

Division

country, and those who are in the construction industry. I think a solution to the problem can be sought through a study undertaken by the government.

Last night the Minister of Finance (Mr. Sharp) referred to some incentives. He said the following, as recorded on page 2733 of *Hansard*:

while a remission of the sales tax on building materials is a desirable reform, it is one that is not nearly as important as many others, or many other more important steps that may be taken.

I suggest that if the Minister of Finance believes the removal of the sales tax on building materials is not the most important step that should be taken in order to reduce the cost of housing in this country, then it is his duty to tell us what other measures should be undertaken in order to alleviate the problem. The Minister of Finance, realizing the mess in which we now find ourselves, told us in general terms that there are many other remedies, but he did not specify what they were. He contented himself with saying that we have problems which are going to be resolved but they are going to be resolved at the cost of depriving the majority of Canadians of the right to own their own home. This is the suggestion which he has made. He suggested that time alone will cure this ill. I suggest this is a poor approach to the problem.

• (8:10 p.m.)

The hon. member for Winnipeg North (Mr. Orlikow) today suggested the removal of the sales tax on building materials used in house construction, but on the other hand said the sales tax should be retained for commercial projects. I do not accept that approach. If we are to remove the sales tax let us remove it completely. Let those with the ability to develop, develop. I do not wish to see the poor remain poor. Let us improve their lot and at the same time allow others who have the incentive to produce retain that incentive and go on producing.

Earlier this year many big developers right across the country postponed construction projects, expecting that interest rates would drop. Now, major construction across the country will drop off. Who will suffer the consequences? The workers in the construction industry will suffer. Earlier in the year money was available at 7½ per cent and 8 per cent for major construction. That money will now cost 8¾ per cent to 9 per cent.

Last week the Minister of Labour (Mr. Nicholson) asked us to admit that the new

[Mr. Keays.]

interest rate of 8¼ per cent is a realistic one. I say let him be realistic and realize that this new rate is depriving the majority of our population of the hope of ever owning their own homes. Who can afford to own his own home when the mortgage rate is 8¼ per cent? If we are going to burn the candle at both ends we will be in trouble.

If we have to pay this high interest rate, I say we should make a serious study of the economics of the situation. By abolishing the 11 per cent sales tax and seeking the co-operation of the provinces on the removal of their provincial sales taxes, we could give more Canadians the opportunity to own their own homes. This is a serious situation, and I was happy, Mr. Speaker, to second the amendment moved by the hon. member for Esquimalt-Saanich (Mr. Chatterton).

The house divided on the amendment (Mr. Chatterton) which was negated on the following division:

• (8:20 p.m.)

YEAS	
Messrs:	
Aiken	Irvine
Alkenbrack	Johnston
Allard	Jorgenson
Baldwin	Keays
Ballard	Kindt
Barnet	Knowles
Beaulieu	Korchinski
Bell (Carleton)	Lambert
Bell (Saint John-Albert)	Langlois (Mégantic)
Bigg	Laprise
Brand	Lewis
Brewin	Loney
Cameron (Nanaimo-Cowichan-The Islands)	MacDonald (Prince)
Cantelon	MacEwan
Caouette	MacInnis (Cape Breton South)
Chatterton	MacInnis (Mrs.)
Churchill	(Vancouver-Kingsway)
Clancy	MacLean (Queens)
Coates	Macquarrie
Code	MacRae
Crouse	McCleave
Danforth	McKinley
Dinsdale	McQuaid
Dionne	Madill
Enns	Mather
Fairweather	Mongrain
Fane	Monteith
Fawcett	Moore
Flemming	Muir (Cape Breton North and Victoria)
Forbes	Muir (Lisgar)
Forrestall	Nielsen
Fulton	Nowlan
Gauthier	Nugent
Gilbert	Orlikow
Godin	Ormiston
Graffey	Otto
Grégoire	Pascoe
Grills	Patterson
Gundlock	Prittie
Hees	Pugh
Horner (Acadia)	Rapp
	Régingbal