

to which I have referred was asserted day after day in the House of Commons by all members opposite and then repeated in Montreal by the Leader of the Opposition (Mr. Clark).

**Mr. Towers:** Mr. Speaker, I take exception to that statement. I hesitated to interrupt the minister. Nevertheless, the phrase he used, "all members of the opposition", includes me. The stance I have taken has been an Alberta stance. It had nothing to do with Parizeau. The minister should be more careful when making statements in the House.

**Mr. Buchanan:** The hon. member is quite correct in that all members opposite have not spoken on this bill. I will say, then, that the vast majority of the members of the Conservative party who have spoken on this subject, including their leader, have taken that position unequivocally.

When the Minister of Finance proposed to finance part of the selective cuts and all of a 2 per cent reduction for six months of the general retail sales tax in Quebec, the Tory party waited for the PQ to reject the counter-proposal and then rejected it themselves. When, for a period of weeks, Mr. Parizeau gave no sign of life, when, in his own words, he "behaved like the cow watching the train go by", the opposition spent its time attacking the Minister of Finance for what they called his inflexibility and bad faith. Never once did it cross the mind of the opposition that the Minister of Finance was faced by adversaries dedicated to the break-up of Canada.

● (1632)

As far as the Leader of the Opposition is concerned, the enemy of the federal Liberals is his friend. We do not want, nor do we need, the Parti Québécois for a friend. I suggest that hon. members opposite should beware of Pequistes bearing electoral gifts. When the Minister of Finance proposed an income tax refund of up to \$85 for Quebec federal taxpayers based on the taxation year 1977, the Leader of the Opposition was outraged. Last week when the Minister of Finance stated that he was prepared to change the refund from 1977 to 1978 so as to meet some of the objections to his proposal, what was the reaction of the Leader of the Opposition? On Friday he said that the minister was refusing to give an immediate economic stimulus to the economy of the province of Quebec. He cannot have it both ways. He cannot talk out of both sides of his mouth at the same time.

The lesson of the last many weeks is that we in Canada are dealing with a formidable and dangerous adversary in the separatist government in Quebec. The Minister of Finance made one proposal before his budget which Quebec rejected only after the budget. Since then he has made four proposals, one on April 25, one on May 15 and two last week. All have been summarily and arrogantly rejected by Mr. Parizeau and the Tory party.

It is obvious that an agreement on a national plan of economic benefit to Canada is not in the best interests of the government of Quebec, nor does it fit with its goals. Opposition members seem to be unwittingly going to bed with the Pequiste government and supporting a position held by that

### *Income Tax Act*

government, which is bent on destroying Canada. Its objective is to tear Quebec out of the Canadian confederation. I have a great deal of respect and even affection for my hon. colleagues opposite, but I am distressed because I firmly believe that they are being duped. They cannot continue to do pirouettes with their tongues and dance from one position to another. It is a ballet of politics with no grace and no finesse, and the people of Canada clearly see that. *C'est vrai, n'est-ce pas?*

The objective of the measure put forward by the Minister of Finance clearly was to increase and to stimulate consumer demand in Canada. Last weekend I was attending a meeting of the Conference Board out in British Columbia. Several ministers from provincial governments were present. One of those, a minister of finance from one of our western provinces, said, "Well, Buchanan, we were not totally happy with what has developed, but there is absolutely no question that it is successful, and we are seeing a dramatic upturn in consumer demand". That was the goal we were achieving.

It has been suggested that we should have stayed out of the provincial bailiwick of direct provincial sales taxes and that we should have used federal sales tax cuts. We have done that before. Unfortunately, we have found that there is a great tendency for the impact of those cuts to disappear somewhere between the manufacturing level and the point of purchase. The actual stimulus turns out to be very minimal. That route was considered. It was advocated by several hon. members opposite and it was rejected. Another route is the personal income tax cut. That is another policy which was advocated. We have had a similar experience in that regard. Those cuts do not turn out to be a direct and immediate stimulus to consumer demand.

Last October the Minister of Finance cut personal income taxes for seven million Canadians by \$100. This tax cut was seen in January and February. A distinguished businessman, former banker and sometimes critic of the present government commented last January that, and I quote:

Relatively little stimulus will come from Chretien's \$100 tax credit, yet the measure represents the right approach. Consumers must feel that they are becoming better off in real terms.

His advice, notwithstanding this personal income tax cut, was the following: "We should continue to press for a retail sales tax cut". This commentary is contained in a memorandum dated January 23, 1978 addressed to members of the Progressive Conservative caucus. Its author is the hon. member for York-Simcoe (Mr. Stevens).

I suggest that the Minister of Finance should be commended for his initiative and for trying to work out a collaborative, co-operative arrangement with provincial ministers of finance. His approach is very much in accord with the goal laid down at the first ministers' conference. The feeling was that we are all in this together, and that if we do not hang together we will hang separately.

The first ministers clearly and unequivocally stated that we should be endeavouring to collaborate, to work together and to share common interests in endeavouring to stimulate our economies and to help growth in this country. The minister has