

total mileage. He must be able to say what percentage of his mileage was for business and what percentage was for pleasure. Mileage from home to office and back is not considered business use. He can only claim his business mileage.

I have in the past taken this up with accountants in the department. Some doctors can charge up to 25 per cent of their total car use. What does that mean? If the depreciation of the car is included, they probably have expenses of \$2,000 to \$3,000. If they can deduct 25 per cent of that, we are talking about a deduction of about \$750. A doctor is probably in the 50 per cent tax bracket, so we are talking about a real deduction in income tax of hundreds of dollars. The ordinary worker who drives perhaps 10 to 20 miles each day to and from work—in most cities there is no public transit which an ordinary worker can use—cannot deduct anything for income tax purposes or receive a rebate on the tax which is now being proposed.

The Acting Speaker (Mr. Boulanger): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Orlikow: Mr. Speaker, when I began my speech before lunch I said I wanted to deal with four aspects of the budgetary proposals which were the main components of the speech by the Minister of Finance on Monday night. They were the provisions with regard to unemployment insurance, the increase in the price of gasoline with the excise tax of ten cents per gallon, the effect of the budget on health care, and the effect on housing.

Just before I began my speech the Minister of State for Urban Affairs (Mr. Danson) spoke. I think he would have been much more comfortable if he could have avoided making a speech in this budget debate. If ever a housing minister was sabotaged, it was the present minister as a result of the budgetary proposals. All the budget will do is give him another \$200 million. That will not even take care of the increased cost of housing, the increased mortgage rates and local taxes.

This budget exposes this government as the charlatans they are and always have been. They have run away from the problems of housing, abdicated their responsibility and sloughed it off to the private sector. The private sector has never met this responsibility, for the obvious reason that they cannot make money in providing housing for the bulk of people who cannot afford to pay the prices asked.

The Canadian Council for Social Development, the Economic Council of Canada, and every other organization interested in adequate housing for Canada has estimated that we need at least 250,000 housing units each year for probably the next ten years. This government and this minister announced months ago that their objective for 1975 was only 210,000 units. Housing starts from January to the end of May show that we are only building houses

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at an annual rate of 160,000 units, about one-third less than the minister and the government announced they intended for this year. In the budget speech on Monday night the minister said, as reported at page 7022 of *Hansard*:

Residential construction has been the major domestic source of weakness in the economy.

To counteract this, the minister proposed to increase the subsidies paid under the private AHOP and private limited dividend programs. These were the measures introduced as amendments to the National Housing Act this spring—measures which were supposed to attract \$1 billion of private funds into the housing market. As the Minister of State for Urban Affairs admitted a week ago, and as we predicted last spring, this program has failed completely. Statistics from the national accounts show that in the first quarter of 1975 business investment in residential construction continued to decline as a percentage of the gross national product. It dropped to 4.6 per cent from a high of 5.6 per cent in the first quarter of 1974 despite increased subsidies to attract private capital into the rental and privately-owned housing market. We have no figures on how much money the government will spend on these programs, but no matter what the government is willing to do the program simply will not work.

If we add up everything the minister has proposed, including the \$200 million announced on Monday night, the total budget for housing this year will be \$1.6 billion. Eight years ago when housing costs were probably half of what they are today, the budget for Central Mortgage and Housing was \$1.5 billion and represented 14.3 per cent of the government's total budget. This year it will only be 5.4 per cent of the total budget.

Mr. Watson: Explain the difference.

Mr. Orlikow: I will come to that, Mr. Speaker. The hon. member for Laprairie (Mr. Watson) asks about public housing. Let us look at public housing, particularly in my province. I would like to hear the hon. member for Laprairie and the other hon. member from the Montreal area who has been here for too many years get up and talk about how much the Liberal government of Quebec is putting into public housing this year with assistance from this very generous federal government. In my province, this government reduced the funds available for public housing to \$15 million this year. That was a very substantial decrease. I want the hon. member for Laprairie to remember that. The minister for urban affairs in Manitoba who is responsible for housing has said that that province could use another \$25 million.

• (1410)

At the conference which the provincial ministers had with the federal minister, the Manitoba minister in charge of housing repeatedly urged the minister to release more money for public housing. He told the minister that while AHOP money is being used to the full extent, it is not going to those who need housing the most. Those people need accommodation and housing units; the hon. member for Laprairie knows this. Despite all that Ottawa has put into AHOP and limited dividend housing, these people simply cannot afford to purchase a home; they must rent.