

The Budget—Mr. Cyr

As a matter of fact, Mr. Speaker, the investment tax credit program which was to expire on June 30, 1980, has been extended for an indefinite period, and the basic rate has been increased from 10 per cent to 20 per cent. This is a change which I had sort of suggested myself last year. I certainly hope that these sectoral incentives will stop some of our young graduates from leaving, for lack of adequate employment opportunities in the area. Another fiscal policy which should hopefully improve the economic outlook of the Gaspé peninsula concerns the write-off for mining development expenditures which is being raised from 30 per cent to 100 per cent, as well as the fact that townsites and social assets required for new mines will qualify to earn depletion.

● (1352)

Mr. Speaker, the mining industry in the Gaspé peninsula is mainly based on the production of copper in the region of Murdochville. Despite the continuous problems that this industry was faced with in recent years, I do hope that these tax reductions together with the improvement of the competitive level of the mining production as a result of the drop of the Canadian dollar, will contribute to assist the mining industry in the Gaspé peninsula. These fiscal benefits are a new factor which could lead to the opening of the Madeleine mines, in Saint-Anne-des-Monts which have been closed down for two years now. I think we will come to a similar situation in the forest industry, especially in the pulp and paper sector. Mr. Speaker, the financial critic of the official opposition, the hon. member for York-Simcoe—who fortunately does not have to worry about a high unemployment level and about the insecurity in the activity of the two industries of which I just talked—seems to be totally unaware at these facts.

Another measure announced in the budget speech by the Minister of Finance has to do with increasing the air transportation tax to improve government revenues necessary to finance airport services and investments. I do hope this measure will generate enough additional revenue to allow the Minister of Transport to carry out as soon as possible the commitment made by his predecessor in 1973 and reiterated by himself since he took over his portfolio to give the Gaspé area and the Îles-de-la-Madeleine a decent air transportation service. That, Mr. Speaker, is something I have been fighting for vigorously for over ten years. That lack of air service has been and will continue to be a major obstacle to the economic development of the Gaspé area which could reduce the impact of the particular tax incentives the Gaspé area was given in the form of investment tax credits which I referred to earlier.

One last budget measure I would like to deal with has to do with the extension of the tax incentive for residential buildings. That, Mr. Speaker, is a measure which the financial critic of the opposition omitted to mention for very obvious reasons. Although those tax incentives are mainly for Canada's urban ridings, the people in the Gaspé area were able to benefit under several programs recently introduced by the Minister of

State in charge of Urban Affairs, and let me name a few: Under its Residential Rehabilitation Assistance Program, the Central Mortgage and Housing Corporation is offering federal funds to repair and improve single-family houses. Furthermore, the National Housing Act provides for various forms of assistance to private non-profit housing corporations trying to arrange for low rental housing for families, old people or groups like the handicapped. Under that same act, the Central Mortgage and Housing Corporation also offers various forms of assistance whose primary objective is to provide adequate low rental housing, which can be personal residences, homes for the elderly or collective residences.

Mr. Speaker, since 1971, the Central Mortgage and Housing Corporation has contributed to the construction of 525 low rental housing units in the riding of Gaspé. CMHC loans total \$9.4 million. The Central Mortgage and Housing Corporation also contributed to the construction of two homes for the elderly and loans stand at about \$2 million.

For three years, people in the Gaspé area have been able to take advantage of the Residential Rehabilitation Assistance Program. This new Central Mortgage and Housing Corporation program, which is called RRAP for short, will provide loans totalling \$1.5 million and grants totalling \$700,000 and will enable more than 200 homeowners to repair and improve their homes. Under the three programs for non-profit housing and for the rehabilitation of owner-occupied dwellings, the constituency of Gaspé has received subsidies totalling \$14 million.

However, in 1976, the Quebec government, through the Central Mortgage and Housing Corporation, authorized the construction of low-rental housing in three different municipalities of my constituency, that is Gaspé, Grande-Rivière and Ste-Anne-des-Monts. The Lévesque government has not followed up on the projects for non-profit municipal associations. Moreover, a letter addressed to the hon. André Ouellet and dated January 18, 1977, says the following:

The Gaspé, Grande-Rivière and Ste.-Anne-des-Monts projects are expected to be dealt with within the 1977 programs of the Quebec Housing Corporation and to be the subject of a subsequent agreement. Our Quebec regional office, which is responsible for this file, will therefore know the details of this project only when the Quebec Housing Corporation submits its assistance requests following the signature of a new agreement.

We are now near the end of November 1978 and nothing has been done yet. This situation has gone on long enough and there is an urgent need for the Quebec government to accept the millions of dollars that the Ottawa government has placed at its disposal to provide residents of the Gaspé area with low-cost housing for low-wage earners and senior citizens. I submit that the Quebec government has deprived the constituency of Gaspé of 200 housing units and of an investment of nearly \$5 million in the last two years.

Another program of the Central Mortgage and Housing Corporation which is very popular in the Gaspé peninsula is the one which aims at providing low-cost housing to individu-