

This paranoid Liberal government which has brought about measures that have increased dissension in this nation is now preparing to go to any lengths, including closure, to do what it could have done much easier with the unanimous agreement of every member in this chamber, and that is to provide to the government of Quebec the full amount of money that they are entitled to in this budget and agree that Quebec, like any other province, has the sole right to levy a retail sales tax in any manner they see fit. Quebec would then be answerable to their own public about whether or not the manner in which it was done was proper. It is not the prerogative of the federal parliament to decide whether or not a retail sales tax levied by any province is proper. It is none of our damned business. The fact is that ten provinces have now, today, agreed to reduce and amend their retail sales tax legislation, and they are in fact cooperating with and are committed to what the minister's objectives were in the budget in the first place.

I have one other point to make before I sit down, Mr. Speaker. The minister today spoke about a big increase in retail sales in April and May of this year as compared to April and May of last year. This reminds me of the old vaudeville joke when they asked the guy, "How is your wife?" and he says, "Compared to what?" If you compare retail sales for April and May of this year with April and May of last year, which was a bad year, anything that happens this year is an improvement over last year. It is mythology when the government speaks about the fantastic results that have already occurred in April and May as a consequence of their budget. There is no doubt that it has probably helped, but surely that is no justification for doing a disservice to our constitution with regard to the sovereignty of the provinces.

● (1722)

If the Minister of Finance really wanted to do something about national economic recovery, he could pay attention to what the minister of finance for Saskatchewan said in the legislature on the same night that the Minister of Finance brought down his budget in this House. Referring to Saskatchewan, Mr. Smishek said:

—our preference would have been for a permanent federal income tax reduction for low and middle income Canadians. That would have put cash into the hands of those who need it most and surely would have stimulated consumer spending—

Then he said:

I regret that the federal offer to participate in this tax cut came so late.

And a little later he had this to say:

Certainly, the finance ministers' meeting in January, or the first ministers' meeting in February would have provided an ideal forum for the federal government to present such a tax proposal to the provinces. But this did not take place.

Further, the minister of finance for Saskatchewan, as well as authorizing me to say in this House that Quebec should get its \$225 million, went on to say:

In my view a better form of stimulus would be selected personal income tax reductions—

Income Tax Act

And later he said:

I am concerned that the federal government intruded into an area of provincial jurisdiction by trying to establish policy for the provincial retail sales tax.

He said, in effect: "We agree to co-operate; we are committed; we will live up to our word." There cannot be any question that Mr. Parizeau will not live up to his word about taking tax off five areas of retail sales for which they are responsible. They are committed to that and they are co-operating.

It will take only an amended bill to get unanimous agreement on the legislation. I hope that even at this late hour the Minister of Finance and his parliamentary secretary will tell us that they will do this very thing in committee of the whole, starting tomorrow. If they do, they will be surprised how fast this bill will go through.

[*Translation*]

Mr. Charles-Eugène Dionne (Kamouraska): Mr. Speaker, while I listened to the various speeches made by the previous speakers, it was obvious that Bill C-56 was presented to solve a fiscal problem due to a defective distribution of taxes, since the relations between Ottawa and Quebec have been constantly mentioned during the debate on the bill. Although it includes a good many things, we will no doubt be compelled to vote against it, because the procedure used to make that distribution makes no sense. Unfortunately, that bill has not succeeded in restoring order in the confusion we have witnessed for a couple of months.

For almost two months now we have been hearing in the House of Commons a debate where the speakers are inconsistent. It reminds me a remark made by the Speaker of the House of Commons on October 27, 1971 when he said, as reported on page 9086 of *Hansard*. He said:

If hon. members take five minutes of the question period to say that what the minister said is not what he said, and the minister replies that what he said was what he thinks he said, we might go on for a long time.

Then, we did not get any significant result. We have seen that occasionally and we saw it at the outset of this afternoon's proceedings. I would like now to get back to the bill. Since the beginning of that fight between the federal government and the provincial government over the tax issue, we have heard, as I said earlier, various speeches from the representatives of both Quebec and Ottawa governments. Here in this House, a publicity-seeking hon. member has succeeded in getting what he wanted, that is a one-day-out-of-the-House penalty. However, this is far from being a solution to the problem. Governments are so used to taking money out of the citizens' pockets through all kinds of taxes that they have forgotten the way to give that money back to the people. It is a pity to watch their performance.

In his statement in the House on May 17, 1978, the Minister of Finance (Mr. Chrétien) mentioned, on page 5525, second column, and I quote:

The tax is very important.