

Income Tax Act

It follows, then, that Quebec has complied with the wishes, intent and purpose of the federal budget.

If the Minister of Finance, his parliamentary secretary and others are correct that the separatist government of Quebec — that is, Mr. Parizeau and Mr. Lévesque—are determined and intend not to co-operate in any respect with the national government, Mr. Parizeau would not, and I repeat would not, have had anything to do with a reduction of his sales tax, whether prior to, during or 48 hours after the budget. If there had been some justification for that statement by the Minister of Finance, surely that justification would have been in the actions of the government of Quebec. That has not been the case.

The Minister of Finance and others have overlooked some facts. The first fact I have already given: Quebec has reduced its retail sales tax in a manner that it feels suits Quebec best, and that is entirely its right and prerogative. In fact, I spoke to the minister of finance for Saskatchewan on the telephone last week.

● (1712)

I said to him that I wish that Saskatchewan had taken all 5 per cent of its retail sales tax off five selected commodities, such as farm trucks and clothing. Had they done so, I wonder if the Minister of Finance would be talking the same way in this House as he is about Quebec. If so, he would have created 900,000 new separatists in Saskatchewan. Our minister of finance in Saskatchewan, Mr. Smishek, has authorized me to say in this House that Quebec is entitled to \$225 million from the federal government, that the federal government should give it to Quebec, that how Quebec adjusts its retail sales tax is entirely its prerogative, so long as they do not get a nickel more or less than Saskatchewan does.

The Minister of Finance and others on the government side have spoken about a contribution by the provinces to national economic recovery. Let us look at the contributions, Mr. Speaker. Saskatchewan chose to reduce their sales tax by 2 per cent for nine months. This amounts to a reduction of \$54 million in Saskatchewan's retail sales tax revenue. Of that, \$36 million will be made up by the federal government and \$18 million is a contribution or a lost revenue by the province of Saskatchewan. In Quebec the removal of the 8 per cent sales tax in the five areas in which they decided to remove it amounts to a reduction of \$340 million. I gave these figures a week ago in the House, and they have not been disputed yet by anyone from the finance ministry or on the government side of the House.

If Quebec obtains \$225 million in tax room, their contribution to the national economic recovery as compared to Saskatchewan's \$18 million will be \$115 million, the difference between 340 million and 225 million. That is in direct proportion, for if you multiply Saskatchewan's contribution to national economic recovery by six, you come very close to the amount of the contribution that Quebec is making by removing an 8 per cent sales tax from five different areas. It is also

[Mr. Benjamin.]

in proportion to our populations. It is a decision that Quebec has the right to make under our constitution.

My leader, myself and others, including the hon. member for Halifax today, have spoken about our national unity and our confederation. We have said to the minister and the government, and I repeat it again: "Okay, you're wrong a little bit; why not admit it for the sake of national unity and confederation?" We do not need them running around talking about hatred and lying. I do not know of anybody on this side in this debate, for the time it has gone on, who has made those kinds of statements about members on the government side. All we are asking is for the government to say once in a while, and this is one of those occasions, that it just might be wrong. It may be much more statesmanlike, and it would make a much greater contribution to confederation, if they were to say, "We will bring in amended legislation." That we would accept. Whether or not the government of Quebec is right or wrong is their problem, but we accept their constitutional right and authority to deal with their retail sales tax in a manner which suits them the best.

Quebec's contribution to national economic recovery will be as much or more benefit to the manufacturing industry, employers and workers in Ontario as it will be to Quebec. In four of the five areas in which Quebec has removed their sales tax, the majority of the retail sales in those four commodities is manufactured in Ontario. Therefore, Quebec's move benefits Ontario as much as or more than it benefits manufacturers and workers in Quebec.

The fact is that all ten provinces have agreed to reduce their retail sales tax. Alberta has none. When the government talks and brags about their boast that, for the first time in the history of Canada, the national government has received the cooperation of all the provinces in an area which is entirely within the jurisdiction of the provinces, Quebec agreed and Quebec did, in fact, reduce its retail sales tax. I would have thought that this situation would allow the members of the Liberal party and the members of the parties in the opposition to go back to Quebec and say, "Aaha! Where are those separatists now?"

Instead of that, the government has brought in legislation in a manner which plays into the hands of the separatists and reinforces their arguments about economic association, sovereignty or separatism. They have played into their hands, and we in the opposition parties who are joined in the struggle to preserve, enlarge and renew our confederation object to legislation that plays into the hands of those who want to divide this country. The reality is that Quebec has reduced its retail sales tax, and whether the Minister of Finance likes how they have done it or not does not matter. It is their right. I wish that Saskatchewan, British Columbia and Nova Scotia would have decided to knock their sales tax off in five selected areas. They would still be cooperating and making a commitment and living up to it. I wonder if the Minister of Finance would have come to parliament then and accused Saskatchewan, B.C. or Nova Scotia of trying to break up this country. I doubt that he would.