

little prospect that big or major cuts will take place in the textile or clothing sectors as a result of negotiations at Geneva. For reasons that are well known, the textile industry is not the most robust in any of the industrialized countries and all negotiating partners are aware of the difficulties in undertaking substantial cuts in that area.

● (1452)

Mr. Dick: A supplementary question, Mr. Speaker. Considering that under this government the domestic share of the textile market has gone from 64 per cent in 1966 to 40 per cent in 1978, may I ask what the government intends to do to reverse this trend? If we had a 64 per cent share of the market, we would have another 80,000 jobs today and 80,000 fewer persons on unemployment insurance.

Mr. Basford: Ask him where he got that French tie.

Mr. MacEachen: Mr. Speaker, from time to time the government has taken steps to provide protection for the textile and shoe industries. Whatever steps are under contemplation will be announced in the usual way.

Mr. Dick: Why does the Minister of Justice call this a French tie? Is he upset about it? Doesn't he like French ties?

* * *

[Translation]

FEDERAL-PROVINCIAL RELATIONS

LAY-OFFS IN QUEBEC—REQUEST GOVERNMENT RECONSIDERS SALES TAX PROPOSALS OF PROVINCE

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of State for Federal-Provincial Relations. I have here a report put out by the Minister of Industry, Trade and Commerce from which I should like to quote a brief paragraph. Quebec was the first victim of the recent increase in unemployment—

Mr. Speaker: Order. If the hon. member has a question to put, he should do so immediately.

Mr. Grafftey: As the report claims that of the jobs lost in Canada over the last two years 30,000 to 36,000 in the manufacturing sector were lost in the province of Quebec, specifically in textiles, clothing, furniture and footwear, can the government now give the House the assurance that, because of the conditions mentioned in the report, it is now seriously considering the proposal of the Quebec minister of finance with regard to the sales tax?

Hon. Marc Lalonde (Minister of State for Federal-Provincial Relations): Mr. Speaker, the hon. member should refer to the report put out in the last few weeks on the state of the footwear, textile and furniture industries in particular; he would then realize that it is above all thanks to the measures

Oral Questions

adopted by the government, the Minister of Industry, Trade and Commerce, and the Minister of Finance, who imposed quotas and reductions on imports, that those industries are now in a better position than they have been in several years. In fact, some of them are doing so well that one has to wait from six to eight months before getting delivery of their goods.

The federal government took steps in the last two years which have led to a considerably improved situation in those industries. As for the general state of the manufacturing industry in Quebec, the hon. member knows full well that the constitutional policy adopted by the Quebec government at the present time has not been conducive to the creation of jobs in the province. Finally, with regard to the sales tax, my colleague, the Minister of Finance, made a reasonable offer to his Quebec counterpart. The latter turned it down, suggesting he had another proposal to make. We shall wait and see what that proposal is. My colleague made it very clear that he would be quite willing to pursue discussions further on the matter.

Mr. Grafftey: I would like to ask a supplementary question.

I would like to know if the federal government is preparing another proposal for the province of Quebec regarding the sales tax. In view of the fact, Mr. Speaker, that in another federal government report the Minister of Industry, Trade and Commerce said that the adoption of the proposal put forth by the Quebec minister of finance would even help job creation and the economy of other provinces, as Quebec imports a good deal of clothing, footwear, furniture, and the like, will the confrontation with Quebec continue or will we seriously consider the Quebec finance minister's proposal?

Mr. Lalonde: Mr. Speaker, there has never been any question of confrontation on that level. The federal Minister of Finance consulted with all his colleagues, including his Quebec counterpart. In fact, consultations with the Quebec minister of finance started 18 days prior to the presentation of the budget, around March 23 I believe, and there have been continued consultations between Mr. Parizeau and the federal Minister of Finance, as well as between the officials concerned. So the government did not seek a climate of confrontation, quite the opposite; this was done in an attempt to come to a solution of co-operation on that level. Unfortunately the Quebec government decided not to co-operate and afterwards came up with a proposal of its own, which created problems. We have no objection to the Quebec government eliminating the sales tax. We have in fact proposed to extend the federal contribution.

[English]

RETURN OF GRANT MADE TO QUEBEC CANADA MOVEMENT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of State for Federal-Provincial Relations. Has the Quebec Canada movement returned the \$265,520 grant that the federal government gave, as the other unity groups had declared their opposition to this donation?