he will make a statement tomorrow about this meeting to clarify the situation about this legislation which we cannot support as long as the minister is not more talkative than he is today?

Mr. Chrétien: Mr. Speaker, I am quite surprised to hear the word decency from the hon. member but I will certainly report to the House as soon as progress is made.

Oral Questions

● (1417)

[English]

QUEBEC SALES TAX—GOVERNMENT FORMULA FOR COMPENSATION

Miss Flora MacDonald (Kingston and the Islands): Mr. Speaker, I should like to continue the questions asked by the hon. member for Joliette. Because this sales tax dispute resulted from the federal government's direct intrusion into a field of provincial jurisdiction, I should like to ask the Minister of Finance, now that he has had a chance to reconsider and reflect, if it is his intention to withdraw the federal government's formula of direct tax rebates to individual taxpayers in the province of Quebec, in favour of a limited income tax collection agreement with the government of that province?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, after five weeks of explanation, the hon. member does not understand yet that what we did in the budget was reduce the federal income tax for all taxpayers across the land, with an agreement with the provinces, except Quebec, that they were to increase their provincial income tax and with the proceeds were to cut their sales tax, on an agreed formula. We had no agreement with Quebec, but we had with the rest of the nation.

There is no intrusion into a provincial field. When we cut our income tax, we are in our own field and the provinces can do whatever they want in the provincial field. Eight provinces agreed that my scheme to stimulate the economy by cutting income tax was acceptable, and on the night of the budget they signed the agreement. They did it on a voluntary basis. Quebec did not want to sign an agreement. That was up to them. I am still free to cut federal income tax.

Miss MacDonald: Mr. Speaker, what the minister fails to recognize, after two months of supposed negotiation, is that there is a great difference between an \$85 individual cheque by way of rebate and an agreement with the governments of other provinces. That is the difference.

I should like to ask the minister if he will guarantee that any agreed upon mechanism reached between his deputy minister and the deputy minister in Quebec, or between himself and the minister in Quebec for provincial compensation will recognize and respect the right of the provinces to adjust their provincial sales tax according to the priorities they establish, as has been done in the province of Quebec.

Mr. Chrétien: Mr. Speaker, I think the hon. member does not realize that when you are cutting taxes, you rebate money to the payer of taxes. It is pretty simple. The provincial government can cut its sales tax any way and any time, and that is exactly what the province of Quebec has done. But they have not accepted doing it like the other provincial governments. They did it with their own money; they were completely free to do what they have done.

Miss MacDonald: A final supplementary question, Mr. Speaker. Will the minister tell this House that he is willing to