

there were two things in particular his government had done that would be of great assistance, and he mentioned specifically the Canada Assistance Plan. He talked about the benefits which would be there for the provinces which found it necessary to expand their programs to assist those people who were receiving welfare. We know only too well, in the first instance, that the very provinces which are faced with low income and aid-receiving families are the ones that are even less capable of increasing their own 50 per cent share in order to provide any valid assistance in this day and age of rapidly increasing costs.

Not only that, we know too that in this whole area of Quebec and Atlantic Canada, a great many of the people who will be very directly affected are not the people who would normally benefit from receiving Canada Assistance Plan payments. They are the people on very low incomes, marginal incomes one might even describe them, and I have noted no comment from the Prime Minister, the Minister of Energy, Mines and Resources or the Minister of Regional Economic Expansion indicating in what way these people would be assisted.

**Mr. Stanfield:** And small industry.

**Mr. MacDonald (Egmont):** Yes, small industry, as my leader suggests, is in exactly the same position. Perhaps no place is more adversely affected than Prince Edward Island which has a total reliance for its energy on petroleum production. All the electricity used in Prince Edward Island comes from thermo-generating plants at the present time, and up to this date the cost of electricity in Prince Edward Island alone has increased by some 25 per cent.

The response of the government is not good enough. It is not good enough for the Prime Minister to talk about the way in which indexing of the guaranteed income supplement, old age security programs or even family allowances will be of particular benefit when we know in the first instance that indexing is not carried out on a regional basis but on a national one. For the life of me, I find it is almost impossible to believe that the Prime Minister would talk about indexing as being an equitable way to deal with these rapidly rising fuel costs for one part of the country when indexing will automatically be done on a national basis.

More than that, the whole concept of indexing means basically that in the index as it is produced every month there will be a significant factor as a basis for adjusting these various social assistance programs, but such is not the case. In the first instance there is certainly a lag time in these indices which would mean that by the time there was any response whatsoever on a quarterly basis we would be long past the point of basic need. Second, because it occupies only a very small proportion of the over-all consumer price index, some 5.3 per cent, and because the establishment of that amount under the consumer price index took place at a time when home heating costs were a much smaller proportion of the domestic budget, it would take literally years for Statistics Canada to make an adjustment in the home heating costs component in the over-all consumer price index. I wonder who the Prime Minister thinks he is fooling when he says that indexing of old age security and other social security

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programs will be of some direct benefit to those affected by high petroleum costs, particularly home heating. This is virtually an impossibility, and I would suggest to you that if the Prime Minister has given it any thought at all he knows that it is.

What is his final response? His final response is, and here I quote from his speech of last Thursday:

The federal government recognizes that all these higher payments will not in themselves in all cases offset the increase in oil prices, especially in the eastern provinces.

What a generous recognition! What a perceptive remark! He went on to state:

Something more may well be required. This is a further matter I will raise at the meeting of first ministers.

That is the Prime Minister's final solution to the rapidly rising costs in eastern Canada. He is going to lay this matter before a federal-provincial conference sometime in the latter part of January. That will be quite a comfort to the millions of men, women and children who live in eastern Canada and who may find it increasingly difficult to meet their home heating fuel bills. This is the response of this government with regard to this major situation in eastern Canada.

I think it is high time this government woke up to its real responsibilities. This is not just an issue which divides political parties in debate in this Chamber. In recent days we have seen, and if people have been following the newspapers they have read, that the concept of doing something now is supported by the premiers of other political parties as well. The Premier of Nova Scotia said in a speech to the legislature a few days ago:

I agree, as I have said, that there should be price support, but I feel very strongly that it should come from the national level.

Even more recently, the Premier of Nova Scotia, responding to the Prime Minister's remarks of Thursday, is reported to have said that:

—he regretted there had been no indication the federal government would use its "tremendous resources" to prevent fuel prices in the five Eastern provinces from further increasing.

I believe the government has a basic responsibility, and the leader of our party indicated some weeks ago what action it could take rather than just raising its hands and saying it is helpless to act in this situation. The government has indicated that it was a prisoner of international economics and political wheeling and dealing over which it had no control. There should be a realization, in the first instance, that it has a basic responsibility to all this country and not just a part of it, and a realization that as a result of the very rapid rise in the cost of petroleum products in eastern Canada the government is increasing its own tax revenues. This is surely one of the shameful aspects of the situation. On the one hand, it says it can do nothing and it is helpless in this situation, except to use some kind of general moral suasion, yet on the other hand, it is quite willing to take increasing federal tax revenues because of the rapid rise in the cost and the necessary utilization of these products.

If this government does not have the imagination to use some of these excess profits, and even forgo some of its tax revenues until it has adequately prepared a pricing policy for this country, then it certainly should no longer set