

My second concern relates to the larger question of the government's financial and fiscal priorities. When I see, for example, that the elimination of the PGRT—the Petroleum and Gas Revenue Tax—costs the federal treasury from \$2.4 billion to \$2.5 billion, and when I see the budget contain provisions that give away an amount of the order of \$1.5 billion to wealthy Canadians, I find it difficult to congratulate the government for giving a measly \$220 million to six provinces. It seems to me that it is a sad reflection on the government's priorities, and, indeed, reflects a growing view in this country that this is a government that is prepared to give substantial amounts of money to the rich, be they corporations or individuals, and to be tough and hard both on poor individuals and the poorer regions of the country.

It is another indication of the philosophical position of the government in terms of dealing with the poorer regions and the poor or low-income people in this country. It is a subject that bothers me considerably. Fortunately we will have plenty of time during the life of this Parliament to come back to this issue. Budget measures have not yet reached this chamber. The Equalization Act will come back to us. As I pointed out, the act expires on March 31, 1987. So there will be plenty of opportunity to come back to that issue.

Therefore, in closing, I would urge swift passage of this bill, recognizing, as a Nova Scotian, that we have learned since Confederation to take whatever crumbs Ottawa has a tendency to toss our way, and however small that may be, we are, nevertheless, modestly grateful.

**Senator Kelly:** Honourable senators—

**The Hon. the Speaker *pro tempore*:** Honourable senators, I must inform the Senate that if the honourable Senator Kelly speaks now, his speech will have the effect of closing the debate on the motion for second reading of this bill.

**Senator Kelly:** Honourable senators, I will be brief. I was interested to hear Senator Kirby's comments, even including his reference to the current somewhat dangerous and worrisome political situation in Ontario. However, I believe we shall survive that. We have survived worse things.

In more specific terms, concerning Senator Kirby's reference to the difference in the formula used for the provinces, three of whom had the 95 per cent floor with the others being based on another formula, I would have to comment that I do understand the honourable senator's concern over some "ad hockery." Given the fact that he has a doctorate in mathematics—and I respect him for that—he would naturally lean in the direction of blind commitment to a formula rather than necessarily taking into account whether there is need and whether there is a way of meeting that need, and the way that people get together and discuss those things. It is much easier, of course, if one can take it off a shelf and apply a formula; but very often that does not achieve what we all have to try to seek.

With regard to the amounts, the honourable senator commented in the traditional manner on this whole matter of equalization: it is never, ever enough. I might say that it is the

only time that I have seen Senator Kirby be somewhat less than graceful. Usually one says "thank you" and will let it go at that, and not add "Well, a little is better than nothing." However, I would again urge speedy passage of this bill.

Motion agreed to and bill read second time.

**The Hon. the Speaker *pro tempore*:** Honourable senators, when shall this bill be read the third time?

On motion of Senator Kelly, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

## OIL SUBSTITUTION AND CONSERVATION ACT CANADIAN HOME INSULATION PROGRAM ACT

### BILL TO AMEND—SECOND READING

**Hon. William M. Kelly** moved the second reading of Bill C-24, to amend the Oil Substitution and Conservation Act and the Canadian Home Insulation Program Act.

He said: Honourable senators—

**Senator Frith:** The honourable senator is at bat very often in this legislative inning.

**Senator Kelly:** I was instructed by my leader that I needed practice, and I have been given this for training purposes.

Bill C-24 provides for the termination of the Canadian Home Insulation Program and the Canadian Oil Substitution Program. The Home Insulation Program was introduced in 1977, to be terminated in 1987. The bill amends that termination date to make it March 31, 1986.

The original introduction of the Oil Substitution Program was in 1980, for termination in 1990. This bill terminates the Oil Substitution Program on March 31, 1985.

These programs were introduced in a much different market environment from that which exists today. The 1973 oil shock started a rapid escalation in world prices of petroleum. In 1977 when the Home Insulation Program was introduced, relatively little reinsulation activity was taking place, and few consumers knew much about home energy conservation. Canada had had a long history, in relative terms, of very low energy prices and had become substantially greater users, climate for climate, than people, for example, in Western Europe, where costs for years had been much higher.

Existing homes, particularly older homes, tended to be poorly insulated, and there were no standards for the work. No specialized industry existed for insulation or air sealing.

In 1980, at the introduction of the Oil Substitution Program, there was a worldwide consensus that supplies of oil were tightening and that the price of oil would escalate rapidly in the 1980s. I believe one projection suggested that by early 1990 oil could reach \$90 per barrel, that at a time when it had gone rapidly through \$6, \$12 and was in the mid-\$20 per barrel.

The situation today is radically different. Consumers are far more knowledgeable about the benefits of conservation, in reduced heating costs and improved home comfort. Conserva-