

government some \$165 million last year, \$90 million more than the amount provided in direct aid for low-cost housing, which would seem to be contrary to the government's concern about housing, will the minister now give consideration to withdrawing the 11 per cent sales tax on building materials?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, if the assumption my friend makes is correct, more than half of the amount, of course, would come out commercial construction rather than housing. If we intend to make any such changes as he suggests, I will announce them in the ordinary manner in the House.

Mr. Alexander: I have a supplementary question for the minister. In view of the fact that interest rates are affecting the cost of housing more than any other factor, and in light of the fact that the Minister without Portfolio in charge of housing has indicated that he has been in consultation with the minister regarding the assessing of all schemes which would increase the flow of mortgage money and decrease interest rates, and keeping in mind that it has been stated that the housing crisis is the worst since the war, can the minister advise whether the government has arrived at any conclusion yet and, if not, when may we expect an announcement in this regard?

Mr. Benson: Mr. Speaker, I gather that the purport of the question is, when are interest rates going to come down. There has been some slight reduction. The government treasury bills issued yesterday were about half a point lower than in the previous week, but interest rates will not really be contained until inflation is conquered, and I hope all members on that side of the House will support us in our fight against inflation.

Mr. Alexander: Mr. Speaker, in view of the minister's great concern for the plight of those who do not seem to be in a position to acquire homes, and in view of the fact that it seems to be almost impossible because of the proposals in the white paper on tax reform which indicate—

Mr. Speaker: Order, please. Would the hon. member ask his supplementary?

Mr. Alexander: Mr. Speaker, my question is, would the minister now give serious consideration to the removal of residential homes from the capital gains proposal in the white paper?

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Inquiries of the Ministry

Mr. Benson: I have continually said since the white paper was issued that it is not the intention of the government, if a gains tax is ultimately enacted by Parliament, to tax gains on ordinary homes.

NATIONAL DEFENCE

STUDY OF BASE CONSOLIDATION—EXAMINATION OF RECOMMENDATIONS

Mr. Doug Rowland (Selkirk): Mr. Speaker, I wish to direct my question to the Minister of National Defence. When does he anticipate that the study on base redundancy currently being conducted by his department will be presented to him?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, we are currently involved in the final phase of our study. I expect I will be able to make a final decision probably early in June or the end of May.

Mr. Rowland: Mr. Speaker, would the minister assure the House that prior to taking action on the report by his department there will be an opportunity for an examination of the recommendations either by a committee of the House or through some public medium?

Mr. Cadieux (Labelle): I believe I have a mandate that was given to me to operate within a fixed budget. In order to achieve that objective I have to take some decisions which I believe are the prerogative of the executive. As we have in the past we will in this instance consult with the local authorities. We have indicated that in any decision we would give a year's notice and also, in respect of the people employed, six months' notice. We intend to follow that practice.

TRANSPORT

BRITISH COLUMBIA—BOOKING OFF SICK BY RAILWAY RUNNING TRADES EMPLOYEES

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, I have a question for the Minister of Transport. Are the employees of the railways engaged in the running trades in British Columbia still continuing to book off sick in considerable numbers, and has this action adversely affected the movement of grain, coal and other commodities?

Hon. Donald C. Jamieson (Minister of Transport): My latest information is that the dispute, if that is what it can properly be called, has been settled, that the matter is