

*Urban Affairs*

would be passed on to the consumer. The people of my riding remember what happened four or five years ago when an 11 per cent or 15 per cent sales tax on drugs was repealed. The price of drugs dropped by about 3 per cent for six months and then crept up again to dizzy heights and has not come down since. If we can find a way to ensure that the tax savings would be passed on to the consumer, I would be in favour of it; but I do not believe the Tories have any notion of how to do it.

Mr. Speaker, perhaps the government could use as an example what was done by the government of Saskatchewan a number of years ago when they gave a grant of up to \$800 to anyone whose income was under \$8,000 per year and who built a home. That took care of the sales tax. Perhaps this government could do it by giving a rebate to people who require it.

The hon. member for Calgary North (Mr. Woolliams) was rather amusing when he spent most of his time quoting from the speech of the hon. member for Oshawa-Whitby (Mr. Broadbent). I am glad that the hon. member for Oshawa-Whitby is considered the housing spokesman in this chamber. The hon. member for York-Simcoe (Mr. Stevens) today asked a question about decreasing the interest rates on house mortgages. Where was he six or eight months ago when the NDP had an amendment on the mortgage financing bill to lower interest rates? At that time the Conservatives lined up with their Liberal friends.

**Mr. Basford:** They were opposing it most of the time.

**Mr. Nesdoly:** The hon. member for Saint-Hyacinthe (Mr. Wagner), the boy wonder of the Quebec Conservative Party, the miracle man, the hoped for Messiah, is going to be in for a surprise come the next election.

**An hon. Member:** So are you.

**Mr. Nesdoly:** The hon. member for Laprairie (Mr. Watson) assumes that buying a house will always show a capital gain. Houses have been showing capital gains in the last year or so, but in the last 15 years I have seen them sometimes drop in value quite drastically and then go up again. We cannot work on the assumption that houses are always going to go up in value and that we do not need to worry about continuing capital gains.

The hon. member for Victoria (Mr. McKinnon) says that socialists see only quick solutions. A lot of the solutions found in this country today came from the socialists. We are few in number but we think a great deal. In British Columbia the right-wingers were virtually giving land away to speculators before the socialists put a stop to it. The hon. member for Victoria complained about the eyesore in Victoria. What were his friends on city council doing, I should like to know. I have been a member of town council long enough to know that through their bylaws councils can control what is built. Let us not blame a 20-storey concrete eyesore on the federal government.

My main concern today, Mr. Speaker, is the problem of rural and small town housing. Far more should be done to encourage small rural communities rather than patronizing the cities and large towns, although we know that they must be patronized to a degree. Sometimes I think the government should embark on a policy of zero growth in

urban areas, telling people, "We are going to create new cities and perhaps our problems will be alleviated or will disappear."

I think the constituency of Meadow Lake is typical of rural or northern Canada. I am sorry that I do not have statistics for all of Canada, but about two weeks ago I received a pamphlet from Statistics Canada based on the 1971 statistics for housing, population, etc., in the Meadow Lake constituency. I should like to quote some of these figures because I think my constituency is representative of many rural and northern parts of Canada.

In our constituency there are 12,590 households, 530 of these having more than ten persons. There are 5,150 households where the income is under \$3,000, and 3,695 family heads have an income of under \$2,000 while 915 family heads have an income of over \$10,000. There were 12,585 occupied dwellings. Of these, 1,340 had two rooms or less. That is approximately 11 per cent of all dwellings in Meadow Lake. I have visited some of these, Mr. Speaker, and some still have dirt floors. There are 6,095 dwellings with running water and 6,490 dwellings with no running water. That is, more than 50 per cent of the people in many of the rural and northern areas of Canada do not even know what running water is apart from the water that runs in the streams.

There are 7,410 dwellings with no flush-toilet facilities. That means over 60 per cent of dwellings have outdoor privies. Some, 3,110 dwellings, or 26 per cent, are heated by wood. Certainly those people did not have to worry about the energy crisis this winter. There are 3,170 dwellings which depend on springs or rivers for their water supply. That is, about 30 per cent of all dwellings have to get their water from the lakes or rivers. This is why we have the occasional outbreak of amoebic dysentery and other forms of dysentery. It is caused by the impure water supply.

Many people cannot afford decent homes or any home except a log cabin or a shack. They just do not have the money. So I think one of our first goals is to see that they get a decent income. I think we also have to see that they are not faced with a 9½ per cent or 10 per cent interest rate. It has to be much lower than that, or perhaps nothing at all. The hon. member for Broadview (Mr. Gilbert) said yesterday that some very wealthy people get by with paying only 6 per cent interest. Today I found an interesting article while doing some research. An article entitled "Rich find new way to dodge taxes" has a dateline "Montreal, CPA" and reads:

Company executives who have been deprived by new tax laws of tax-free stock option profits have found a new way to beat the tax collector.

In a letter in the *Financial Times* issue of February 25, a Thomas S. Smith of Barrie points out that companies are now lending executives interest-free mortgage money with which to buy homes. The saving in interest payments is the equivalent of a tax-free hand-out.

Mr. Smith points specifically to the current financial report of Massey-Ferguson Ltd. which, he says, informs shareholders that four officers of the company have received, "as loans, a total of \$472,400 to assist them to buy residences, that they may pay this money back over a period of 25 years, that such loans are permissible under the Canada Corporations Act and that they are interest-free."

Mr. Smith also reports that four other directors of the company split "annually a total of \$754,112 and in addition are guaranteed on retirement benefits totalling annually \$243,271."