

out having that agreement. That was a particularly foolish error since the one province that did not agree was the one that the Minister of Finance knew was looking for every available opportunity to embarrass the federal government and to undermine the cause of federalism.

● (2052)

Some hon. Members: Hear, hear!

Mr. Clark: What happened here is that the Minister of Finance led with his chin, and the province of Quebec hit him. Then, having been caught in a trap, a trap that any normally observant minister would have foreseen and avoided, this government was too proud to admit that it had made a mistake. Instead, it acted in a way which violates the spirit of the constitution of Canada, violates the nature of the federal system, and violates the principle of equal treatment for all provinces.

Some hon. Members: Hear, hear!

Mr. Clark: This bill provides a special deal for Quebec, a deal which Quebec does not want and which the other provinces were not offered. The Prime Minister (Mr. Trudeau) pretends he is treating everybody equally, but the truth is that he intends to send a cheque to every taxpayer in Quebec and not send a cheque to taxpayers in other provinces.

Some hon. Members: Hear, hear!

Mr. Clark: If you, Mr. Speaker, are a taxpayer who lives in Quebec, you get a cheque; if you live in Ontario or British Columbia, you do not. That is not equal treatment. The offer made to nine provinces was confined to the sales tax. The offer made to Quebec in this bill deals with the sales tax and an income tax rebate. That is unjust to other provinces, particularly to Alberta whose citizens are not eligible for a sales tax cut but are eligible for an income tax rebate. No matter how the government may twist and turn, the fact is that it has introduced a double standard into the relations of the provinces with the central government.

Some hon. Members: Hear, hear!

Mr. Clark: Just as this bill is inequitable to provinces, so is it inequitable to people. It penalizes the poor in Quebec, sending a cheque to those Quebecers rich enough to pay income tax but denying to low income Quebecers the full benefit extended to lower income residents of eight other provinces.

Finally, this bill violates the spirit of federalism by denying a province the right to decide what the province will do with its own power. Ontario was not denied that right; Ontario agreed to a certain proposition and British Columbia agreed to that proposition. So, reluctantly, did Manitoba and other provinces. But there is no way to mask the fact that Quebec did not agree, and everything that Ottawa has done since budget night has been designed to force Quebec to use its taxing power in a way it does not want to and did not agree to.

Income Tax Act

[*Translation*]

Mr. Speaker, the government could not care less about provincial jurisdictions. It will not accept that the provinces should fight tooth and nail for what belongs to them. It would have them fill the role of mere administrative agencies of the federal government, entrusted at the most with the care of applying unilateral decisions coming from Ottawa. It refuses to recognize in the provinces legitimate partners, sovereign in their own jurisdictions, and given the mandate, just like the federal government, of implementing authentic federalism.

For us in the Progressive Conservative Party, what moved us to support Quebec in the sales tax conflict is our historic concept of the nature of Canadian federalism, our traditional respect for provincial jurisdictions, and finally, a feeling of equity towards the thousands of workers in the industrial sectors of Quebec most severely affected by the slump in the sales of their products.

[*English*]

That measure is not directed against Quebec. It is directed instead against the idea of a federal state. If the central government today can ignore Quebec's right concerning sales tax, then what is to stop them tomorrow from using federal funds to dictate how urban communities should be developed in Ontario, despite Ontario's clear jurisdiction over that matter? What is to stop them from using federal tax dollars to dictate the kind of industrial development in Atlantic Canada, despite the constitutional right of those provinces to set those priorities themselves? What is to stop them from using federal taxing power—as they did four years ago—to dictate the pace and emphasis of resource development in British Columbia, Alberta, Saskatchewan or Manitoba, despite the jurisdiction of the provinces over those resources?

The Minister of Finance claims he has made a major breakthrough in getting federal-provincial agreement on federal policies in the budget. That is not the way the other partners see it. The four western premiers were so enraged at the way they were treated that they took the unprecedented step of issuing a unanimous communiqué of condemnation.

The Atlantic provinces were told about it on the telephone. As my colleague the hon. member for Kingston and the Islands (Miss MacDonald) recounted to the House, the so-called consultation with the provinces was so casual and incomplete that the Manitoba minister of finance did not know until he had begun his own budget speech just what the details of the federal proposition were.

But that speaks only of the federal government's lack of courtesy and lack of competence. The provinces have become accustomed to that. What is extraordinary about this bill is the federal government's lack of respect for the constitution. If that can happen to Quebec today, then it can happen to British Columbia tomorrow, and it can destroy the trust which is the basis of our survival as a nation.

That is why we oppose the sales tax portions of this bill, and I say to the government now that we will use every legitimate means at our disposal to stop this stubborn government from