

Income Tax Act

as a whole. And the same can be said about Canada particularly in my own area as we have also 3,000 people working for General Motors in Ste. Thérèse a few miles south of my riding, and they are not favoured by that 3 percent cut either, and I wonder, Mr. Speaker, when they will go to Quebec requesting a sales tax cut on their products. If workers who feel they have been hurt by this new 5 percent tax levy can demonstrate to voice their discontent, surely workers who have been overlooked in the sales tax cut can do likewise in fact, I invite the employees in the General Motors' plant in Ste. Thérèse to demonstrate and demand from their provincial government the national programme that has been proposed and was accepted by all other provinces. Other provincial Finance ministers have understood the situation and realized that the recommendation made by C.D. Howe Institute and others was certainly the best way to boost the economy.

It is said that the textile industry was a weak sector in the province of Quebec. According to the data provided by one of the main textile industries in the province of Quebec, the Dominion Textile Ltée., for the third quarter of 1977, their sales have reached \$145,700,000. which represents a \$406,000,000 increase for the nine first months of the previous year, or a 12 percent increase over the previous year. And those figures, Mr. Speaker, were released on and apply to their 1977 financial year, long before Parizeau proposed his new fiscal policy. So it is no longer a soft sector and these higher sales are certainly due to the measures taken by the Canadian government in 1977 in imposing quotas on the importations of textiles. It is therefore wrong to state that the textile industry is part of the soft sector. Perhaps some industries in the textile field can say they are in a weak sector, but this is surely not true of most of the thriving textile industry of the province of Quebec which has hired additional employees during the last eight or ten months and has increased the volume of its sales. That is obvious in the report submitted by the Dominion Textile Company.

Of course, since November 1976, the economy of the province of Quebec is going down and it is normal. I mentioned earlier an industry which should have been helped by a tax rebate, that is the Quebec building industry because since 1976 generally speaking there has been a slowdown of at least 75 per cent in that industry. I want to emphasize that it was 75 per cent, Mr. Speaker, because the media, especially those from the province of Quebec tend to censor what we say in this House. This is why sometimes we have to repeat to be sure we are understood. There was a 40 per cent decrease compared with last year, that's 1977, and this is very serious. The point, Mr. Speaker is not to find amusing formulas, window-dressing formulas such as the 8 per cent tax rebate on hotel rooms to stimulate this sector of our economy. While I am on the subject Mr. Speaker, it is rather amazing to note that every-time the question of helping the poor comes up in the province of Quebec, it is always the wealthy who do bring it up. The 8

per cent tax on hotel rooms was taken off because, once again, this notorious Finance Minister found out that the minimum living wages in his province, which are unique in Canada and in the rest of the world, have a tremendous detrimental effect on the Quebec tourist industry. To such a degree, Mr. Speaker, that in certain areas of the province, such as Montreal and Quebec City hotels suffered losses of 60 per cent over 1966 and 35 to 40 per cent from 1976 to 1977, which has meant that major hotels in Montreal have had only a 45 per cent occupation rate in 1977 whereas to be profitable, a hotel which wants to give a good service must have at least a 75 per cent occupation rate.

● (1532)

Because of all the requirements imposed upon the Quebec tourist industry because of the minimum living wages which are much higher than the minimum wages of all other areas of North America—in many cases they are at least twice as high—and also because of the tax burden placed upon the tourist industry, we could read in a recent newspaper report published last Monday or Tuesday, that the tax burden per room in the province of Quebec, in Montreal, is around \$1,835 whereas in certain tourism oriented areas of the country, it is about \$400. There is therefore no need to be an economic expert to see that the Quebec industry is not able to compete with the tourist industry outside Quebec. It is probably for this reason that the provincial minister decided to help once again the poor and reduce the tax of 8 per cent. This will perhaps convince certain members of the provincial cabinet to spend their 1978 summer vacations in Quebec rather than in Old Orchard or somewhere.

However, Mr. Speaker, the impact that such a tax reduction might have will not be felt for a few years yet because it is mostly aimed at the convention industry which can fill the major hotels for three or four days and bring in people who spend an average of \$75 to \$100 each outside of hotel charges, of course. There are the people at whom the reduction is aimed. Those are the people who have been chased away by our minimum living wages of over \$3 in Quebec, which is twice as much as in many other provinces. Those are the people we want to get back. This will not be possible before a couple of years, because such arrangements are always made 18 to 36 months ahead of time. For instance, the conventions which were not held in Quebec this year were cancelled in the spring of 1977 and in the fall of 1976. The stimulating effect we had anticipated with our 3 per cent tax reduction for the whole economy, for all products manufactured in Canada, would indeed have had an immediate effect far more important than reducing the tax on hotel rooms.

Then, Mr. Speaker, tax is removed on shoes. I believe we all want to get the highest salary possible for our work. On the other hand when you need things such as are manufactured in this country, you go out and buy products manufactured abroad, and this is true concerning shoes, since 40 or 50 per