

National Housing Act

northern Canada, in the Yukon and North-west Territories, where the federal government has accepted almost complete responsibility for dealing with the housing crisis of the native people in that part of the country.

I hope that the minister, because of his background in this field, because of his knowledge and criticism of government activities or lack of activities in respect of our native people when he had special responsibility for these matters, will continue to re-echo the voice of the opposition in dealing with this special problem. It will be necessary to involve the people themselves, as has been the case with the program in the north. None of the problems of unemployment—and they are chronic among our native people—job training, education and other major social problems can be resolved until the fundamental and basic social problem of adequate or decent housing is solved.

The minister himself has raised the level of social expectations of our native people to new and desirable heights. I urge him not to disappoint them, now that he has the responsibility for dealing with what most hon. members I am sure agree is the basic social issue of them all.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Gilbert: On division, Mr. Speaker.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

NATIONAL HOUSING ACT, 1954

MEASURE TO EXTEND FORGIVENESS FEATURE
IN SEWAGE TREATMENT LOANS

Hon. Robert K. Andras (Minister without Portfolio) moved that Bill C-201, to amend the National Housing Act, 1954, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Deputy Speaker: It being six o'clock I do now leave the chair until 8 p.m.

At six o'clock the house took recess.

[Mr. Dinsdale.]

AFTER RECESS

The house resumed at 8 p.m.

INCOME TAX ACT

Hon. E. J. Benson (Minister of Finance) moved that Bill C-191, to amend the Income Tax Act, be read the second time and referred to the Committee of the Whole.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the said motion?

Some hon. Members: No.

Mr. Benson: Mr. Speaker, the bill we are to debate today contains the remaining proposals from the budget of last October 22. The tariff changes were approved by the House of Commons late last year and the reform of estate and gift tax legislation in February.

Most hon. members are aware that the most important of the proposals in this measure are those dealing with the taxation of life insurance companies, and the establishment of a 2 per cent social development tax to help finance our health welfare, post-secondary education costs, and our social development payments to the provinces. Those relating to life insurance companies can probably be dealt with best during clause by clause debate.

Briefly, I should say that while major in extent, the taxes on the life insurance industry are intended only to bring the taxation of this industry into line with that of other business activity and the taxation of personal savings. In my budget speech I outlined proposals for taxing, first, the profit which emerges from the operations of a life insurance company; second, the investment income which is destined paid or accumulated by them for policy holders. The detailed workings of these taxes have not been simple to resolve. I also said in my budget that the insurance industry would be consulted on the development of the detailed provisions required to take account of the special features of the business and to plan suitable compliance procedures.

During the interval seven months, we have had intensive and very helpful discussions with representatives of this industry. These discussions have resulted in some modifications of the provisions and have made a major contribution to the development of a fair and workable system of taxation for the life insurance industry. The effect of the