

Income Tax

Mr. Marshall: Yes. I just say that the government are wasting millions and millions of dollars because they give 50-50 under the Canada Pension Plan to the province and most of that money of the low and meagre income earners is going toward trying to keep a home heated. They are paying too large a percentage of their low incomes for heating, when they cannot even afford food. I ask the minister, is there any humaneness in his body or in his soul? He should recognize the hardship that is being caused. While this program will help a number of people in Canada, it is not going to do anything for the poor who need it most.

Some hon. Members: Hear, hear!

Mr. McRae: I am rather appalled, Mr. Chairman, by some of the comments that I hear from the other side, particularly on this clause, section (5) of clause 6. It seems to me that when one talks about discrimination as between provinces, certainly when we are dealing with energy and oil, we have vast discrimination in terms of the subsidies paid to the eastern half of the country, the area receiving oil from offshore, the area east of the Ottawa Valley line. That kind of discrimination is extremely important. I would be the last person in the world to say that policy should be changed. I believed it was the right policy when we brought it in, and I support it.

Two provinces, just because they happen to have Liberal governments, are under fire. I find it rather interesting that with respect to the opposition, which has nine or ten seats in the province of Nova Scotia and at least two seats in the province of Prince Edward Island, none of those members is presently involved in this debate. I would like to point out that when we brought in this program—and, many people who have seats in this House and are not here today raised the question at the time—these two provinces had a vast dependency on oil for the production of power. At that time it was roughly 100 per cent in terms of Prince Edward Island, and 65 per cent or 70 per cent—I am not sure of the figure, but it was in that order—for Nova Scotia. The price of oil was something like \$1.75 a barrel.

When the world price of oil went to \$12 a barrel, and \$8 or \$8.50 a barrel in terms of what it was costing after the subsidy in those areas, they were in a very precarious situation. The provinces themselves asked for an extra subsidy with respect to that oil, and the federal government, in its wisdom, said, "No. If we give you an extra subsidy on oil it will be a subsidy year in and year out. Since heating and electrical needs depend a great deal on oil—not all heating needs, of course, but certainly electrical needs depend totally on oil—we want to do something that will put you in a better position so you will not consume as much oil." That is precisely why we set up this program in Prince Edward Island and Nova Scotia. Those provinces wanted to move in this direction, and we assisted them. No other province has a dependency of greater than than 30 per cent for oil and hydro.

I think this is important. We responded to a need in an intelligent way. One of the ways of responding was to grant a permanent subsidy to those two provinces to help them pay for

[Mr. McGrath.]

the oil, but we said no, that was not the intelligent way to go about it; the best way was to support them in terms of developing an insulation program, which is being used, which means they will be using a great deal less oil. I cannot too highly stress the importance of this insulation program. I would like to see a much better program for the rest of the country. I am one of those who fought very hard for the program. However, I realize that a government which is \$8.5 billion in deficit cannot afford to do everything it wants to do.

Some hon. Members: Oh, oh!

Mr. McRae: I believe the \$1.4 billion for the program for all the ten provinces—actually, eight of them will be using it—is a rather important step. It seems to me that we should be encouraging this program and the whole notion of insulation. One of the hon. members from Newfoundland is concerned, and rightly so. He has shown that concern constantly in this House.

Mr. Munro (Esquimalt-Saanich): I rise on a point of order, Mr. Chairman. The purpose of being in committee of the whole is to ask specific questions relating to clauses of the bill before us. We are now dealing with clause 6 and its various subclauses. The present comments are merely a defence, as I understand it, of the provisions and are not directed toward asking questions.

An hon. Member: Filibuster.

Mr. Munro (Esquimalt-Saanich): I would ask the hon. member, if he has questions, to ask them so that the rest of us can put some questions.

The Deputy Chairman: Order, please. I suggest that the decision of last week was that an hon. member could speak for 20 minutes and then ask questions.

● (1612)

Mr. McRae: Mr. Chairman, I would like to make a point. Three members spoke for their full time dealing with this particular problem, condemning the program in Prince Edward Island and Nova Scotia.

Some hon. Members: Question.

Mr. McRae: I am going to ask a question. I am also going to try to put the whole problem in perspective. I believe very strongly the most important thing we have to do in the next ten years is develop a conservator society.

Some hon. Members: Question.

Mr. McRae: I sat and listened when you did your bit. Now you listen.

Some hon. Members: Question.

Mr. McRae: I have 20 minutes. I will get to the question. I will not take any longer than is necessary. In another six or seven years we will have a serious problem in this country. By