

*Income Tax*

every province to benefit from it. But that was not my point yet.

The federal government submitted a program they had drawn up by themselves, and they told the provinces: Take it or leave it. Today we realize that with a new conference the provinces will probably be forced to participate. That is a kind of blackmail I want to denounce. When some people talk about a new federalism, like the Minister of State for Federal-Provincial Relations (Mr. Lalonde) did last Saturday, they do not mean that kind of approach. I have to blame our colleagues from Quebec, who also sit on the other side of the House, for not having urged the minister to invite the provinces to discuss those matters. Some of my colleagues on this side of the House have expressed the same concerns like I did.

It seems to me that if the federal government had been honest when talking of true consultation with its provincial counterparts, it would have been possible for any Canadian to get this subsidy wherever he comes from. That is what I wanted to point out and I regret once again that we, the people of Quebec, did not manage to get it. Of course, they will bring forward other arguments, that the government of Quebec is so particular and so on. There has been a lack of consultation and the absence at the negotiation table of provinces which, in the present context as well as in the future, should be participating in the elaboration of a national policy.

So long as this government will keep the kind of attitude it has shown for so many years, we will keep on experiencing difficulties regarding objectives which are intrinsically good, I repeat, but which are often unpracticable for certain provinces and for certain reasons.

Moreover, Mr. Chairman, the minister responsible for this legislation is trying to justify it by saying that it is not his program after all. That is a fact, we acknowledge that this is not his program. However, he exercises a responsibility today. If the minister responsible for such a program has made a mistake, I think he has the responsibility and the duty to correct such shortcomings and injustices that may be found in this legislation. Once again, we may be told that we are taking perhaps too much time in this House to argue over these things. I think that those people who are likely to benefit from these grants are quite interested in learning today that there are still members who understand this injustice and who want and ask in a very democratic way that the minister correct a situation or an injustice which is quite obvious.

Of course the minister says the grant could have been only \$250; he now offers \$350 to get back part of the money. This reminds me of today's statement on family allowances. In 1977, the government spent more than \$175 million a month in family allowances but it does not tell us how many millions it got back by taxation. I call this false representation. It is dishonest on the part of the government to present such measures to the public. It tries to fool the public by telling it it is getting \$350, knowing full well that in certain cases this does not amount to \$350. The member for Bellechasse (Mr. Lambert) has already talked about this subject as well as other members before me.

Why don't we clearly establish the true amount of the grant which a particular citizen will get? Most of these homeowners are not people with tremendous revenues, and even if only \$15, \$25 or \$50 are taken off this grant, it is unfair on the part of the minister to present us this subsidy as a \$350 grant. Once it is made taxable, it can no longer be called a \$350 grant. In those circumstances, I dare believe that the Minister who admitted earlier that it was not his program, although this is hardly an argument, must assume his responsibility and be fair towards the legislation which he is bringing forward. If he wants to be fair, I believe that he cannot avoid his responsibilities. In consequence the tax on this subsidy must be immediately removed.

If the government were to do it, I would be ready to trust them. In other words, the way this legislation has been presented is highly hypocritical. We will not accept that Canadians be misled in this fashion. Clause 5, page 7, must be withdrawn so that this subsidy be totally left to those who meet the criteria and I believe that in these conditions it will meet its purpose as the main purpose of the legislation is fundamentally worth while. In view of the circumstances I hope the minister is going to reconsider the presentation of this bill and tell the House immediately that this subsidy is not taxable.

● (1602)

[English]

**Mr. Marshall:** I want to make one or two short points in support of my colleagues. The minister indicated that by taxing the insulation grants the program was equal to both the rich and the poor. I want to tell the minister that there are people at the lower end of the income scale, on welfare, who do not even care about tax. They cannot even find the \$500 they have to spend to get the \$350. So they will not benefit, and they need it more than anybody.

There are people with homes that are not worth insulating. They are spending millions and millions of dollars of government money through welfare, through low and fixed incomes, and they cannot afford oil at \$70 or \$80 a month which they are paying now in Newfoundland. There are widows on welfare getting \$131, and they are paying \$60 and \$70 of it for fuel because they can only afford an oil stove. What is insulation going to do for them? This has to do with thousands of people not only in Newfoundland but right across Canada. To indicate how quickly this program was put together, to qualify in Newfoundland homes must have been built before 1941. The same with regard to insulation; it has to comply with CMHC standards. Mr. Speaker, we were not even a province of Canada in 1941, we did not join confederation until 1949, so how can we comply with CMHC standards which were never there?

**An hon. Member:** Were there houses there in 1941?

**Mr. McGrath:** Answer that one.