

**An hon. Member:** The government will argue that suffering is good for the soul.

**Mr. Broadbent:** That is right.

As I said at the outset, this action is not an aberration on the part of the Liberal party; it is typical of the Liberal party's attitude, an attitude it has shown ever since the Prime Minister (Mr. Trudeau) first took office in 1968. Contrary to Liberal party propaganda, inequality in our country since 1968 has increased, not decreased.

In 1974 the bottom 40 per cent of our population had a smaller share of the national income than they had in 1968, when the Prime Minister first took office. By contrast, the richest 40 per cent of our population have acquired a bigger share of the national income between 1968 and 1974. Since the Prime Minister has been in office inequality in Canada has become worse, not better. Some may say that the government by providing benefits through government agencies has mitigated this inequality; the evidence does not support that view.

Look at the cutbacks the federal government announced late last year, as part of its bizarre and, from our point of view, immoral approach to dealing with inflation. Those cutbacks clearly show the government's bias. Why do I say it is immoral? I say it because those cutbacks bear most heavily on people of average and low income.

First there was the family allowance change. The government said that it would not index family allowances, and those allowances would not rise accordingly in 1976. The Minister of Finance (Mr. Macdonald) announced the great surtax on the rich just before Christmas. If I recall correctly, he announced the surtax the day before the cutbacks were announced. That is when he brought forward his marvellous, progressive, innovative, imaginative and egalitarian surtax on the rich in Canada. And what did marvellous, radical Liberal move amount to? It meant that the tax increase for a man with two kids earning \$35,000 a year would be 35 cents. I know it does not take much to convince a Liberal that a minimum program is progressive. Yet surely some in the Liberal party must think that is going a little far. Can they honestly say that by imposing such a small tax they were ensuring that the rich will bear their share of the burden of fighting inflation?

I thought that, given the reaction to the announcement made just before Christmas, it would be a miracle of miracles if the tax did not put the Liberals to shame. But no, it did not. Let me tell the House what happened. Just the other day all the recipients of family allowance in Canada, and old age pensioners, got a personal letter from the Prime Minister in which he mentioned the marvellous, progressive steps the Liberals were taking in making sure that the rich bore their share of the tax burden. Unfortunately he neglected to mention that the extra tax was 35 cents for a man earning \$35,000 a year.

Once it has a majority, the Liberal party feels no shame.

**An hon. Member:** Come, now!

**Mr. Broadbent:** I would welcome the hon. member's intervention in the debate. If the hon. member wishes to ask a question, I will gladly sit down.

#### *Medical Care Act*

**An hon. Member:** No, no, you cannot answer my question.

**Mr. Broadbent:** I see. I suggest that, even with minimal intellectual resources, I might attempt an answer.

I have illustrated the approach of the Liberal party when it has a majority. It fights inflation by hitting at the poor and average income worker. Just look at the cutbacks it announced before Christmas. It removed indexing from allowances, cut back the crop insurance program, cut back the Farm Credit Corporation program which affects farmers from St. John's, Newfoundland, to Victoria, B.C. It even announced cutbacks in financial assistance for the CNR. The CNR of course is particularly important to Canadians in northern Ontario, eastern, and western Canada. But the government announced those cutbacks.

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The government announced cutbacks in the Department of Regional Economic Expansion which, of course, was set up to deal with poverty in the regionally depressed parts of Canada. It announced cutbacks in medical research, which the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack). It announced cutbacks in those programs that are trying to come to grips with poverty in Canada and which are making some real progress. I think in particular of the Company of Young Canadians.

That was the government's general approach to dealing with inflation. It did not cut back, of course, on expenditures in the Prime Minister's office, which is surely a give-away. That is an important symbolic thing. Hundreds of thousands of dollars have been spent in that office in the last few years which, on a per capita basis, is not all that much, but in terms of its symbolic significance would have meant something. It did not cut back there. I am being perfectly serious.

The government did not cut back in the area of grants to corporations. This does not make any economic sense. Last May the then minister of finance had a report presented to him assessing the impact of the rapid write-off tax provisions which the same minister of finance had presented in the budget one year preceding. The assessment by people appointed by that minister, not by the New Democratic Party or members of other opposition parties, was that the tax concessions, in the neighbourhood of \$1.7 billion, were economically not necessary. Surely that says something. Over half the recipients of those financial benefits indicated to the government in that survey that they were not motivated in their financial decisions by these particular tax concessions. In short, they were windfall profits. They would have made the same decisions if the program had not been in existence.

If over half the recipients indicated that, and of the rest a good number did not reply, I suggest to the government, which was responsible in terms of spending, that it should have scrapped that program right off. This past Christmas when it was considering cutbacks in government expenditure, instead of cutting back in all those areas that I listed which affect average and low income people from coast to coast, it should have done this with the corporate sector. However, the Liberals know who their friends are and they did not do so.