

*Income Tax Act*

statesmen. But in this case they were wrong. The Prime Minister has used the British North America Act as no other Prime Minister in the history of this country has used it for short-term political advantage and confrontation. Look what we have today. The chickens have come home to roost and we are divided as we have never been divided before. Do hon. members think I say this with any partisan delight? No. I say to members opposite, where are the members from the province of Quebec? Could anything be more obvious than that by supporting the Prime Minister as he sinks with his ship they are flying in the face of every single opinion, not only from the province of Quebec, but from all over Canada?

● (2052)

When I ran a company several years ago and I announced my position, very often my branch managers or section heads revised my opinion. They told me they thought I was wrong. I accepted their advice. Did I think I lost face? Their advice perhaps saved my company. Is it really too much to expect the Prime Minister and this government to forget their pride for a minute and accept a measure that would be good for Canada, particularly for our province? In the name of God I ask him to do this.

It has been cited time and time again—and we have a report in our hands emanating from the Department of Industry, Trade and Commerce—that the traditional sectors of textiles, clothing, footwear and furniture are very strong in Quebec.

[*Translation*]

Several members have noted on many occasions that, as far as the traditional sectors are concerned, we import many goods from the other provinces. I agree with you that we do not have the exact figures—and neither have you—but I am under the very strong impression that if we adopt the proposal made by the Quebec National Assembly, this will help enormously not only the traditional sectors within the province of Quebec and low income groups, but also the economy of the other provinces, because of these imports.

[*English*]

What about the fact that we have discussed during this debate, that the measure of returning refunds to the province of Quebec will almost 100 per cent obliterate many of the benefits that the Minister of Finance intended in his original budget speech? When he presented his speech, he said, as reported at page 4319 of *Hansard*:

Any further stimulus should obviously be fast-acting. It should encourage consumer spending, not more spending by government. It should offset some of the temporary factors which are pushing up prices. This is particularly important now, on the eve of the start of decontrol.

A reduction on retail sales taxes fits these requirements best, and has the added advantage—

He said this many times in his speech over television and outside.

—of benefitting all those who spend in Canada, even those who do not pay income tax.

[Mr. Graftey.]

[*Translation*]

About the proposal announced by the Minister of Finance this week, could you, as elected representatives of the province of Quebec, explain to me how this rebate proposal can help the people who pay the sales tax, the poor, who do not pay any income tax? Do not try, because it is impossible to explain the unexplainable!

[*English*]

It is clear that because of the economic mismanagement of this government, the low and middle income people of the province of Quebec are being beaten like nobody else in this country by high inflation and a staggering rate of unemployment. Now the federal government, because of its intransigence, will not budge on this measure. They are proposing a counter-proposal or another proposal that will send reimbursements or refunds to people who really do not need them.

I can think of thousands and thousands of people in my constituency and the constituencies of almost every member of the province of Quebec who do not pay income tax but will pay sales tax and will not be helped at all because of this measure. Hon. members opposite know it and I know it.

The Minister of Finance and the Prime Minister have created confusion in this confusing debate with all their sophistry. They do not understand and therefore have confused the difference between tax room, tax points and tax mechanism. Will the Minister of Finance and the Prime Minister get on their feet in this House and show to us that they really know the difference between tax room, tax points and tax mechanism? They do not. It is for this reason that I and all thinking Canadians realize that with this new proposal this week they have balkanized this country as it has never been balkanized before.

[*Translation*]

The right hon. Prime Minister has on numerous occasions strongly criticized the province of Quebec when they claimed that separation was already a *fait accompli*. And now, with such a treatment for the province of Quebec, the federal government and the right hon. Prime Minister in turn claim that with such a policy of reimbursement to Quebec taxpayers federalism is already a *fait accompli*. We now have the proof, Mr. Speaker. I ask another question to hon. members. Is the sales tax a provincial or federal jurisdiction?

[*English*]

Supposing that at nine o'clock tomorrow evening I invited myself to your house, Mr. Speaker, for dinner. Supposing I not only invited myself for dinner and accepted my own invitation, but I then walked into your house and decided to rearrange all of your furniture and your pictures. Would you not be a little annoyed? Sure you would be. That is what this arrogant, intransigent, confronting government has done with every province, one after the other.

[*Translation*]

And that is exactly what you are doing with the province of Quebec today.