

word from him can cost tens of millions of dollars of losses to us in foreign exchange, and waves of speculation; that he has to be very careful with every word that he utters. He does not realize that.

If his colleague, the hon. Minister of Industry, Trade and Commerce (Mr. Horner) is properly called "loose lips"—and he has been very loose with his lips; if I get a chance, I will expand on that—the Minister of Finance is being "flip lips". He is too flippant. He is too flip with his lips. Every time he flips his lips, he can cost us tens of millions in foreign exchange. He is not careful enough. He is not thinking out the remarks he makes enough. There is too much confusion. We already have a government in which no one has confidence, in the business and industrial community, in any event. Now we have a Minister of Finance who says one thing about the dollar, and we have the Minister of Industry, Trade and Commerce who says the direct opposite. This is costing this country dearly, Mr. Speaker, but I will come back to that later.

This budget was not a boost to the economy. It could be described mainly as a goose to the economy. There is going to be a little jump up, but that jump is going to subside very quickly. It is going to come down very quickly. It is a rubber duck budget. If you want to run out and buy your rubber duck tomorrow, you will save three cents. This is all this budget amounts to. It was a rubber duck that sprung a lot of leaks before it was brought down, and has sprung a lot of leaks since, Mr. Speaker.

All the Minister of Finance did in this budget was thumb his nose at the Canadian economy. There is nothing else he could do. His hands were tied behind his back. He already had a deficit of \$11.5 billion. He could not really spend very much. So, all he could do was thumb his nose without using his hands, and the Minister of Finance is a marvel at that.

The most serious deficiency in his budget is the subject which was addressed by the Minister of State for Urban Affairs this afternoon, and that is the situation with respect to the sales tax.

I make this prophecy: if by some mischance the kind of attitude represented by the Prime Minister, the Minister of State for Urban Affairs and the Minister of Finance, gets them re-elected to operate the government of this country again for another four or five years, then I give national unity very little chance to be accomplished, and see nothing but a disaster for federal-provincial relations.

Mr. Dinsdale: Heaven forbid!

Mr. Crosbie: Now, the kind of federal-provincial thinking which goes on in this government is illustrated by the minister of intergovernmental affairs, the hon. Minister of State for Federal-Provincial Relations (Mr. Lalonde). I do not remember his district. There was an article on him in *Maclean's* magazine a few weeks ago. There have been nothing but articles on Liberals in that magazine in the last few months. And I notice they just got a \$1 million advertising contract from the government to advertise to tell Canadians they should

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travel at home. I do not know if there is any connection. *Maclean's* is a Liberal house organ, and that is all it is. But in this article here on the Minister of State for Federal-Provincial Relations there was one astute thing said, and I quote at page 32 c:

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Lalonde reflects what seems to some people pretty much the basic problem today with all federal Liberals. They don't argue their cause, they take it for granted. Positions are declared ex cathedra and then Canadians are lectured on them.

That is what is happening today on the sales tax. There is a federal sales tax, Mr. Speaker. I think it is something like 10 per cent, and if the federal government wanted to reduce sales tax, they could reduce their own sales tax. They have their sales tax. They have an excise tax. But they wanted to reduce a retail sales tax, and direct taxation is specifically an area of provincial responsibility, and most of the provinces, except Alberta, have a retail sales tax, a direct retail sales tax. The minister wanted to have a reduction in the retail sales tax across Canada, so he suggested to the other provinces that he would make money available.

In the case of the four Atlantic provinces, he said that if they reduced their sales taxes 3 per cent he would reimburse them for all of the amount that they lost as a result of that. And they accepted; naturally they accepted. Who can expect independence from the four Atlantic provinces when they are economically inextremis, when in Newfoundland we have an 11 per cent sales tax—not by choice but because of cruel economic circumstances? When someone comes along and says, "You reduce that tax to 8 per cent, and we will reimburse you that 3 per cent you lost," naturally you accept it, whether or not it is an interference in federal-provincial affairs. You have no choice.

This offer that was made by the Minister of Finance was a mafia offer. It was an offer that you could not refuse, just like in "The Godfather." Godfather Chrétien made an offer that most provinces could not refuse and did not refuse, with the exception of Quebec, which has a long history—whether Liberal governments have ruled or Union Nationale, and now the Parti Québécois of refusing to accept these kinds of offers from the Government of Canada. Time after time they have done that, and the Parti Québécois is following in that tradition. And Mr. Claude Ryan has said himself—it is obvious from his remarks—that he would be taking the same kind of position they have taken. I quote from *The Globe and Mail* of Monday where Mr. Ryan says:

"The tax is quite evidently one that belongs to the sovereign authority of the provincial Parliament to impose, to withdraw or to change," he told the press conference.

Next quote:

"It is surely not desirable that measures be taken which seem to want to impose, under financial penalties, changes which come under the jurisdiction of the provinces."

That is a support for the position taken by Quebec because it summarizes what has happened.