

Oral Questions

stated today that he will have to spend money to collect his taxes. This is the argument which we have been putting forward since 1954. The fact that Quebec has its own revenue department compels them to pay for the duplication of that service. To avoid that, they should abolish their national revenue department and we would collect their income tax as we do for the other provinces and we are prepared to make them that proposal.

Mr. Grafftey: Mr. Speaker, I should like to put a supplementary question. It is obvious that the policy announced by the Quebec government will help the textile industry.

[English]

SALES TAX—REQUEST FOR WITHDRAWAL OF BILL C-56

Mr. Heward Grafftey (Brome-Missisquoi): My supplementary question is directed to the Prime Minister. Considering that during the last three days, especially since yesterday in spite of what the Prime Minister said in this House then, Canadians and provincial leaders from coast to coast have felt we now have one set of policies for Quebec and another for the rest of Canada, and considering that yesterday it was proven that the minister of finance for the province of Quebec objected clearly last March to accepting the proposals of the budget, for national unity as well as for economic reasons will the government now take Bill C-56 off the order paper and convene a federal-provincial meeting immediately to rectify this situation once and for all?

Right Hon. P. E. Trudeau (Prime Minister): I would be interested in knowing why the hon. member says it is proven that Mr. Parizeau rejected this scheme, when he had repeatedly stated that he had not decided one way or another. Why would the hon. member smuggle that word in?

SALES TAX CUTS—EFFECT ON INDUSTRY

Mr. Edward Broadbent (Oshawa-Whitby): It is clear the Prime Minister's miasma is bothering him today, considering that yesterday he said in the House:

In the case of Quebec the sales tax has been cut in a different manner which seems to destroy the idea of a national common market and which seems to favour only jobs in the province of Quebec.

Is the Prime Minister aware that in almost all the sectors from which the Quebec sales tax has been removed, more goods are produced by other countries or by other provinces than are produced by Quebec?

Right Hon. P. E. Trudeau (Prime Minister): The point I was making is made by the Parti Québécois itself and by its members. I have a letter here from one of the members supporting the PQ. This is the propaganda they are sending around. They are bragging about the way in which they cut taxes. Rather than do it as the other provinces did it, they did it in a way which would encourage Quebec industries, not Canadian industry.

[Mr. Chrétien.]

● (1427)

[Translation]

Since the Quebec government wishes to encourage Quebec industries . . . we made this decision with the interests of Quebec and Quebecers in mind, in order to protect our industries and consumers in the sectors where the needs of the people are greatest.

[English]

This may be a virtuous position for one who believes in provincial autonomy and even more in separation; but, once again, what the federal minister tried to do was put together a scheme which would apply across the country and which would not call for each province to protect its own industries as much as it could. That is why the scheme put forward by Mr. Parizeau was not put forward, as the federal minister says, during the discussions, because he knew full well that if he had said, "I will do this for four industries which are helpful to Quebecers", Mr. McKeough of Ontario would have said, "I will have a selective tax cut, too, on things which are produced essentially in Ontario".

An hon. Member: Automobiles?

Mr. Trudeau: Automobiles; and British Columbia would have said, "We will do the same thing for industries which produce essentially in British Columbia". Hon. members opposite should understand that this would have been contrary to the interests of the whole nation, where the tax should apply equally to everyone.

Mr. Clark: Use your federal sales tax.

Mr. Trudeau: Once again, hon. members opposite think that Mr. Parizeau was right. If they think he was right, our answer is, why did he not make that suggestion when the discussions were going on directly for three weeks? The reason he did not was that he wanted to have a better deal for himself after the others had locked themselves in. I am surprised that hon. members opposite cannot yet understand this.

Mr. Clark: Why did you fall into the trap?

Mr. Broadbent: Mr. Speaker, I hope we on this side of the House are given equal time to reply to these speeches. I would ask the Prime Minister to answer the question. This is the first time I have ever heard him quoting a Parti Québécois source to support his argument.

Would the Prime Minister answer the question: it was put in straightforward terms. Is he aware that in most of the sectors where the Quebec government has cut the tax, the goods sold in that province are either produced in greater numbers outside Quebec in other provinces or in other countries and, if that is so, does that not make a complete mockery of the argument the Prime Minister has made in this House with whatever source of evidence, PQ or otherwise, he has used to support his argument?

Mr. Trudeau: No, Mr. Speaker, it does not. I recognize that some goods more than others are imported into Quebec, and I realize that Quebec could not conceivably cut the tax only on