

Income Tax Act

Immigration relates to his new attitude to retraining coupled with unemployment insurance. How much progress has the minister made in obtaining cabinet approval for a program under which Canadians who qualify for unemployment insurance will be eligible for trade courses, or has this scheme been rejected by the cabinet or abandoned by the minister.

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, a pilot project is operating in Newfoundland, with enthusiastic cabinet support and authorization, linking the unemployment insurance recipient with his ability to continue getting benefits while he is on a designated trade training course. That is the thrust of my own views and I am encouraged by the fact that the pilot project has been endorsed and approved by the cabinet as a possible direction for future activity. But, it is a pilot project.

DATE OF INTRODUCTION OF AMENDMENTS TO ACT

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. As the minister knows, the Speeches from the Throne following the 1972 and 1974 general elections mentioned amendments to the Unemployment Insurance Act. Keeping in mind that we spent some \$6 billion on unemployment insurance between 1940 and 1970, and another \$6 billion in three years, in the period 1971-1973, can the minister advise if the legislation is actually drafted and ready to be presented to the House, or are we still walking around in the dark, not knowing where this program is going. Has the legislation been drafted?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, the subject matter of the hon. member's earlier request should indicate that I see the possibility and the opportunity to improve recommendations as to what the bill should contain. I think the hon. member will not be disappointed in seeing the bill introduced in this House during the present parliament. but I cannot be precise as to the exact date.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

The House resumed, from Friday, January 31, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-49, to amend the statute law relating to income tax, be read the second time and referred to committee of the whole.

Mr. J. R. Ellis (Hastings): Mr. Speaker, last Friday afternoon when I began my speech I said that I and some of my colleagues were not favourably disposed to the Minister of Finance (Mr. Turner). Since I last spoke

[Mr. Alexander.]

we have had a glorious Canadian weekend with bright sunshine, excellent weather and good skiing. Yet frankly my thoughts have not improved and I am still as critical of the minister as I was when I last spoke.

In the period encompassing the spring budget of 1974, the November 18 budget and the introduction of Bill C-49, the Canadian economy has witnessed drastic changes. Interest rates have pierced traditional barriers. Price changes as reported by Statistics Canada and shown by the consumer price index have spiralled upward, especially for food, clothing and shelter. Unemployment has increased and many other factors have come into play. Yet the provisions of the present bill differ little from the provisions of the bill introduced almost one year ago.

While there are many areas of this budget bill which can stand close scrutiny, I want to take a few moments to discuss primarily the areas affecting shelter. For example, consider the reduction of sales tax on building materials. This to me is another band-aid approach. After capitulating to so many Progressive Conservative proposals, the government seems afraid to go along with us on our proposal regarding the building materials tax, despite the general outcry from the public and the obvious need to remove this tax. The tax should have been removed completely. The cost of collecting it will remain the same, but fewer dollars will be collected. In percentage terms, it will cost more than twice as much to collect the reduced tax. How can the government justify this extra expense at a time when there should obviously be savings in any government department, if possible? I appreciate that it may be difficult to calculate the cost exactly, but I contend that the cost of collecting the tax at the lower figure will almost equal the revenue derived.

● (1540)

The figures quoted by the Minister of Finance in his budget speech with regard to savings by prospective home owners are absolute nonsense. They prove beyond doubt that he has no more knowledge of the housing construction industry than his colleague the Minister of State for Urban Affairs (Mr. Danson)—and from our debates last week that appears to be in an appalling state of intelligence. Many home components are, of course, already exempt from this tax. Others, because of a convoluted formula, have small portions of tax included in their selling price. Finally, the acceleration of costs will more than eat up the small savings. It would appear that neither the government nor the home owner is going to benefit very greatly by this measure.

In the area of capital cost allowance claims on rental units, this is another of the frantic steps to push up the number of housing starts in the current year to something near an acceptable minimum. I personally predict that this figure will not reach 200,000 despite all the promises of the urban affairs minister and the parliamentary secretary. For once I find myself in complete agreement with my colleague to the left, the hon. member for Cape Breton-East Richmond (Mr. Hogan)—who is absent