

of \$225 million and paid no federal taxes, that Western Electric had profits of \$185 million and paid no federal taxes, and that Lockheed Aircraft—a company about which we know something in Canada—paid no taxes despite its \$84 million profit.

Our income tax system does not begin to meet any of the standards of equity in a modern society. What this country needs is a budget to help us move to full employment, rather than the extraordinarily severe unemployment we have at the present. This country needs an income tax system to move it toward more equity, a system which would begin to improve the condition of the poor and ensure that those in the upper income brackets would be required to pay their fair share of taxes. Our income tax system meets none of these goals, and it is for that reason that we simply cannot and will not vote for this bill.

[Translation]

Mr. Roch La Salle (Joliette): Mr. Speaker, now that we are at the third reading stage of a bill which has been discussed lengthily and seriously, I would like to make a few comments, and indeed I could not do otherwise in view of the background of this proposal which already dates back two months and a half. Of course, we have talked about basic principles and I would like to say immediately that we have defended rather well, I believe, one basic principle concerning the refusal to involve ourselves in provincial matters.

We are very much aware that the federal government must work in close co-operation with the provinces to help them improve the economy on the regional as well as the national levels, but from the start we have shown our indignation about the way in which the proposals were made, since they were conditional proposals, and we have always believed that it is not enough to talk about consultations, but that there must also be co-operation, and I believe that consultation must start from a spirit of co-operation, that is that they must involve two, ten or eleven interested parties, which was not the case in this instance and as we have evidence that there was not enough consultation. Of course, there has been a lot of talk about this new initiative on the part of the Minister of Finance (Mr. Chrétien). He boasted of having brought about discussions with his provincial counterparts for the first time, but we also know that this consultation did not last long and that the provincial ministers of finance had only one choice: to take it or leave it.

From the very beginning, there was also the position taken by the Quebec government and unanimously supported—this can not be repeated too often—by the National Assembly. Mr. Speaker, I think it is important to underline that we defended the position taken by the National Assembly which represented the entire population of Quebec, except, of course, my friend opposite who did not want to be part of those people that were being protected by the National Assembly, whether we want to admit it or not. The Minister of Finance first of all

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hastily rejected the formula suggested by Quebec for selective reductions. I shall not of course repeat all his comments that I quoted in the House in second reading, but he already said that this position was aimed at destroying federalism and dividing our country and so on.

The Quebec proposal was absolutely impossible to accept for the Minister of Finance although sometime later the province of Quebec applied its proposal in some selected industries and it was demonstrated that the allegations of the Minister of Finance were false as the federal Department of Industry, Trade and Commerce recognized that the industries that benefited from the provincial tax cut were also in other provinces than Quebec and that the incentive proposed by the Minister of Finance was not limited only to the province of Quebec. Then I think that the remarks made since the beginning by the Minister of Finance are an indication of his malevolence.

In the circumstances I think we had no other choice but to support a province that wanted not only to protect but help those sectors that needed it most, and still today there has been an announcement concerning textile, furniture, and importations, that demonstrates that those industries have been weak for a long time and that the Minister of Finance, even if he has been minister of industry, trade and commerce has made his decision much too late to be in the least helpful. But the consensus of the National Assembly on that issue has been neglected. So, I think that the Minister of Finance has been disrespectful to the province of Quebec, his own province which he represents.

So there was malevolent pig-headedness and stubbornness in solving the dispute over the remote possibility of the federal government ever reaching an agreement with the provincial government or the government of Quebec. The Minister of Finance reminded us that the letter of his provincial counterpart implied agreement on the proposal contained in this bill, that is clause 30. But that is not true, Mr. Speaker.

You have to read the letter. There is no way anyone reading the letter can even suggest that the minister of finance of Quebec agrees with the federal Minister of Finance. And if you read the letter carefully it is obvious that the government of Quebec would have preferred the second option mentioned in that letter. Then, what is unreal is that the Minister of Finance himself proposed a tax abatement, an arrangement between governments. Because the government of Quebec rejected it outright he never wanted to come back on his proposal. So I say again that this is partisan stubbornness or partisan pig-headedness. Those are about the only two reasons.

Indeed the Minister of Finance knew full well that there would have been support on our side if he had been willing to correct what we call an injustice or an interference in provincial affairs. The Minister of Finance meant to stimulate the economy and increase the purchasing power. The Quebec government's proposal met those two objectives in sectors