

now "an emergency for people of low income and a serious problem for middle income Canadians."

The current rate of starts, about which the government boasts, is some 180,000 a year but the Canadian Welfare Council says that even if 250,000 new homes—the target figure—were built each year for the next five years we should still fail to meet the immediate basic needs of all the Canadians who are doing without adequate housing or who are living in grotesquely inadequate housing.

What kind of people are able to buy, and live in, new housing today? The figures for home ownership by low income families have shown a marked change in the last five years. In 1965 people in the lower third of the Canadian income scale owned 17.9 per cent of the houses. Last year the figure had fallen to 6.4 per cent, a decline of some two-thirds. Let us bear in mind for a minute or so the significance of these statistics. They mean that thousands of low income Canadians see no prospect of owning their own homes; their number is rapidly increasing when it should be decreasing. Who, then, is getting the benefit of NHA subsidies, that is, of federal subsidies made possible by taxing the people of Canada as a whole? We find it is the rich who are being subsidized when they buy houses, not the average man or the poor. The average income last year of those receiving NHA mortgages was \$10,810. I do not need to tell hon. members of this House how many people of Canada fall into this category. It means that the taxpayers' money is being used to subsidize the rich. It means that the poor people and the average people are not able to buy homes under the NHA. And this situation has not been changed during the term of office of the Trudeau government; in fact, it has become worse.

There is an alternative. It is that we subsidize NHA loans at 5 or 6 per cent for average or low income families and make sure that they get these loans first. We should prevent those earning higher incomes from getting them until the needs of our poorer citizens have been met. Second, banks, trust companies and mortgage loan companies should be required by law to put more money into housing. This could be brought about by amending existing acts of this Parliament. Something could and should be done now along these lines. Third, we need a great and immediate expansion of public housing. In 1969, only 3.9 per cent of all housing starts were in the public housing field. The federal government spent only \$12.6 million in this field, amounting only to 60 cents per capita. And this, to repeat a point I made some minutes ago, is the situation in a country in which some 20 per cent of the people are badly housed or else housed in conditions vastly inferior to those in which the majority of Canadians are living, and where in one metropolitan centre alone some 22,000 families cannot get suitable homes. The federal government should immediately put money into this area, particularly to meet the needs of those in the larger cities.

● (5:00 p.m.)

Let us leave housing and take a look at this great progressive government's proposals for tax reform. These

The Address—Mr. Broadbent

proposals came from the Prime Minister, a man who talks of the importance of friendship, community and so on. What do we find? In the white paper presented to this Parliament we find proposals for tax reform. I do not say that literally, of course, but with some degree of irony.

One proposal is to reduce income tax paid by all those earning more than \$35,000 a year. At the same time, people living at the poverty level in Canada are still taxed. Under the new proposals, a man earning \$100,000 a year would save some \$5,000 income tax. I pointed this out to a Liberal colleague, who will go unnamed. I said to him: "My friend, that great progressive party led by the Prime Minister keeps taxing the poor, as defined by the Economic Council of Canada, and don't you find this bizarre when a man who earns \$100,000 a year will have his income tax reduced by \$5,000?" He replied: "Well, Ed, you don't understand politics". That seems clear. So I said: "Well, maybe I do not understand politics".

Following that I did a little more thinking and I now think I understand the reason. My friend said to me: "Don't you see that we are introducing a capital gains tax in Canada?" We are the only country in the western world that does not have a capital gains tax! He went on: "(So we cannot really tax those poor people who are struggling to get by on incomes beyond the \$35,000 a year level. We cannot impose on them a capital gains tax with the left hand without reducing with the right hand their level of income tax".

What this seems to suggest to me is that the Liberal party of Canada is saying, consciously or unconsciously, to its wealthy contributors: "Don't switch your allegiance to another political party. Don't abandon us or leave us in the lurch, you people who live in the middle class suburbs. We are not going to hit you too hard. We will reduce your income tax even if we do introduce a capital gains tax". This seems to me to suggest that the words in the Speech from the Throne are cynical, that they were written by those who really do not intend to redistribute power and income in this country.

What else do we find in the white paper? We find a proposal to give special tax credits to people who own shares in private companies, but no such credits to those who have purchased public bonds. Once again, this is important to the poor and to those of average income, because public facilities, whether they be a park, a hospital, a school, a community theatre—you name it—are shared by all Canadians on the basis of equality. Whether a child's parents are rich or poor, he can enjoy all of these facilities.

Real social progress, in my view, is achieved by expanding the public sector, by providing more such facilities on an egalitarian basis so that our children can grow up in a non-competitive way, knowing that many of the essential requisites of a civilized society are provided by the community, as they are presently provided as a matter of right only to the children of the wealthy.

The white paper on taxation proposes to maintain special tax incentives for investment in the private sector