

been denied under the present government however serious these problems may be.

In the province of Quebec, a huge amount of the provincial revenue is allocated to the reform of the school system. That makes sense as long as enough jobs are provided to keep up with the growing labour force. The effort toward education reduces the funds available to meet the needs of agriculture and to fight rural poverty.

That is the reason why the federal government should acknowledge the serious situation in which a great number of Canadians living in Quebec and in the Maritimes find themselves.

Perhaps the situation could have been improved if some commitments had been respected to a certain extent.

Were we told the truth, three or four months ago, when the public was made to believe that the economic situation was sound and when there was talk about a very urgent need to stabilize the budget and about co-operative federalism.

As for co-operative federalism, we are indeed obliged today to reproach the present government with having neglected to co-operate with the provinces.

It was decided, for example, to cancel the winter works program, but today, the increase in unemployment during the winter months shows clearly that putting an end to that program increases considerably the number of unemployed, particularly in the province of Quebec. Indeed, in a brief that was sent to all hon. members, the Canadian Federation of Mayors admits openly that the cancellation of the winter program creates a very thorny problem for several municipalities.

I remember asking the Prime Minister (Mr. Trudeau) if the provinces had been consulted, and I was told simply that the provinces should have expected it. But, in fact, the provinces were not ready, because the municipalities had not been consulted. It was quite well known that the budgets had been prepared on the basis of these subsidies and all of a sudden the municipalities are deprived of every hope, because a lot of works are cancelled by this very fact.

I admit with the present government that this winter works program was not perfect, because it would have been necessary, I think, to select these works properly by accepting only those that were absolutely

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needed, such as the construction of municipal buildings and certain public utility works. But to go as far as refusing all these works, that was another matter. We must recognize, if we are objective, that the cancellation of this program increased the rate of unemployment, particularly in our province and in the rest of Canada.

I should like also to say a word about housing, mainly about the report which was tabled yesterday. It is all very well to talk about home building in Canada, but it must be kept in mind that under the existing legislation, the interest rate charged by the Central Mortgage and Housing Corporation represents a very serious problem for the people who have an irregular or average income.

The new legislation on housing provides for bigger loans and for an extension of payments over a longer period. This is not, in my opinion, the kind of measure likely to help the citizen with an average income. Let us be objective, let us recognize that it is absolutely necessary to abolish the 11 per cent tax on building materials so as to make the building costs of a house a little more acceptable. If wage-earners with an average income are not assured of a suitable interest rate, they will be unable to secure loans. In fact, anyone who earns \$6,000, \$7,000, \$8,000 or \$9,000 cannot borrow at more than 5 or 6 per cent and I think that the government would benefit by giving him a rebate proportionate, of course, to his income.

This is one way of doing it. I am sure there are many others because I am suggesting one at the moment. In this way we could get the economy going again in the housing field and check any adverse effects which might be felt in the forthcoming year.

As to the report which was tabled yesterday by the minister, it simply reflects the recommendations of the Canada Economic Council. This report was already discussed today in some editorials which recognize that the suggested solutions are not terribly new. However I am thinking of that very important rebate and of that 11 per cent tax which should be abolished. These are concrete measures which might promote housing. When we refer to housing in Canada, we know that many things are connected with that field which has a tremendous effect on our Canadian economy.

● (4:50 p.m.)

Those are suggestions. I do not want to take up the time of the house by merely