

Use of Bank of Canada to Ease Tax Burden

The enterprises themselves are not secure either from scarce money or the greed of governments, including the federal government. In fact, speaking at the 25th annual meeting of the Mining Association of Canada, the president of that organization, Mr. J. D. Barrington dealt with the uncertainties that prevail because of the government's attitude regarding the Carter report recommendations and he asked from the government the assurance that in its tax reform policy it would positively recognize the essential requirements of the mining industry in Canada and that it would assess both the economic and political effects of every change considered.

If we turn now to housing or to the building industry in general, we can say that it is a mess at this time. How can we explain that in a country which will need a million new housing units during the next five years, or a minimum of 200,000 per year, more than 40 per cent of the employees of the building industry in Montreal, for instance, cannot find a job enabling them to get a decent annual salary even if the average hourly wage is about \$5?

The point is that the housing industry is paralyzed by the trouble-making policy of the federal government. The taxes now levied by the federal government, the fact that money is in short supply as well as expensive, make any construction work practically impossible.

We have spoken on several occasions about the 11 per cent federal tax on building materials, which puts this whole industry at a standstill. What has the government done so far to comply with the rightful request to eliminate this obnoxious, inequitable and antisocial tax? Nothing whatsoever.

This 11 per cent tax is not the only barrier to a desirable progress in the field of housing construction.

On January 3 last, the past president of the association of housing contractors of Montreal suggested that all housing contractors should refuse to build houses as long as the new 9½ per cent interest rate set up by the Central Mortgage and Housing Corporation remains in force. He forecast that this exorbitant rate would result in a depression in the field of housing construction, an increase in unemployment in this and other related fields, as well as in rents, and this was confirmed this year in Montreal when increases ranging between 10 and 40 per cent were announced by landlords.

[Mr. Rondeau.]

We will hear about the Hellyer report and the resulting projects, but everything seems to indicate that the Hellyer proposals were not received very warmly in Canada. I have here a few comments picked at random from various Canadian sources, and made after the Hellyer report had been published:

On January 30, the Director of the Canadian Conference on Housing, Canadian Welfare Council, Mr. Michael Wheeler said this:

[English]

The federal task force on housing report offers nothing concrete for the housing needs of the more than one million Canadian families with incomes below \$5,500.

[Translation]

And now, here is what the comptroller of the city of Toronto, Mr. Allan Lamport, had to say, as reported in the *Globe and Mail* on January 9:

[English]

"Transport Minister Paul Hellyer's study group on housing is the biggest 'whitewash' I've ever seen", Toronto controller said yesterday.

[Translation]

And the article goes on to say:

[English]

Mr. Lamport said the group inquiry into housing problems avoided doing the one thing he should have done—setting a ceiling on interest rates for mortgages on houses.

[Translation]

Last January 8, in an editorial presented on Quebec-Canada Television, Limited, on channels 4 and 5, which today serve 473,000 viewers, the following was heard:

What will result from the Hellyer report to improve the construction of single housing? It is certainly not by increasing its interest rate from 8½ to 9½ per cent, as the Central Mortgage and Housing Corporation has done, that the central government will encourage Canadians to build. Nor is it by maintaining the 11 per cent tax on building materials that the governments will encourage builders to erect housing complexes.

Now here is what the Confederation of National Trade Unions had to say in its annual memorandum to the Canadian government last February 18. I would very much like to know what the Minister of Forestry and Rural Development (Mr. Marchand) thinks of the statement of his successor at the head of the CNTU.