make the escalation of the Guaranteed Income Supplement more in line with the unvarnished reality.

[*English*]

Why should the federal treasury continue to extract the federal sales tax on clothing purchased by our citizens on fixed incomes? The government claimed in the last budget that the removal of sales tax on children's clothing had some beneficial effect in holding down the prices of these articles. Why can we not remove the federal sales tax on all clothing?

Some hon. Members: Hear, hear!

Mr. Stanfield: Also, consider what inflationary housing costs are doing to our citizens, especially the aged, and what is happening to their savings, if they have any. As to housing, I recall that just one year ago the Minister of Finance liked to talk about housing in terms of increasing supply. Now, one year after the budget which he presented at that time, housing starts are declining and the vacancy rate for apartments has dropped to a level where an unscrupulous operator can pretty well charge whatever the traffic will bear. Let there be no misunderstanding as to why my joy is restrained when this government talks about fixing everything by increasing supply in the long run.

In the area of housing, even scored against its own expressed aim of increasing supply, the proven result of government policy is one of dismal failure. In the wake of this policy, social priorities are becoming more and more distorted as we have seen housing becoming more and more an investment shelter for those who can swing the financing. Then to cap this disgrace, the government has continued in the past and continues today to profiteer in the operation by way of a flat rate sales tax which sees government revenues go up as the cost of building materials in this country goes ever higher. Obviously, as part of any effective anti-inflation program this tax on building materials should be reduced, preferably eliminated altogether.

Some hon. Members: Hear, hear!

Mr. Stanfield: I say to my hon. friends opposite as earnestly as I can that we in this country cannot continue to permit this continuation of spiralling housing costs. We cannot permit housing costs to rise at the rate at which they have been rising. I do not accept the idea that it is beyond our power in Canada to bring some degree of order into the price of housing in this country. The cost of shelter has reached absurd heights. The rate of price escalation is absurd and must be stopped.

I spoke about our older citizens and what inflation is doing to their savings. This erosion, this confiscation, applies not only to older Canadians. The time for action is now, not some months hence, not when the universe unfolds, not in the long run. We must do something now to protect the savings of diligent people who have done without today in order to put away something for tomorrow so that they may protect their families and prepare for their retirement. How can hon. members opposite sit there so quietly when ordinary Canadians who may have set aside a few dollars lost ten per cent of the value of their savings last year and may lose a further ten per cent this year? Their savings may lose 20 per cent of their former purchasing power in the course of two years. Why do members opposite sit so quietly and allow this to go on?

[Mr. Stanfield.]

I believe that the proper place in which to commence bringing some relief is in relation to Canada savings bonds. I suggest that those bonds should be indexed. There are many Canadians who cannot afford the luxury and the time it will take for the Minister of Finance perhaps to take another trip to Truro, see how this can be done, say how it cannot be done, why it cannot be done and then come back and do it. I read a remark attributed to the Prime Minister (Mr. Trudeau) who said that he did not want to subsidize those who hold bonds at the expense of the ordinary, little fellow. I have news for the Prime Minister. Most holders of Canada savings bonds are little fellows. They are not looking for a subsidy; they are looking for simple justice.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, there are things that can be done to ease the impact of inflation upon those Canadians who have not the muscle which comes from being part of a large organization or who do not have the independent financial backing which will enable them to just comfortably ride things out. There are things that can be done, and these are some of the things that are on my priority list. I do not know, but it may be that the kinds of omissions I have mentioned are among the unforgivable omissions which the hon. member for York South (Mr. Lewis) noted with regard to the government's announced program. As time goes on this afternoon, I know we will get a fuller explanation of what is an omission and when, if ever, it may become truly unforgivable.

• (1530)

Some hon. Members: Hear, hear!

Mr. Stanfield: I hope the Prime Minister will give us further information today as far as his anti-inflationary policy is concerned. We have had some reassurances about where he does not stand. He has told us a bit about his view for the long run, but that is about all. I say that the Prime Minister does a great disservice in any fight against inflation when he states we are probably heading for about the same terrible rate of increase in prices this year as last year and says there is really very little his government can do about it.

Some hon. Members: Shame.

Mr. Stanfield: In my judgment, that kind of statement can have only one effect. That effect will be to further stimulate the development of a vigilante attitude in Canada where everyone does the best he can to protect himself because his government is not trying to protect him. This, of course, will further feed the fires of inflation.

I thought the Minister of Finance made a good point when he said we should not go around saying things that take on a life of their own and lead to psyching ourselves into a recession. I make this same point to the Prime Minister now he has taken the line that we are foredoomed to a higher cost of living and the government is helpless to protect the country: I say the line taken by the