

Removing part of the federal sales tax on building materials was too little, too late. As we all know, it was reduced by 5 per cent in the Turner budget of 1974. As I mentioned earlier, all hon. members know that our party advocated the removal of the sales tax on building materials. We were told by the then minister of finance, when it was raised in the House, that this was unthinkable. Then he reversed himself and reduced the tax by 5 per cent. The seriousness of the present situation makes me wonder if the government will now take the final step and remove the tax entirely. This would assist in further reducing building costs.

There is another item which I have endeavoured to put forward time and time again. I would ask the Minister of State for Urban Affairs to consider and to bring to the attention of the Minister of Finance (Mr. Macdonald) the problem of double-taxation. I mentioned this question earlier in committee when we were considering the estimates of the department on November 27. For a number of years I served as a vice-president of the Ontario Mayors and Reeves Association. Time and again resolutions were presented requesting that municipal taxes on residences be made tax deductible expenses when filing income tax.

It hardly seems fair and reasonable for a person to have to pay a tax on a tax, which is the case at present. I know there should be a limit in this respect, and in no way would I agree that Canadians living in palatial residences and paying municipal taxes amounting to thousands of dollars—\$3,000, \$4,000 and even \$10,000—should be entitled to deduct all their municipal taxes. However, I believe that a ceiling of \$500 would be fair and would help a great many people in the lower income bracket. The minister answered my question by saying that the revenue lost would be between \$600 million and \$1 billion. This is all very well, but to my mind it would be an excellent and equitable way in which to assist existing home owners and it would also make it more attractive for people who are desirous of purchasing a house at the present time.

The argument was also raised that this would be unfair to many tenants across the country. If my proposal were accepted, tenants would have an additional incentive to buy a house of their own. A home owner has many additional responsibilities, such as the outlay for maintenance and for caring for a house, which a tenant does not.

The parliamentary secretary to the minister, whom I do not see here now, made a very profound statement when he admitted that this bill does not offer a magic solution. Certainly, that was an understatement. In his remarks yesterday, the hon. member for Winnipeg South Centre (Mr. McKenzie) commented on the 1969 Hellyer task force on housing. This was the most comprehensive housing study ever made. If the government had implemented those recommendations, or even some of them, we would not have this housing crisis today.

I want to touch briefly on the existing legislation and commend the government for its Neighbourhood Improvement Program, and for one which is even more important to a riding such as mine, that is, the Residential Rehabilitation Assistance Program which provides financial assistance in the form of a grant of \$2,500 plus a loan of \$2,500, to people who qualify, to improve their residences. This is a special boon to senior citizens, a great many of whom live

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in houses that have not been kept up to the standard which one would normally expect. I feel that this is a very worthwhile program. I checked into it further and was informed—possibly so have other hon. members—that in order to qualify for this grant a municipality had to take certain steps and also contribute, not money but the services of a clerk or other official to enter into an agreement for the collection of the mortgage.

I checked with the municipalities on this matter and, to put it mildly, they were not too enthusiastic. I have now been informed by the president of CMHC that this is not necessary. I wish to bring this point to the attention of hon. members, especially those representing areas with small towns, because you cannot designate a whole area in a small town as a slum area because many towns are not built that way; there is the odd house that is in poor condition, and three or four blocks away there is another such house. The president of CMHC gave the undertaking that the corporation would consider this question and that if two or three isolated houses in a village or town were specified, they would qualify. I feel that this is an excellent project which should be brought to the attention of hon. members, and I commend the minister for it.

In introducing this discussion it was stated that the basic thrust of the housing policy was relatively sound and that it was an attempt to stimulate supply. The encouragement of additional mortgage funding, while basically without clout, is nonetheless a very worthy pursuit. The Federal Mortgage Exchange Corporation is a much needed organization that is long overdue. At the same time, it is imperative that more serviced land be made available in order that over-all construction costs can be kept down. The problem is that in this package the government has also inflated demand relative to supply.

● (1530)

In summary, many of the points in the program are counterproductive and cancel each other out. Similarly, other programs are simply more of the same. The government has assumed it can solve the housing problem through quantitative means, that is, by merely extending or broadening existing programs, rather than looking for qualitative changes which can be exclusively aimed at real problems, with long-term goals in mind.

Mr. Ross Milne (Peel-Dufferin-Simcoe): Madam Speaker, I take the opportunity to enter this debate very briefly this afternoon because in representing the riding of Peel-Dufferin-Simcoe I think I represent one of the fastest growing areas in Canada. It is an area in which housing is extremely important. In the city of Brampton alone there will be 15,000 new homes built over the next three years, which essentially will double the population of the city within that period. I want to enter the debate, also, to congratulate the minister and the government on the new housing action program: I think it is one of the most significant new housing programs ever undertaken by any government anywhere.

It has been said many times that traditionally we have associated government housing programs with very low income people, native people and senior citizens, but I think this is one of the first times we have recognized that a greatly increasing number of people need assistance in