

*Income Tax Act*

core of this bill. In addition, there are the editorial writers, without exception, of French Canada and English Canada, the premiers of the provinces, and Liberal backbenchers. In the province of Quebec all parties in the National Assembly are expressing disagreement with this measure and, in particular, with this government's plan to implement it.

At the very time the appeal of the premier of the province of Quebec for independence had begun to wane in that province, the Liberal party at the federal level, the self proclaimed saviours of the country and, in their view, the only experts capable of dealing with the question of national unity, came to the rescue of Mr. Lévesque. They have provided him with the strongest possible evidence in support of his general contention that the federal system does not work for Quebeckers, that provincial rights and jurisdictional authority are always, in the crunch, trampled upon by the federalists in Ottawa.

● (1522)

To use the words of one of the most distinguished citizens in the land, and I sincerely believe this, Mr. Claude Ryan, the leader of the opposition party in Quebec, this measure is a "dangerous" precedent. These are not the words of a newspaper normally opposed to the Liberal party, or of an opposition member. With this measure, particularly in the light of the means used to bring it into being, and the attitude taken by the Prime Minister (Mr. Trudeau) and by the Minister of Finance, we find blackmail replacing co-operative federalism. The tragedy is that this sad sequence of events might have been and, indeed, should have been avoided.

The quagmire in which we find ourselves at present is not inherent in the federal system, as every member of the House knows. It is, I regret to say, however, inherent in the cynical, expedient and, above all, arrogant attitude of the federal Liberal Party of Canada. The Liberal Party of Canada, particularly the leadership of its Quebec wing, combines two totally unacceptable attitudes in terms of national politics in a federal system. One is an almost congenital incapacity to admit they are wrong. That is serious in politics, and it can be monstrously serious at a time when the unity of the country is at stake.

The leadership of the Liberal Party of Canada has an arrogant streak; it is this which is causing us so much trouble. Combined with that is what I think can only be described as a pathological incapacity to find any virtue in the current government of Quebec. I make these points because they are central to the difficulty we face right now in terms of the legislation before us. On the one hand there is arrogance, and on the other there is an attitude toward the Parti Québécois which says that even if a member of the PQ is eating breakfast he must be doing it incorrectly. That is not the attitude which can hold the country together.

**Mr. Blouin:** How naïve can you be?

**Mr. Broadbent:** A Liberal member says I am very naïve. If he is satisfied with the leadership the Prime Minister is providing his caucus, he himself is naïve.

[Mr. Broadbent.]

In coming to grips with this issue I shall cite chapter and verse for the statement I have just made. I shall do so by dealing with two aspects of the bill. One is the aspect of co-operation. On the whole, a flexible and co-operative attitude was taken toward the other provinces in connection with this matter. I give the Minister of Finance credit for that. I give him credit for saying, as federal Minister of Finance when he is preparing a national budget in a federal state, that it does make sense to consult the premiers. I do not agree entirely with the partisan attitude which has been taken by some of the provincial leaders in response to the minister's approach. I want to give credit to the federal minister for his approach in developing the budget on this basis. In my view he demonstrated a reasonableness and an acceptance of reality vis-à-vis all the provinces—with the exception of Quebec.

Ontario liked the sales tax proposal, basically for the obvious reason that this was the province which suggested it. The reason Ontario suggested it was because it knew the plan would boost industry and produce more jobs—that throughout Canada, following these tax cuts, people would purchase goods made in Ontario. There is nothing wrong with that. I am simply saying this was the self-evident reason for supporting the proposal.

What about Atlantic Canada? The federal government recognized that there was little manufacturing in that region, that the per capita income was lower there than in the rest of Canada, and that its unemployment levels have, unfortunately, always been higher than elsewhere in the country. In these circumstances, it made the proper response. Special consideration was given to Atlantic Canada; the federal government offered to pick up the whole cost of the tax reduction in those provinces. Very appropriate!

Both Saskatchewan and British Columbia wanted an extension of time during which the cut would be applied. Once again the federal government showed a responsive attitude and introduced a flexible element in the legislation to take into account that request.

Alberta receives no benefit from this measure because right now it is the richest province in terms of per capita income. To the credit of that province its representatives graciously said they would go along with the scheme, nevertheless. So going through the list we find an attitude of flexibility on the part of the minister toward English-speaking Canada, which is commendable. But when it comes to Quebec, the record of flexibility goes out the window. The minister is shaking his head over there. Though he cannot reply at this point in the debate he will have an opportunity to speak later. If he wishes to ask a question at the end of my speech I shall be delighted to deal with it.

Consider the minister's words. He said, with regard to British Columbia and Saskatchewan, as reported in *Hansard* for April 13, "I even made adjustments to meet particular situations in British Columbia and Saskatchewan." On April 14 he said, with relation to provinces outside Quebec, "I changed my formula." Later, he told us, "I even made some adjustments to accommodate them." As reported at page 4501