

Oral Questions

in mind that in Toronto alone it now costs \$47,000 on average to buy a home that used to cost \$26,000?

Hon. Ron Basford (Minister of State for Urban Affairs): I shall be speaking on that subject this afternoon. By way of a general answer, I may say that the levels of lending under the regulations are constantly under review, as are particular market situations.

Mr. Speaker: I think we have reached the point at which I must seek the co-operation of hon. members in limiting the number of supplementaries if we are to get more questions in before the end of the question period.

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INCOME TAX

POSSIBLE ALLOWANCE OF MORTGAGE INTEREST AS
DEDUCTION FROM TAXABLE INCOME—GOVERNMENT
POSITION

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my further supplementary is directed to the Minister of Finance. Not only has the price of homes risen by 80 per cent in six years but interest rates have risen by 30 per cent since 1967 with the result that a \$21,000 increase in the cost of a Toronto home involves an extra \$10,000 to be paid as a result of higher interest rates. Would the minister indicate whether he intends to give some form of tax relief to home owners and tenants, and is he at least studying the possibility of allowing interest of mortgages and also municipal taxes as an expense against income before tax?

● (1510)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am studying all possibilities, but the hon. gentleman is bringing up a budgetary matter. I would draw to his attention that in the way he puts the question relief would be mainly to the wealthier classes in the country and would favour the home owner over the tenant.

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FINANCE

BASIS FOR ALLEGING CORPORATE TAX CUTS AND
ACCELERATED DEPRECIATION INCREASED EMPLOYMENT IN
MANUFACTURING INDUSTRY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Finance. In view of the fact that employment grew faster in the construction trade, real estate and several other sectors of our economy last year than it did in manufacturing, would the minister say what part of the increase in employment in manufacturing was due solely to the corporate tax concessions and what part was due to other factors in the economy?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, that would be hard to gauge. I would merely say that it is more than a coincidence—and I put it to the House—that since the corporate tax concessions were proposed in the House and passed, as well as the accelerated

[Mr. Stevens.]

depreciation allowances, there were last year 111,000 new jobs in manufacturing which, as I said yesterday, is 8,000 more than the previous six years put together.

Mr. Nystrom: The minister has again said that there were 111,000 new jobs created in manufacturing. How many of those jobs are due to the fact that there has been a corporate tax cut and a two year write-off, and how many are due to other inputs in the economy other than the corporate tax cuts? Is the minister studying the question, does he know, or is he simply forgetting about it?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the hon. member just has to look at the cash flows available in the manufacturing industry and how those cash flows are being used in new capital investment to understand why the incentive was put on and how the incentive is being used.

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GRAIN

RESPONSIBILITY FOR ALLOCATION OF RAILWAY CARS—
DECLARATION OF CERTAIN BRANCH LINES AS INOPERATIVE
BECAUSE OF SNOW CONDITIONS

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, my question is for the minister in charge of the Canadian Wheat Board. In view of the fact that during the past several months the railways in western Canada have been required to plow some quarter of a million miles of track in a futile attempt to move grain from snow-blocked lines, can the minister say who is responsible for ordering these trains? Is it the Canadian Wheat Board or the railways?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, within the committed number of cars that are available to the Canadian Wheat Board from the railways the block shipping system, which is an organization that includes the direction of the Canadian Wheat Board and represents the operating arm of the railways, allocates cars to particular blocks week by week, and then the cars within the blocks are allocated by specific elevator companies.

Mr. Hamilton (Swift Current-Maple Creek): Have the railways at this late date been allowed to declare certain lines inoperative until track conditions improve? If so, why has it taken so long to declare some of these lines inoperative?

Mr. Lang: Mr. Speaker, even at this stage there are bound to be serious complaints and concerns on the part of individual farmers who find lines closed. I am sure the hon. member's colleagues will in some cases criticize the government for that same reason. The railways did attempt to keep the main lines in the prairies open but they now find this is simply an impossible job in the remaining months. In the case of the CNR, they specifically indicated dates before which they do not expect to use cars on particular lines. I expect that the CPR, which has less of a problem since there is less snow in the southern part of the prairies where its main operation is, may have to do something of the same. We are meeting in a variety