

remember that last May, about the time that election platforms were being cleared for action, there was a report in the press that the sales tax would be removed on builders' supplies so that we might get cheaper homes. That report, as far as the government is concerned, was correct, but in so far as the change brought about cheaper building materials, the result was entirely the opposite. The householder still pays eight per cent on his electric light bill and the kiddies still pay their two cents to the Minister of Finance on their pop. Had it not been for the minister's correction of my impression that the tax on cigars was to be reduced, I was about to dub the budget of this year "the Ilesley stogie budget," but if the tax on cigars has gone up, as the minister says, my description of the budget does not apply and our stogies are really going to be 10-cent cigars.

As the hon. member for Vancouver East (Mr. MacInnis) reminded us this afternoon, the Minister of Finance in his budget speech said, at page 2905 of *Hansard*:

Lighter taxes are not needed now for the purpose of permitting or encouraging additional private spending in order to maintain employment this year. In fact, if only immediate economic conditions were involved, one could make a case for temporary higher taxes in order to curb the excess of spending in some directions that is tending to pull prices up.

There the Minister of Finance in his economic wisdom has stated in the most orthodox manner his case for the retention of the present budgetary plan. It is his intention apparently to secure a balance between tax revenues and expenditures in perhaps another year or so, judging by the rate at which the deficit is being reduced from the high figure of last year to its present figure of something in the neighbourhood of \$300,000,000. He proposes to do that without greatly disturbing the present taxation pattern except, as some of my hon. friends in the cooperative movement may say, by starting to break down the recent rapid growth of Co-Ops by the repeal of clause 4(p). If by some miracle Canadian production should remain at its present level of \$11 billion and the unemployment figure should not rise above its present level of some 210,000, it is likely that the tax relief suggested for the next year will come to pass.

Canada has a right to expect expanding national production of all goods which this country is able to produce, the minister said in his budget speech. He went on, at page 2904 of *Hansard*:

The real answer, the constructive answer, to the inflationary pressures existing at this time is to work and produce the goods that are wanted in greater volume, so that our greater buying

power will result in more goods at reasonable prices, rather than fewer at higher prices. To business men in particular—

I like the way he puts this:

—I would like to address a plea that they do all in their power to hold prices down and get volume up, over this next critical year.

With that statement and wish of the minister I think most of us are in agreement. But the Minister of Finance has taken no budgetary steps to bring about this all-out production. He simply asks businessmen to do the right thing, to keep prices down and bring production up. Under the free enterprise or profits system which the hon. member for Muskoka-Ontario (Mr. Macdonnell) lauds so much and with which the members on the government side of the house are in general agreement, you do not get all-out production nor do you keep prices down unless you increase the profit stimulus. We learned in the crisis of the war that Canada is able to make unlimited quantities of goods. But here we are in the second year of peace and we are still desperately short of housing for our people. Can you get a lumber merchant to build more houses or to cut down the prices of housing materials by a plea to him? I wish I could. I am trying to build a home for myself following the war, and all I can see, as one day follows another, is that the price of everything required for that house is going up. You cannot solve the difficulty by asking a merchant to give you a fair deal under the present system. We are short of materials and short of craftsmen to do our building. Private enterprise is not providing them, the Minister of Finance is not giving us a lead, nor have we any aggressive government action which can provide them through official agencies. As you are aware, we set up a Central Mortgage and Housing Corporation, and it paid over to the federal treasury \$14 million, which was the aggregate of the loans, less repayments, made under the National Housing Act since that act was passed in 1935, and represented some 30,000 housing units. To my mind, that does not suggest aggressive action by the federal government to increase the supply of housing in this country.

We are short of essential food, clothing, furniture, refrigerators, motorcars and almost any consumer commodity which one could name. We are short of health services and of the doctors and dentists needed to provide them, and we lack security of income. Yet large-scale production and the sales to the small consumer of these commodities still await government action.