

program into effect to make the provinces agree to certain conditions. Today the Minister of Energy, Mines and Resources has agreed to drop that. He has agreed to stop this bully-boy federalism, this Kung Fu federalism which he and the hon. member for Rosedale were so fond of.

● (2022)

If you did not agree with the former minister of finance, the hon. member for Rosedale—Kung Fu—you got the fiscal foot right in your mouth. You had to bend to him, or else. We hope that the present Minister of Finance, the hon. member for Shawinigan—

Mr. Chrétien: Saint-Maurice.

Mr. Crosbie:—the hon. member for Saint-Maurice, will be a more flexible federalist and not as Kung-Fu-ish as his predecessor, the hon. member for Rosedale.

The Minister of Energy, Mines and Resources today agreed to drop these provisions. Quebec and Alberta apparently are going to join the program because there are no pre-conditions. If the government can drop the pre-conditions, surely it can do justice to the ordinary taxpayer and householder in Canada and stop this nonsense.

In Newfoundland, New Brunswick, Ontario, Manitoba, Saskatchewan, British Columbia, Quebec and Alberta you are going to be taxed if you insulate your home, because any grant will be added to your taxable income. However, if you are in Nova Scotia or Prince Edward Island, the new tax havens of Canada, you will not be taxed. Surely we should stand this clause over until the Minister of Finance can get the cabinet to ratify dropping this ridiculous, discriminatory, illiberal, undemocratic, and certainly un-Tory measure that he has before the House.

Some hon. Members: Hear, hear!

Mr. Crosbie: I do not want to be critical of the government, as you know, Mr. Chairman.

Mr. Chrétien: You would never do that!

Mr. Crosbie: Our objection to this clause is not the raising of tax revenue in the right way, or to the tax itself. We object to the fact that it is discriminatory.

The Minister of Finance got up in the House today. I have some respect for his intelligence until I hear some of the things he says. Then I temporarily lose that respect, but my hope rises again. Perhaps he is not as unreasonable as he sometimes appears. He tried to justify this discrimination by saying that the government spends more on Canada Works in some provinces than in others. Sure it does, because there is more unemployment in some provinces than in others. That is why it spends more. But that has no connection with the home insulation program. That is our whole point. It is not footing the money for the home insulation program in areas of need equally across Canada.

Income Tax

It is not just in Nova Scotia and Prince Edward Island that this is needed. The man in Newfoundland or Quebec who earns \$5,000 a year needs it just as much as the man in Nova Scotia.

The estimated cost of insulating the average home is \$900. Outside of Nova Scotia and Prince Edward Island the maximum grant is \$350. You still have to put up a great deal of your own money to insulate your home.

Along comes the government to encourage you to insulate your home in order to save energy. The department says if your home is properly insulated, you will save 38 per cent of your heating costs. The government will give you \$350 if you spend the maximum, but you will be taxed on it. On the one hand they encourage you, and on the other they take it back.

The principle seems to be that the government feels we need to have this tax because it is progressive. The hon. member for Regina-Lake Centre said that he agreed with the taxation principle because the higher your income was, the greater the amount of the grant you would pay back to the government. That is the real NDP principle, progressive taxation. We all happen to agree with that.

The point is that it is not being applied everywhere in Canada. The government should apply that principle to everyone in Canada. Why should the rich in Nova Scotia and Prince Edward Island get the advantage of these grants without tax? If the principle is right, the grants should be taxed all across Canada.

If you want to encourage people to insulate their homes, you do not add the grants to their taxable income. This is the most illogical proposal the government has made in at least two or three days. It makes a lot of the illogical proposals, but this is the worst since I have been here. I am speaking more in sorrow than in anger, as hon. members can see.

The hon. member for Fort William is, according to my observation, an intelligent man. He is very interested in the energy field. He supports the government's program because they use oil more for electricity in Nova Scotia and Prince Edward Island. That just does not wash. It has nothing to do with that. If we are going on the basis of need, it should apply to all ten provinces. The needy in all those ten provinces should get the same treatment. That is not the way it is now. I want to move a motion as follows:

That clause 6 be amended by deleting subclause 5 and renumbering the remaining subclauses accordingly.

Subclause 5 deals with this iniquity which makes the grants taxable. The people who live in the eight provinces outside of Nova Scotia and Prince Edward Island are going to put up a statue to me, if I am successful. It is like no taxation without representation. They have not got any representation on the Liberal side of the House if this is not carried.

If there is a member in this Chamber who can argue that the people of his constituency should be taxed simply because they do not live in Nova Scotia or Prince Edward Island, and his people re-elect him, I say there is something fundamentally wrong with the communications system in Canada. We will