

Tax Rebate

The suggestion made by the hon. member for Portneuf would change those provincial plans by giving equal or greater assistance to those who own their own homes and pay high income tax. However, his proposal would not help those who benefit now under those provincial plans.

In conclusion, I will say that the possibility still exists that municipalities could increase their taxes and interest rates on mortgages could go up if the proposal made by the hon. member for Portneuf was accepted. In each case the homeowner is relieved of a major part of his cost which is passed on to the federal government. The result of this is that higher interest rates and municipal taxes would become less burdensome for homeowners. However, the federal government would have to raise in some way or another the money required to finance those abatements.

In conclusion, as I said before, we must consider the matter of revenues, Mr. Speaker. It is impossible to assess what would be the cost to the federal and provincial governments of the tax rebate proposed by the hon. member for Portneuf, but a tax rebate of \$500 for half the Canadian taxpayers, that is to say 4 million people, would already amount to \$2 billion. I suggest, Mr. Speaker, that consideration must be given to the fact that if the federal government revenues are reduced by \$2 billion, new taxes would have to be imposed in order to meet the requirements of government spending.

I have often heard in the past some remarks to the effect that spending could be reduced. But between 1958 and 1963, for instance, the government of the time, which had promised during an election campaign to reduce government spending, increased it every year.

● (1650)

[English]

Mr. Walter Baker (Grenville-Carleton): Mr. Speaker, in the few minutes available I would like to comment on the remarks of the hon. member for Gatineau (Mr. Clermont) who, with all the warmth of an undertaker at a funeral, dealt with the social problem which this motion attempts at least to begin to deal with in terms of an accountant. Surely there is much more to this problem than the cold, stark statistics the hon. member gave us just a few moments ago. Whether we like it or not—and this is not the place to assess blame—there is a housing problem in Canada and housing represents a prime social, economic and physical requirement.

The unmistakable fact is that, whoever is to blame—the hon. member for Gatineau can accept the blame on behalf of his party and the government he supports, if he wishes, and he was among the government's apologists a few moments ago—there is still the housing need to be resolved. I would rather look to the hon. member for Waterloo-Cambridge (Mr. Saltsman), who at least came up with some rationale as to the principle, and I do not agree with everything he said, than the hon. member for Gatineau. The hon. member for Waterloo-Cambridge suggested there was a danger that in this proposal we would be considering persons who own property as more valuable citizens than those who do not. To that extent he is right. If the wording of this motion represents the limit of our imagination in respect of an attack on the problem, then certainly the shortcoming of the motion is that it

[Mr. Clermont.]

does favour home owners. That is not to say that during the study a committee would make, if the matter were allowed to go there, its good principle could not be extended to those who rent.

The hon. member said that some 50 per cent of our people rent property, and I have no reason to doubt that. In any event, I think the principle is sound in terms of permitting a lower rate of cost in respect of renting premises, and a lower number of obstacles in respect of ownership of premises or encouraging ownership. Because this is merely a first step, the hon. member for Gatineau speaking for the Liberal Party, ought not to oppose it.

The hon. member for Waterloo-Cambridge asked where we would get the money and how much it would cost in terms of revenue. My researchers have indicated that it would require something in the order of \$1 billion a year. I want to say in passing that the contribution the Liberal government made to the corporations when it embraced them in the last budget—

An hon. Member: You supported it.

Mr. Baker: This government made contributions to the corporations through the tax cuts, and if you read the reports you will see that this has not done them very well. Those tax cuts were worth \$800 million to the corporations, and I suggest that would make a good start in finding the funds to make up any deficit which there would be under the program proposed in this motion. The point is that the matter of housing and accommodation is extremely important and ought not to be treated with the coldness of an accountant, particularly when you consider the burdens of renters and homeowners today because of difficulties largely created by the ineptness of the policies of this government.

I was surprised to hear the supporter and apologist for this government take the position he did. Our policy, and we make no apology for it, is to go further than the principle behind this motion, which unfortunately is limited to only those who own houses, in an effort to assist persons who are renting property.

I notice from the reaction of hon. members on the other side that they are somewhat uncomfortable about the housing situation which bears as its monument to ineptitude a 9.7 per cent increase in the consumer price index as it relates to housing. Another monument to the government's ineptitude in housing matters is the fact that in the one year, 1972-73, the average increase in the price of a home in Ontario was 26.2 per cent, in British Columbia it was 22.9 per cent and in Alberta 20.3 per cent. Those figures are a condemnation of this government.

The average selling price of a house in the cities of Canada is an indication of the failure of this government. We had an increase in one year in this city of Ottawa of 21.7 per cent. Let hon. members opposite not speak coldly, in terms of tax statistics, because housing in this country has become a social problem largely because of the ineptitude of the government which those apologists are prepared to support in denying the goodness and reasonableness of this motion which represents a first step.