

Income Tax Act

drance that may exist, I am convinced that I would have helped effectively to improve the social climate, the economic conditions and the political issues in this country. I am in favour, for my part, of a new constitution, a constitution in which not only the responsibilities and rights of the various levels of government will be clearly defined, their sources of revenues to meet their obligations, so that we will stop wasting so much time in useless conferences that do not solve anything.

So, Mr. Speaker, in taking part in the debate on Bill C-56, I wanted to put forward very positive ideas and, hopefully, work with all my colleagues in this House to create a greater harmony in this country, so that Canadians in eastern, central and western Canada can be proud of having equal opportunities all across this country and we are no longer led to believe that a part of the country is giving handouts to the other out of sheer kindness. Are we living in the same country or not? If we are living in the same country, our responsibility at the national level is to provide good administration for everyone and not have part of the people believe that one part of the country is doing the other favours out of generosity.

Mr. Speaker, perhaps my words will be judged as coming from a man who has not much confidence at this point precisely because of the situation created by that issue we are now discussing and because of the \$186 million, but \$186 million is not much compared with the whole future of a people and a country. Let us disregard that \$186 million barrier and build a real constitution, so that we may have a real prosperous country in which all Canadians today and tomorrow will be proud to live.

● (1632)

[English]

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, in the six years in which I have been in the House I have risen to speak on many occasions, but never have I felt as much desire to speak out as I do today. I have never felt so strongly about an issue. I have never listened so attentively to all the arguments which have been presented by members of the opposition, and by others outside this House, on the subject of this bill, Bill C-56. I have never on any issue been as convinced as I am today of the wisdom of the Minister of Finance (Mr. Chrétien) in his objective, in his method, and in the presentation of the bill before us. With all my English logic I have listened to the arguments presented. I can say, frankly and honestly, that I do not understand them. I have looked at the emotional side. Perhaps I am not very emotional, but I have tried to look at the subject from an emotional point of view to see whether I could better understand the extraordinary attitude and point of view which have been put forward in opposition to the bill.

I find it extraordinary we should be discussing today what Canada is all about. We are seeking to determine, in this argument on the provincial sales tax measure, what kind of Canada we want for the future. I hope we will never write a constitution which would make it impossible to carry on a

[Mr. Lambert (Bellechasse).]

dialogue between the provincial and federal levels of government.

When the minister presented this bill to the House he clearly outlined his objective in making the proposals he did. Economists throughout the country had almost unanimously agreed that the best way to stimulate the economy was to reduce provincial sales taxes across the land to provide immediate stimulus to purchasing which would, hopefully, result in increased investment, increased manufacturing, and greater employment opportunities.

● (1642)

The minister was faced with the obvious problem that provincial sales tax is under provincial jurisdiction. He has acknowledged this right from the start. The method he proposed—and really the only method available to him—was to use federal taxes as a compensation if the provincial governments were willing to accept the scheme he proposed.

After three weeks of argument the minister obtained the agreement of nine of the ten finance ministers. A couple of them decided to make alternative proposals in forms which were acceptable to the federal minister. During those three weeks the Quebec minister of finance never said a word. He did not say, “Mr. Chrétien, this is provincial jurisdiction; stay out; do not touch”. He kept his mouth shut because he was playing games. One could consider our Minister of Finance perhaps a little naive because he thought intelligence might override these emotional game considerations.

The timing is what I find difficult to understand. The federal budget was brought down on April 10. The Quebec provincial budget was brought down on April 18. We have talked a lot about what was understood regarding how moneys were going to be raised and how the transfer was going to be made.

In the budget of Mr. Parizeau of April 18, at the bottom of page 22 he acknowledges—and it is printed—that the method of transfer would be by a reduction in federal taxes paid by the taxpayers. I do not know how long it takes to print a document such as the document I have in my hand, but I would suggest that such a document was put together even before the federal budget of April 10. I am not inclined to believe that there was any misunderstanding whatsoever in the mind of the Quebec Minister of Finance prior to the presentation of the federal budget on April 10.

On April 12 the Quebec Minister of Finance made a counter proposal. On April 21 the federal Minister of Finance suggested a different form for his original proposal. This, incidentally, should certainly answer one of the points raised by the hon. member for Oshawa-Whitby (Mr. Broadbent) when he spoke of the differences between Quebec and the maritime provinces. The counter proposal of the federal Minister of Finance was to provide an opportunity for Quebec to be treated in the same way as the maritimes. The federal minister was prepared, if Quebec was willing, to cut 2 per cent from the sales tax on the remainder of products to which sales tax was still applicable.