

Economic Policies and Unemployment

The members of the so-called free enterprise parties raise the bogey of socialism only during election campaigns but never when the particular regions which they represent are on the receiving end of some juicy financial plum.

While I am on the point, little mention is made of some of the outstanding successes of public enterprise in this country. Dosco has made the first profit in recent history; there is the Polymer Corporation; then there is Air Canada, and lastly, Ontario Hydro. There are four that have made a success. Sometimes the members of this party are told to shed our myths. The real myths, I believe, are to be found in the national chamber of commerce free enterprise rhetoric that we hear echoed all around this chamber far too often.

With your permission, Mr. Speaker, I should like to return to the local scene and my riding. I should like to raise a problem that is associated with the building of housing for senior citizens. The best way to introduce the subject, I think, is to read a letter that I received recently from a retired man in Port Moody who has devoted most of his waking hours during the last few years to initiating and guiding the building of a senior citizens' home in that city. In his letter he says, in part:

Dear Sir:

I have sent a telegram to the Minister of Finance asking if it was possible for our project to be exempt from the 11 per cent building tax. This is a non-profit organization that is building for senior citizens housing. We are up to the third floor of an eight-storey structure.

Mr. Benson informed me it would have to be passed by parliament and that is the reason we are writing you. Could you help us by trying to put this on the floor of the House—

The provincial government gave us a grant of \$270,500. We have a \$506,370 NHA mortgage at 7½ per cent interest. This mortgage is for 50 years of which the old people will be paying about \$1½ million in interest. Surely the federal government could allow us the 11 per cent tax as a grant. With this money we could add different things to make the senior citizens more comfortable.

Hoping this meets with your approval.

I think that is a pretty eloquent letter and illustrates that this tax is a very serious hurdle in the way of such vital projects as homes for senior citizens. This sort of thing is frustrating the intention of the CMHC legislation. This man thinks it is silly for the government of the day to be placing a tax on the money it itself is lending, thereby adding to the cost of the building and preventing more space being purchased with the same funds. This sounds inflationary to me. In addition,

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there are further frustrations. Interim or stage payments are never received from the government in sufficient amount or in sufficient time to relieve the Canadian Legion, which incidentally is sponsoring the project, from having to seek interim construction loans from the bank. The cost of these interim financing loans is 9 per cent rather than 7½ per cent, and there is more inflation.

But, Mr. Speaker, there is even more. The government specifies which lawyer is to handle the legal matters connected with these projects. The government lawyer charges \$1,000 for precisely the same work that could be done by another lawyer for \$500. This again adds to inflation. Perhaps the government lawyer—though I hate to suggest this—is an enthusiastic government supporter. In any event, my constituent is thoroughly confounded by what he has experienced, while the government has continually called for restraint from others. I am confounded about that too. In view of the expected surplus of \$130 million in this budget, does the minister not think that an 11 per cent rebate would be appropriate and enlightened if it were applied to senior citizens' homes projects? I think it would.

While on the subject of shelter I should like to report that I get an increasing amount of mail from people who are underemployed and are seeking adequate shelter for themselves and their families. I do not represent what can be considered a depressed area by any means. My riding contains a considerable number of people with inadequate means to provide themselves and their families with desirable or adequate shelter, but they are by no means poor people. Even those who cannot be described as poor people find it very difficult at this time to secure adequate and decent shelter. Inflated land prices in my area, because of its location on the periphery of a large urban area, are responsible for part of the problem. The main problem, however, is lack of financing to enable those who need shelter to buy it. The conventional lending sources have dried up because of tight money and high interest rates. Yet, in spite of repeated representations by this party there has been no government effort to encourage the financial institutions to allocate a certain portion of their portfolios for housing.

• (3:50 p.m.)

We have heard discouraging reports concerning the possibilities in respect of housing starts in the next few months. This, I submit, adds to the problem of unemployment. People