

raising of manufacturers' sales tax to the level imposed on wholesalers will add from 2 per cent to 6 per cent to the cost of living over and above the 12 per cent we are already experiencing. Will the minister now agree to hold back any actions in this regard until a white paper can be delivered on the subject and fully explored, so that the people of Canada will realize the tremendous implications of this tax grab?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, there is absolutely no tax grab suggested by the change in the sales tax. There is absolutely no increased revenue from that particular change. There is absolutely no additional revenue coming to the treasury. I can assure the hon. member of that.

Mr. Jarvis: You should read your own budget then.

Mr. MacEachen: With respect to the draft legislation, it will be made public, along with explanatory material, to give the public and interested parties ample opportunity to comment on the details of the proposed changes.

COST TO WHOLESALERS OF COLLECTING TAX

Mr. Gordon Gilchrist (Scarborough East): Madam Speaker, that is a remarkable answer. The increased level of sales tax will mean an automatic increase of 6 per cent in the first year alone. We have facts and figures from a number of reputable wholesalers to prove that. Inasmuch as there are 20,000 wholesalers that will now have to set up staffs and systems at great cost just to monitor the tax as well as having to remit it, how can the minister explain the fact that the cost to Canadians will not be dramatically increased? There will be a tax revenue generation of at least another 25 per cent plus the cost of collection, which will be passed on to the consumers and all subject to normal dealer-type mark-ups. This will raise the actual 77-cent tax increase on a \$10 item to \$1.02. In other words, 25 per cent more than the tax increase itself will be the added cost burden of administration and mark-up.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I do not agree with the hon. member's conclusions at all. The sales tax changes are intended to have an entirely neutral effect on revenues. Obviously as business grows in the country there will be increases in the tax collections but these will not result from any change in the tax. In fact it is intended to decrease the level of tax from 9 per cent to 8 per cent.

Mr. Jarvis: You are going to grab millions.

Mr. MacEachen: The over-all effect in my view will neither be inflationary nor will it add to the cost of living.

As the hon. member may have noticed, I have replied to some comments in *The Globe and Mail* wherein I argued that case in some detail.

Mr. Clark: Monique understands it better.

Oral Questions

FREEDOM OF INFORMATION

PROPOSAL TO DELAY PASSAGE OF LEGISLATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of Communications. There is a report today of a letter sent to the provincial deputy attorneys general requesting the federal government to drop Bill C-43 on freedom of information and to negotiate with the provinces a uniform freedom of information statute covering all governments. Is there any proposal that comes to the minister's mind that he can think of that could slow the process of freedom of information more than the one put forward by the Attorney General of Ontario, aided and abetted by the Attorney General of Saskatchewan? Will the minister tell the House now what his attitude is toward that ridiculous dinosaur-like proposal from the provincial attorneys general?

Hon. Francis Fox (Minister of Communications): Madam Speaker, this is a proposal that was embodied in a letter sent to me by the Attorney General of Ontario, Mr. Roy McMurtry. It is also a proposal that was discussed at the official level at a recent meeting of deputy attorneys general. Obviously, if there were a uniform approach and this approach could be dealt with quickly and the provinces and the federal governments could come to terms with a uniform approach then all people in this country who are interested in greater access to information from governments at all levels will benefit and the whole process of access to information will be the winner.

I am waiting now for replies from the other provinces to see whether or not this is a proposal they would endorse. As I indicated to the hon. gentleman earlier, it would then be my intention to go back to my cabinet colleagues with the various comments and recommendations made to me by the attorneys general of just about all the provinces.

CROWN PRIVILEGE AND JUDICIAL REVIEW

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, it is clear from the answer that my hon. friend has abandoned the determination with respect to freedom of information on the federal level.

An hon. Member: Cut and run.

Mr. Baker (Nepean-Carleton): I think we ought to inquire what else the minister has abandoned. The bill contains a provision with respect to doing away with Crown privilege. It contains a privilege with respect to independent judicial review which the minister said he was adopting, endorsing and clutching to his bosom. Is he going to throw that away too?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I think it is indicated quite clearly that that was the position adopted by the government in Bill C-43. However, we did have a request addressed to us by the attorneys general of the provinces. The request came, as the hon. member knows, from the Attorney General of Saskatchewan who endorsed