

HOUSE OF COMMONS

MR. FAULKNER—INQUIRY WHETHER MR. McMILLAN MENTIONED MEMBER FOR KENORA-RAINY RIVER AS SOURCE OF INFORMATION CONCERNING EXCISE TAX ON BOATS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is for the Secretary of State and it is in order perhaps to clear up something relating to the conversation with Mr. McMillan approximately two weeks before the November budget. I am sure that the Secretary will recall if Mr. McMillan had mentioned the name of the hon. member for Kenora-Rainy River in the conversation. Is the Secretary of State prepared to assert flatly or deny that Mr. McMillan during that conversation, in referring to the source of his information that the tax on motors and boats of more than 20 horsepower would be increased to 10 per cent, mentioned the proprietor of Leisureland Marine of Kenora, a firm in Kenora, and that Nelson in turn had received this information from the hon. member for Kenora-Rainy River? Is the Secretary of State prepared to deny that?

● (1130)

Hon. James Hugh Faulkner (Secretary of State): On the contrary, Mr. Speaker, that was the tenor of the conversation yesterday with Mr. McMillan. He recalled the conversation, but as I remember conversations like this—I received many inquiries about the potential change in the tax—since I have been in cabinet I have always taken the view—and this is shared by all my colleagues—that those issues are not discussed, so I tended to give that element of the conversation rather short shrift.

Mr. Stanfield: It would be helpful if the minister were prepared to assert categorically that this information about the alleged increase in the tax to 10 per cent was not attributed to a John Reid, the federal Liberal member for Kenora-Rainy River. Mr. Speaker, I am sorry, I do not enjoy this very much, but I would like to get to the bottom of it. I would like to ask the Secretary of State whether he is prepared—whichever way he wants to put it—to assert categorically that this information was not attributed to a John Reid, the federal Liberal member, in this conversation two weeks before the budget.

Mr. Faulkner: As I pointed out to the House yesterday, I do not remember the conversation. I promised the hon. member for St. John's East that I would go back to Mr. McMillan, which I did, and I asked if he did telephone me. He said he did, and I asked him what the conversation was and what my reply was. He said that he had heard it from a dealer in his area, and I cannot precisely remember whether he introduced Mr. Reid's name. I take it that in the affidavit he contends he did. That is something the Leader of the Opposition should take up with Mr. McMillan. I do not remember the conversation. I told him that I was not prepared to discuss budgetary matters.

MR. REID—SUGGESTION BY MR. McMILLAN MEMBER FOR KENORA-RAINY RIVER SOURCE OF INFORMATION CONCERNING EXCISE TAX ON BOATS

Hon. Robert L. Stanfield (Leader of the Opposition): In my pursuit to get to the bottom of this and perhaps

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have the matter cleared up, I will ask through the government House leader whether there are any comments his parliamentary secretary would care to make about the charge made by one Thomas McMillan, the proprietor of an outboard firm in Peterborough, that he was informed by the proprietor of Leisureland Marine of Kenora, Ontario, that the tax was going to go up in the budget and that the source of this information was the parliamentary secretary.

Mr. John M. Reid (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I spoke to Mr. Nelson yesterday after the question period. He confirmed that he had not discussed this matter with me until after the budget had come down. He confirmed that the only information he had concerning this came from me after the budget was brought down, and it was contained in my letter to him of December 19, 1974. He then confirmed that he had reported this information to a representative of Outboard Marine, for which company he is a dealer, after he had received this information in writing from me.

I have not seen the document, but from what the Leader of the Opposition has read, it seems to me that there is some confusion because, as I understand it, the tax was coming off, not going on, and I do not want to comment any further because I have not seen the document. I do think from what was said that there is a contradiction in terms of what was actually proposed in the budget and what was actually done.

Mr. Stanfield: Through the government House Leader to the parliamentary secretary, my question relates not to the tax being modified after the budget, but to the budget and to the proposed increase from 3 per cent, as was proposed in May of 1974, to 10 per cent as proposed in the budget of November. The charge is that information originated from the parliamentary secretary, about two weeks before the budget, that the tax was going to be increased from 3 per cent to 10 per cent, and it is contained in an affidavit attributing the source of this information to the parliamentary secretary. The Secretary of State is unable to deny that the name of the parliamentary secretary was mentioned in the conversation, which I would have thought he would have remembered. It relates to two weeks before the budget.

Mr. Reid: Mr. Speaker, then I must say that I categorically deny that. Mr. Nelson and I had no conversations about sales tax until after the budget came down, and then, as hon. members who have looked at the correspondence I tabled yesterday will note, he made very strong and forceful representations about the injustice of it and how it was hurting his business.

MR. REID—SUGGESTED INQUIRY INTO ALLEGATION MEMBER FOR KENORA-RAINY RIVER GAVE OUT INFORMATION CONCERNING EXCISE TAX ON BOATS PRIOR TO BUDGET

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Prime Minister. Mr. McMillan has publicly indicated, I believe by way of the CBC, that he had prior knowledge which came from Mr. Nelson. The statements made by the parliamentary secretary now do not deny the truth of that, but in