

Income Tax

country. This program has been perceived by Canadians as a bad one, hence the very disappointing response to date from the people of the six provinces qualifying for the program.

I have a question for the Minister of State for Urban Affairs. Why was a new bureaucracy established outside the existing establishment of CMHC? Why was it established in the city of Montreal, in a province that is not participating? There is only one logical explanation for that, and that is because Montreal is the constituency of the Minister of State for Urban Affairs, and the Prime Minister. Why could the government not use the existing offices of CMHC? These offices are already established right across the country, and have adequate personnel. Why did the minister not use the provisions of the Income Tax Act, which would require no additional establishment? An amendment to the Income Tax Act could be made for the tax deductible allowance up to a certain amount for insulating homes. Surely that would have been the simple way to do it. It would have been the fair and equitable way, as well.

Mr. Chrétien: And expensive.

Mr. McGrath: As a result of a partisan response to a political situation last summer, we are faced with this hodge-podge that the minister cannot justify in any sense. What we are being asked to approve is a program which discriminates against the people of Newfoundland, New Brunswick, Ontario, Saskatchewan, Manitoba and British Columbia. The fact these provinces do not have Liberal governments does not have very much to do with it, although I am suspicious. One can only conclude that the government moved in the case of Nova Scotia in order to get Gerry Regan out of a tight jam. The government had no response to the energy crisis in terms of a national energy conservation program, but it took a step in the right direction. I concede that this was a step in the right direction. But instead of applying the program to the rest of the country, we have to pay a penalty. In Newfoundland and New Brunswick we have to pay the same price for offshore oil as they do in Nova Scotia and Prince Edward Island. We are talking about the price of oil in terms of heating a home and in terms of conserving consumption in order to do our part in this energy crisis.

● (1552)

I ask the minister to reconsider the answer he gave to the hon. member for St. John's West, and to tell us where he gets those misleading statistics with respect to the amount of electricity which is generated by oil in Newfoundland as opposed to the amount of electricity generated by oil in Prince Edward Island and Nova Scotia. That really has nothing to do with it.

An hon. Member: Certainly it has.

Mr. McGrath: We are talking about the price of home heating oil and about the price of heating a home. There is a small percentage of homes in Nova Scotia and Prince Edward Island heated by electricity. However, the vast majority of

[Mr. McGrath.]

them, as is the case in the rest of Canada, are heated by oil, so why not have the same program apply to all of Canada, instead of this discriminatory program which we are now asked to support?

Mr. Jones: Mr. Chairman, this particular clause of the bill is obviously the most disturbing. It reminds me of a cliché which, reworded, would go something like this, "The government giveth and the government taketh away, but sometimes the government taketh away before it giveth". I think that is what has happened in this situation.

This clause not only discriminates against some parts of this country and their citizens, but it is also based on a double standard. If we must have taxation and taxation statutes, they should be fair, equitable and just. This particular clause is not just or equitable. It is certainly unjust and discriminatory. It is not even good legislation. I do not know who drafted this clause or who caused it to be drafted, but I suggest that the minister should use his good common sense and legal background. Let us not hold this legislation up any further. There is nothing to be gained if we have to have a few more mandarins going over a few more forms.

The minister should withdraw this clause. Is the clause an indication of some things which are to come in the future? Are all government grants, subsidies, forgivenesses, reduced interest rates and benefits given to people under, for example, NIP and other programs to be taxable in future under the Income Tax Act? I would like the minister to answer that question. It is a fair question, and if he is fair he will answer it. If he is utterly fair and true to the people of Canada and this parliament, he will not only answer it but he will withdraw this clause.

[Translation]

Mr. La Salle: Mr. Chairman, I should like to take the occasion to raise two points. First, of course, that grant, which is not a real one, and that lack of consultation which should have been considered necessary. I feel that Quebec, perhaps like one or two other provinces, could probably have benefitted from those grants at the same time as some other provinces did. The responsible minister will probably understand that it is likely that such lack of consultation with the provinces results from the fact that the provinces have not all accepted the program.

In my opinion, the fact that the provinces are not allowed to participate in drafting a policy is a typical example of lack of consultation. This is unbelievable, Mr. Speaker. I feel that if the minister wanted to be generous at that level of \$1 billion, it would have been possible for him to meet with the officials of the provinces, to talk with them about these objectives, about the importance, of course, for the federal government to see that energy is conserved and, therefore, I believe the provinces could have made excellent proposals, and, at the same time, it would have been possible, I think, to come to an agreement and allow every province, according to its own needs and ways, to benefit from that grant and also allow all the citizens in