

Income Tax

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, when I was speaking last night at 10.30 I was discussing the \$350 insulation grant for homes built prior to 1921. I also emphasized that the \$350 was not a great deal and that some homes might cost as much as \$1,000 to insulate. Housing is a very important part of our economy. As the construction industry goes, so goes the country. Housing today is beyond the means of the great majority of Canadians—and this is a tragedy, to say the least. The cost of mortgages is too high.

My party's housing committee has suggested a number of alternatives to assist the housing situation and to provide housing for those who need it most, that is, people in the low and medium-income brackets. We have suggested that mortgage interest should be deductible, and that property taxes should be deductible in an amount up to, possibly, \$500 because property taxes and municipal taxes are a form of double-taxation and they should be deductible from income tax paid by homeowners. The committee also suggested the establishment of a federal mortgage exchange. The government has made no attempt to tighten up the inspection process under the National Housing Act. The National Housing Act should be amended to provide greater control over taxpayers' funds.

The success of the housing market in Canada depends to a very large extent on the economic environment the federal government provides. The economic outlook for Canada is bleak, at best, today. Single family home ownership is on the decline. Over 50 per cent of the people own their own homes. Many are not paid for. There are a great many homes occupied by only one or two persons. In 1951 it was 28 per cent, in 1961 it was 32 per cent, in 1971 it was 39 per cent, and the projection for 1981 is 45 per cent. These figures show we have a long way to go to provide housing for our younger people with growing families.

We have heard a great deal about solar heat and its importance in energy conservation. I feel the government should give serious consideration to some form of financial assistance or grants to those building homes and installing solar heat, in order to make it attractive, as it is a very expensive installation at the present time. This could be extended to cover existing homes whose owners might consider converting to solar heat.

I had the privilege this summer of visiting a model solar-heated home in my riding. The cost of the installation was in the neighbourhood of \$10,000. The owner inquired whether there was any financial assistance available from the federal government. He was informed there was not. I am sure the minister would agree it would be common sense and good business to make it attractive for new homeowners to install solar heat equipment whether on a 100 per cent basis or on a partial basis.

As I mentioned before, the minister's budget provided some relief for the taxpayer. I think he is aware it will be necessary to generate revenue to pay for this. The tax cuts are very necessary, especially for those in the lower income brackets. The consumer price index has risen to 183 points, having

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doubled in the last decade. The cost of food is higher. Those in the lower income group spend 26 per cent of their total income on food, whereas those in the middle and higher income groups spend about 19 per cent.

Unemployment has created a special problem for the young. By 1985 there will be two million people with university degrees, and jobs must be found for them. The unemployment rate for the last month remains about the same, but the Liberals should not take heart from this because although there has not been an over-all increase, the figure for the number of unemployed under the age of 24 rose. At present, only 38 out of every 100 young people entering the labour force can hope to find jobs. The Prime Minister (Mr. Trudeau) has suggested they should emigrate. Must we export the most valuable of all our resources to support this incompetent and irresponsible administration? The Prime Minister may lightly dismiss our youth and their problems in finding employment, but I cannot. Our youth deserves more than that. They have ambitions, they have hopes for their country, they want to work. It is a disgrace and an embarrassment to all of us that the Prime Minister and the government should behave so callously.

I was surprised to hear what the Minister of Finance (Mr. Chrétien) said yesterday. I shall quote from *Hansard*. At page 646, toward the end of his address, he is reported as saying:

Members of this House will appreciate the importance of the bill to a large segment of Canadian society. It is vital to avoid any unnecessary delay in proceeding with it. The implementing legislation for the tax changes in the budget of May 25, 1976, was not finally passed until late February of 1977.

He then went on to say:

The delay caused very serious inconvenience and disruption for the thousands of taxpayers affected by those changes. I therefore urge members—

—to pass the bill with dispatch. Mr. Speaker, the bill was introduced last night, and already he is telling us to ram the measure through. He seems unwilling that we should have sufficient time to debate it. It certainly should be debated, though, because it is a very important piece of legislation. He also put out a press release dated yesterday, November 7, stating that members should not fail to appreciate the importance of the bill and the importance of getting it through with as much dispatch as possible. He also inferred that the opposition had held up the previous income tax bill last year, Bill C-22. He went on to say that the measures in the bill, which took effect on May 25, 1976, did not pass into law until February 24, 1977. This would infer that the opposition had been holding up the bill from May, 1976, until February, 1977.

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I took the opportunity to check *Hansard*, Mr. Speaker, and I found that this bill was debated for a total of ten days only. Of those ten days, four were short days. It seems the government is making a very strong statement, one that is incorrect. Debate on the bill started on November 19 and was resumed on December 2. It was hauled out again and debated on December 15, December 17 and December 20. The Christmas recess then intervened, and it did not come back until January