

Income Tax

was 79 per cent. The average Nova Scotian was considerably better off than the average Newfoundlander or Prince Edward Islander in 1975. In New Brunswick it was 77 per cent. So that the New Brunswick citizens were slightly worse off than the people in Nova Scotia. The people in Newfoundland and Prince Edward Island were considerably worse off than those in Nova Scotia. Let us say that the average Newfoundlander had a lower income than the average Nova Scotian. Then you have to look at their living costs and which province has the highest cost of living. I can assure you it was the Newfoundlander.

On the basis of need for this program, and looking at the need on a provincial basis, a better case could be made out for the Newfoundlander than the Nova Scotian. There is simply no point in plucking out of the air one aspect—the cost of living of a Nova Scotian and a Prince Edward Islander and comparing that to the cost of living of everyone else in Canada, and saying because that is higher, therefore they need a better home insulation program than the rest of Canadians.

If anyone is listening with any kind of dispassionate approach at all, the reason the government gives for a better program in Prince Edward Island and Nova Scotia falls to the ground. There is no rationale, except a political one. There is no use in the minister getting up and saying because electricity costs are higher in Nova Scotia and Prince Edward Island that they need this program more. As I explained yesterday and this afternoon, they do not heat their homes in Prince Edward Island and Nova Scotia through electricity, they heat them through oil principally, and some coal. Ninety per cent of the homes in Nova Scotia are heated through oil fired furnaces or stoves, and 98 per cent of P.E.I. heat their homes through oil. This program helps them to save oil, but it does not help them to save electricity. It has no connection to electricity. The electricity is only a wet blanket or a red herring thrown out ten months ago to justify having a program in Nova Scotia and Prince Edward Island, and not having one in the rest of the provinces. It is federalism in reverse.

Not only that, but the program offered to the rest of Canada is regressive and inequitable because you receive the same program no matter which province you live in—whether it is a wealthy province or a poor province. Newfoundland has the highest unemployment and the lowest average income and they have the highest petroleum product prices of any part of Canada, yet Newfoundland is offered an inferior program and Nova Scotia and Prince Edward Island the superior one. It makes no sense. The program offered to Newfoundland and the other eight provinces is worse than that offered in Nova Scotia and Prince Edward Island.

I will just recapitulate the seven reasons very quickly. This program is uniform in the eight provinces and it gives the richer provinces exactly the same amount of subsidy as the poorer provinces. It does not take into consideration the fact that in some provinces there are higher energy costs, with the exception of electricity in Nova Scotia and Prince Edward Island. There are higher energy costs in Newfoundland than in Nova Scotia and Prince Edward Island especially when you

[Mr. Crosbie.]

take into consideration the cost of petroleum products, together with the fact that electricity rates have gone up in Newfoundland I would say at least 100 per cent in the past two or three years. You should be looking at energy costs not just electricity.

In Newfoundland you have the highest unemployment and lowest average income levels in Canada and the highest petroleum product prices. The highest prices for gasoline are in Newfoundland. The highest price for oil which you burn in your furnace at home is in Newfoundland. That is where the program is most needed. I am not saying it should not be in effect in Nova Scotia and Prince Edward Island, but you can make a better case on the basis of need in Newfoundland.

Then you look at the climate—where is it the coldest? My God, it is much colder in Labrador, the Yukon, the Northwest Territories, northern Ontario, northern Manitoba, Saskatchewan and Alberta than it is in Nova Scotia and Prince Edward Island. Prince Edward Island and Nova Scotia have relatively mild climates. There should be one program and it should be uniform across Canada and it should be the Nova Scotia-P.E.I. program. The grants should not be taxable and they should be administered on the same base. There is no justification for a different program in eight of the ten provinces, and a better one in N.S. and P.E.I.

As I said before, if it is a question of money, and we realize and we do not want the Minister of Finance to spend more than he can, he has a huge deficit this year—\$8.5 billion or \$9 billion is it?—the figures stagger the mind. I suggested the solution yesterday, take the N.S. and P.E.I. program and start applying it in part of the country this year, based on the greatest need, based on the unemployment rates, the income levels, the cost of living levels, the climate or whatever and start over the next three years applying it to the whole country, so that all the costs do not have to be implemented immediately. If you do not have the money to apply it in all ten provinces at once, you have already done it in P.E.I. and N.S. for some peculiar reason—which I think is a political one—but in the rest of Canada start to do it over three or four years. Do not continue this half-baked program that is now before the House in clause 6.

Today at the conference of ministers of energy, the eight provincial ministers, excluding P.E.I. and N.S., have made suggestions to the Minister of Energy, Mines and Resources of Canada. They have made a lot of compromises but the one thing all eight provinces are agreed on is that these grants should be non-taxable. I do not know whether the Minister of Energy, Mines and Resources agreed with the suggestions because he would have to go back to the cabinet. However, a very reasonable proposition was put to him today by the other ministers of energy, aside from agreeing that grants should be non-taxable, and that is there be no preconditions in every province. You will recall, Mr. Chairman, that there were four conditions to comply with in order that a province would be able to enter this program—other than N.S. and P.E.I., they did not have to agree to any conditions. I said how unfair it was for the federal government to try to dragoon and push this