

Housing

in the field of housing and urban development. We would set up a separate ministry of housing and urban development. We would determine this country's housing needs, coordinate programs with provinces and cooperate with provinces and municipalities in determining this country's housing needs. Also, we would determine this country's financial requirements in the field of housing and establish priorities for a building program.

Mr. Caouette: At what rates of interest?

Mr. Gilbert: We would set a target of 250,000 homes to be built, 50,000 of them to be public housing units. We would also have the proper mix between public and co-operative housing.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Gilbert: Mr. Speaker, may I thank hon. members for their courtesy. I was speaking of our target of building 250,000 houses to take care of the shortfall in housing and that we would have the proper mix of public and co-operative housing. Our target would be to have 50,000 public housing units. Altogether we would wish 60 per cent of our housing to be private, 25 per cent to be public and 15 per cent to be co-operative. Also, we would ensure a steady flow of mortgage moneys to the housing field, either by persuading financial institutions to lend or, if necessary, by legislation.

We would set up a crown building corporation specializing in public and senior citizens' housing. By having close liaison with provincial housing corporations and municipalities we would ensure that the latest building techniques are used and that the benefits of research programs are fully felt. We would inject massive amounts of public money, up to \$1.5 billion, into programs for the acquisition of land banks. Under such a program federal, provincial and municipal governments could acquire serviced land. Under that program we would also finance public housing, co-operative housing, various types of home improvements and urban renewal.

If necessary we would supplement rents and subsidize interest rates until those rates have fallen back to their proper levels. The hon. member for Témiscamingue (Mr. Caouette) wondered what interest rates would apply to moneys lent. We would fix interest rates at 6 per cent, and the federal government would pay a subsidy of half of any amount paid on interest rates above 6 per cent. We would retain the 11 per cent sales tax on homes costing more than \$25,000. On homes costing less than \$25,000 we would use a tax credit in order to help the purchaser with the down payment on his home. We would also introduce a capital gains tax on land, to drive out land speculators. Lastly, we would set up some sort of research department to determine the type of accommodation needed in this country and to examine all social and environmental factors. Of course, we would make sure that the latest building techniques were used.

These proposals, Mr. Speaker, would be but a first step in building a Canada which puts people first and which will ensure a good life for all Canadians. This is the New Democratic party's version of a just society.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, replying to a question of mine of February 5 of this year, the Minister of Finance (Mr. Benson) revealed that the government did not intend to accept the recommendation of the Minister of Transport (Mr. Hellyer) that the 11 per cent sales tax on building materials should be removed. As the house knows, the report of the task force on housing which the minister headed recommended strongly that the 11 per cent sales tax should be abolished. That recommendation was made after the minister and the task force had visited every province and every major centre of Canada. Having seen existing conditions in the field of housing, the minister felt that the 11 per cent sales tax ought to be abolished, thereby making houses available for many who otherwise would be unable to buy them. I believe the Leader of the N.D.P. pointed out that the 11 per cent sales tax on building materials pushes the price of the average house up by about \$500. In addition to the 11 per cent federal sales tax, there is a provincial tax on building materials. In Newfoundland this is 7 per cent. On top of that, there is a mortgage insurance fee administered by C.M.H.C. which again increases the cost of a house by 2 per cent of the amount