

Income Tax Act

original proposal." I do not believe that for a minute. They did not all tell them that. He said "I have discussed this arrangement". This was a telephone call to the premier of Newfoundland: "Premier, this is what I am doing. I am going to solve this thing by paying \$85 per capita back to the taxpayers in Quebec." That was the discussion. There was no discussion in any sense of "discussion" as we free people know a discussion to be—I give my views and you give yours. So that is another incorrect statement.

In his letter to the minister of finance of Quebec on April 21 there are the same kind of errors polluting the whole letter as attached to that statement. The minister laid down certain conditions. On page 2 he writes:

Third, it was necessary that the proposed measure apply uniformly in all provinces.

Why? It is only necessary because the Minister of Finance says it is necessary. There is no immutable law of the universe that says it was necessary and had to apply uniformly in every province. And it did not. In British Columbia and Saskatchewan they had a different arrangement. Who is the Minister of Finance trying to fool?

On page 3 of that same letter this appears:

However, the federal government could not envisage bilateral agreements aimed at exempting one product in one province and another in another province.

Why not? The whole sales tax arrangement provincially has that flavour, so why not? I have already made the point about tax equalization and the rest of it.

The whole thing is riddled with inconsistencies. This is a government that can no longer see. It has had so much power for so long, it has had financial power vis-à-vis the provinces for so long, that it now automatically has got itself convinced that these silly mistaken statements are correct. It is an awful shame and tragedy, Mr. Speaker.

The exception in Quebec on clothing, footwear, furniture and textiles is not just for Quebec manufactured products. That also applies to imported products. That applies to products that come in from other provinces. They have not made an exemption just for Quebec manufactured goods. To exempt clothing, surely, is a proper thing. The lower income people spend most of their income on food, clothing and shelter, so furniture and clothing are the kinds of things you would like to see a major reduction of sales tax on. There is nothing wrong with that. It is just that the federal government had not dreamed it up first. They thought they were going to apply the iron fist to a government that decided to do something they had not thought of.

This becomes the great sales tax swan dive. It is just as well for the Minister of Finance to realize that the swan has become the ugly duckling. The darling swan of the Quebec caucus is now the ugly duckling of the Quebec caucus, with his strident quack-quacks in this chamber and his quack-quacks outside of the chamber; and the Prime Minister's quack-quacks are just quack-quacks. They are ugly ducklings now. The old white feathers are gone off the old swan. The graceful swan that came into this chamber a few months ago as the new

Minister of Finance has turned into an ugly quack-quack. His statements make no more sense than a quack-quack, Mr. Speaker. I wish I knew what the French is for "quack-quack". This is the old sales tax swan dive. The sooner the minister takes that swan dive, the better.

Miss Bégin: Is he from the farm or from the zoo?

Mr. Crosbie: What did the finance minister in Newfoundland say about this proposal to rebate taxes to the individual taxpayer in Quebec when he heard about it? I quote the minister of finance of Newfoundland. He said:

... certainly not an action that could be construed in any way as a unifying measure.

Even the province of Newfoundland, which has to accept federal largesse because we poor devils down there have an 11 per cent sales tax and cannot turn down the opportunity to have it go away even for six months, even we have the right to express an opinion. Our government's opinion is that it is "not an action that could be construed in any way as a unifying measure". No, it is a measure that is disunifying this nation. It is unifying the nation against the government. That may be the only good part about it. They are going to transfer and make a payment to Newfoundland and other provinces which they could not refuse.

What consultation was there with the government of Newfoundland before April 10? A telephone conversation with our minister of finance. Imagine, an important matter of federal-provincial relationships like this and the four Atlantic provinces' ministers got telephone calls to tell them what was happening!

The Minister of Finance went out west and met with the western ministers. He met with the Quebec and Ontario ministers but he didn't even bother to meet with the four maritime provinces. That is how important this was looked upon, this major excursion into the change in our whole federal-provincial relations.

When the government says, "We are not going to allow the provinces to act selectively," the government is saying, "We, the government, are not going to allow you in your own constitutional jurisdiction, with your own poor little old retail sales tax—we are not going to allow you to do what you like with it. Not with our money. We want you to reduce the tax and give stimulus to the economy, but when you want to reduce it one way that we do not agree with, we are going to tell you no, you can't do it with our money." That's the government's position.

Should the federal government not have said to Newfoundland, "Gentlemen, put back your sales tax on clothing so you will be uniform with Quebec. We are not going to allow Quebec to eliminate it. Newfoundland has got to put it back on clothing and P.E.I. has to put it back; and Newfoundland, you have got to put it back on footwear so that you will be uniform with the other provinces. P.E.I., you have to put it back on footwear. You can't exempt these any longer because if you exempt them when you are getting some help from us to