

The Budget—Mr. Crosbie

Well, what has happened? Alberta received no assistance. They are a special case, they have no sales tax. B.C. and Saskatchewan, there was a special case made for them. They wanted to remove the sales tax for 9 months and reduce it by 2 per cent, and that was agreed to by the Minister of Finance and by the Prime Minister. That was a special case.

If we look at the sales taxes across Canada, there are all kinds of exemptions. Newfoundland already exempts clothing, it exempts footwear, it exempts now the sales of electricity. P.E.I. does the same. What is exempted differs in every province. The 11 per cent in Newfoundland did not apply to clothing and footwear in the first place. So, there are special cases. All across Canada we have got special cases, different exemptions. We have got different rates. The rates vary, Mr. Speaker, from 5 per cent to 11 per cent in Newfoundland. So, the rates are different all across Canada.

The reduction that was implemented as a result of the minister's budget is discriminatory because in one province it will save the consumer 27 per cent, and in other provinces varying percentages depending on how high their sales tax was in the first place. So, it is different. There are special cases in every province. It means a 25 per cent reduction for Quebecers if they had reduced it 3 per cent—27 per cent it meant in Newfoundland from the burden on consumers; 29 per cent in Ontario and British Columbia because their tax rate was less; 37 per cent reduction in the Maritimes, and 40 per cent in Manitoba and Saskatchewan, if the federal proposal was accepted. So, it differs in all provinces anyway. Consumers were being treated differently in every province by this proposal.

But Quebec came back and said that they did not want to do it in that manner, that they want to assist not only their consumers but certain Quebec industries. So, they want to reduce and take the 8 per cent off furniture, footwear, clothing, and what was the fourth—textiles. So, that is what they wanted to do. The federal government said to them, "There is \$226 million that it will cost in Quebec if you reduce your sales tax over-all 3 per cent for six months. We are going to give you two thirds of that, and you have to come up with the other third if you do what we ask you to do." That is \$184 million from the federal government, and they would have to put up \$42 million if they did this. If they accepted federal dictation, this is what they would get from the federal government.

Well, they have come back and said no, they want to take 8 per cent off four specific areas. It does not make them any different from Newfoundland. Newfoundland does not tax clothing now, does not tax footwear, but it will help their consumers who will buy clothing and textiles and footwear, and furniture; and it will help the Quebec manufacturing sector which is heavy in that area. Now, what is wrong with that proposal, Mr. Speaker? What is wrong with it? It is a provincial tax. Surely to God, cannot members opposite see that this is a fantastic intrusion into provincial rights and jurisdictions to try to force this over on a province that says it does not want it.

[Mr. Crosbie.]

You noticed today in question period when our leader, (Mr. Clark) and the hon. member for Kingston and the Islands (Miss MacDonald) referred to this "Briefing Notes for Consultative Task Forces" put out by the Department of Industry, Trade and Commerce—I got it from them this morning.

When we look at page 19 of that report, the section on industrial adjustment, we see that it says at page 18:

A review of industrial prospects indicates that, even in a buoyant economy, particularly difficult problems of industry adjustment involving significant contraction in employment are anticipated in such sectors as leather industries, textiles and clothing, furniture and shipbuilding. These industries together employ around 244,000 workers . . .

And then it goes on to say below:

The regional pattern of industrial activity makes the question of adjustment more problematic. The sectors listed above with severe adjustment problems are generally concentrated in Quebec.

The government's own study shows this. It warns that there is going to be significant contraction in leather, textiles, clothing, and furniture, and says that the severe problems are generally concentrated in Quebec. And when the Quebec government comes forward to try to utilize this federal offer to assist in those areas, the federal government says no, and then tries to pretend it is some kind of criminal action, a separatist action by the Parti Québécois that they have made this other suggestion.

Now, Mr. Speaker, there can be no satisfactory, no smooth federal-provincial relationship with this government while that kind of attitude is exhibited by the government that operates in Ottawa. This is a perfect illustration of why the Prime Minister is the last man in Canada who can ever come near to solving our unity problem with Quebec. He is too stiff necked about it; he is too inflexible. He will not budge. He has got his own fixed ideas, and it does not matter what the provinces think or what the province of Quebec thinks, or what the people in the province of Quebec think. He is going to force his way on them. That is his attitude.

How can Canada survive if that is the kind of attitude that stays in office in Ottawa? In my opinion, Mr. Speaker, it will not survive. This action of the government was exemplified here today by the minister for urban affairs with his stupid argument that he put forward today, exemplified by the Minister of Finance, exemplified by the Prime Minister on Friday, who by a cheap tactic tried to imply that anyone who thought their policy was unwise was a separatist. By God, Canada is on the road to ruination if the majority of the Canadian people will buy that kind of dangerous guff. What did the minister of urban affairs have today to justify their attitude? And, by the way, I have not got time to go into it, but we all know that the four western premiers have come out and said this is an intrusion in federal-provincial affairs, a shocking way to run things, and flippant remarks of the Prime Minister could prejudice ongoing discussions in national unity. We are all familiar with what they have said and how right they are. And they are upset with this federal interference, although they all accepted what was offered because, as I say, politically unless you were in Quebec it was an offer you could hardly refuse.