

provincial government. I could quote a series of newspaper articles but in view of the time I am allowed I would like to give perhaps someone else the opportunity to speak for a few minutes before the debate ends. Before I sit down, I would like to add that it will be impossible for me to support this bill as it does not contain what is required to straighten out the present disorder that was created precisely on a matter of bad tax distribution among Canadian taxpayers. The government of Canada did not have to take away their power of taxation from the provincial governments. There are so many federal taxes weighing on the people of Canada that it could have eliminated taxes in its own departments.

Mr. Raynald Guay (Lévis): Mr. Speaker, I want to thank hon. members opposite, and especially the hon. member for Kamouraska (Mr. Dionne) who accepted to give me a few minutes of his time before the end of this debate not on sales tax, but on the budget tabled in this House on April 10. As a matter of fact, the hon. member for Kamouraska was indicating a few moments ago that the Quebec government is quite sincere. I would like right away to show an aspect of what is the Parti Québécois. I would even ask the hon. member for Joliette (Mr. La Salle) to pay close attention because I have a very telling document to read in the House, and that will be very important. Here is, Mr. Speaker, how it reads:

● (1742)

Dear Sir:

I wish to acknowledge receipt of your recent letter concerning the applicability of the Quebec retail sales tax to footwear.

First I would like to emphasize my interest in the development of the Quebec footwear industry, which is now going through a very difficult period.

However, as regards your request to eliminate the sales tax on footwear to stimulate Canadian production, I do not believe that this would be a useful means to attain the desired effect. Indeed, in view of the low rate of Canadian independence in this sector, which is about 36 per cent, I am convinced that to stimulate this industry, the setting of quotas on imports is a much more effective tool than a sales tax reduction which would deprive the government of \$42 million in 1978.

As a matter of fact, in this regard, the Anti-dumping Tribunal has very clearly stated that the problems of the Canadian footwear industry are caused mainly by massive imports. This is also the opinion of the Quebec government and this is why I have made representations to the federal government to ask it to negotiate under the General Agreement on Trade and Tariffs quotas that would limit for a few years the quantity of footwear imports at the 1975 level. Indeed, the federal government has recently announced its intentions in this regard. Please be assured that the Quebec government will see to it that the announced quota policies will be respected.

In short, we must attack the source of the problem, that is we must reduce imports, and interventions like the elimination of the sales tax on footwear are only band-aid solutions which cannot settle the problems of the footwear industry, as, among other factors, more than 60 per cent of the tax reduction would apply to imported products.

You can be assured that the Quebec government is deeply interested in the situation of the Quebec footwear industry.

Yours sincerely,
Jacques Parizeau
Minister

Income Tax Act

Mr. Speaker, this letter was addressed to Mr. Jean-Guy Maheu, care of the Canadian Association of Shoe Manufacturers, and it is dated January 3, 1978. This letter recognizes the work done by the present Minister of Finance when he was Minister of Industry, Trade and Commerce as concerns quotas for the footwear industry, textiles, clothing and shipbuilding. Mr. Speaker, he followed in the steps of another Quebecker, the former minister of industry, trade and commerce, the Hon. Jean-Luc Pepin and the present minister of this department (Mr. Horner) is actually following on the same course of action. I wanted to point out today, Mr. Speaker, that the Minister of Finance is seconded by the hon. member for Joliette (Mr. La Salle) to whom I say in passing that he should take his orders from his leader instead of playing the role of Conservative ambassador to Premier Lévesque in Quebec. That is what he should do, Mr. Speaker.

Mr. La Salle: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Turner): The hon. member for Joliette (Mr. La Salle) on a point of order.

Mr. La Salle: I simply do not want to say that the hon. member for Lévis (Mr. Guay) has lied, Mr. Speaker. I do not want to say that, but once again, as the Minister of Finance and many others, he is misleading the population when he says that I am an ambassador. I am not an ambassador but I know others who would not have minded being appointed.

[English]

The Acting Speaker (Mr. Turner): Order. I suggest that is not a point of order but a point of dispute between two members.

[Translation]

Mr. Guay: Mr. Speaker, I trust that the few minutes the hon. member made the House waste, while adding a few more when he chided Quebeckers for not taking part in the debate. But I want to tell the truth, Mr. Speaker, and I would ask that same hon. member whether he has disowned his leader with regard to the sales tax, when he goes for his orders to the Quebec premier. I think he is quite talkative when it comes to the sales tax and slightly less with regard to the Roy bill which Mr. Davis, the Ontario premier . . .

Mr. La Salle: That is none of your business!

Mr. Guay: Oh yes, none of my business, he says. Mr. Speaker, he repudiates and has little to say when the Ontario premier says that he would campaign side by side with the Progressive Conservative leader. I trust the hon. member for Joliette will be there too. Then we will see to what extent he makes small politics in this House.