

*The Budget—Mr. Gilbert*

of the rest of the population. We suggested that, in accordance with the recommendation of the Carter commission, the minister should obtain the required money from large corporations, mining companies, and oil and insurance companies. But he chose to ignore these recommendations. His approach is that these large corporations support him at election time and therefore they must be protected in between elections.

The hon. member for Verdun (Mr. Mac-kasey) criticized the New Democratic party for supporting certain parts of the Carter report, but ignoring the basic principle that the report should be accepted as a package. Of course the government rejects the report completely, but that does not bother the hon. member for Verdun. He then asked us why we did not support certain recommendations in the report affecting trade unions, co-operatives, and social security benefits for workers. Of course the hon. member did not mention that the sweeping reforms in the personal income tax rates recommended by the Carter commission would offset the changes affecting these groups of people. The result would be a reduction of 10 per cent for persons in the lower income bracket of \$5,000 or less and 7 per cent for those whose incomes are between \$5,000 and \$10,000. This would cover most Canadians, but the government has tended to ignore them and is fully protecting those in the upper income group.

• (8:10 p.m.)

Probably the most disturbing part of the budget was the part in which the minister made his remarks about reducing government programs. He stated, as recorded on page 4904 of *Hansard* for November 30:

Our problem in regard to the demands we make on the capital market arises, as I have indicated, not only from our spending programs but also to a large extent from our lending programs. In the current fiscal year for example we are lending from the treasury to the Central Mortgage and Housing Corporation for housing and related purposes a net amount of \$608 million, after taking into account repayments we receive.

We are lending to the Farm Credit Corporation for farm mortgages a net amount of \$167 million. We are advancing to the Veterans Loan Board for housing and farm credit purposes \$60 million. The size of these lending programs will have to be restricted. I am confident we can do this without serious economic effects, when account is taken of the better flow of mortgage funds we can now expect the capital market to provide.

The same approach was taken, Mr. Speaker, by the Prime Minister (Mr. Pearson) this morning at the federal-provincial conference

on housing and urban affairs. He again reported that there would be a restriction on government financing. It is all very nice to have the Prime Minister state this morning that by the year 1980 two thirds of all Canadians will be living in 29 urban centres and that this year we will have 160,000 housing starts. He stated that we must co-operate; that annual volume is of prime importance with regard to housing. According to the mayors and reeves association the initiative lies with the federal government, and more private moneys are needed to meet the housing crisis. However, in summarizing all this, the Prime Minister said that the government would not lend any further financial assistance; no cash, just plenty of advice. This was the approach of the Prime Minister this morning.

Another answer the Prime Minister made to the housing problem was to suggest the establishment of a council on housing and urban development, possibly with a full time secretariat and a research division. I ask you, Mr. Speaker, how necessary is this? Last spring the minister in charge of housing went across the country conducting a housing symposium in all the major centres, collecting the required data on how to meet the crisis.

The Economic Council of Canada has made a study in depth of this problem and come up with plans for meeting the crisis. However, this approach the Prime Minister takes to the housing crisis, that we need a council on housing and urban development, is interesting. It is of interest to note that he outlined four particular changes in federal housing policy which he is prepared to implement. He uses the phrase, so far as the federal government is concerned, "as and when our resources permit". This indicates the attitude of the government with regard to meeting the housing crisis. The Prime Minister said there were four things we should do, and they were: federal financial participation in comprehensive planning of our urban regions and in the advance acquisition of land for transportation corridors and open spaces for recreation and similar community purposes; second, federal financial support for land assembly for new suburban communities; third, housing subsidy programs to serve as an integral part of anti-poverty programs in special areas characterized by general poverty, lack of employment opportunities and slow economic growth and, fourth, a more vigorous housing policy to provide housing for people on modest incomes.