

Housing

government cannot claim that there is any change in the balance of ways and means.

This would make it reasonably and humanely possible for thousands of people to expand their farm and small business operations and, hopefully, through this bill, the right to own a home and purchase it at a reasonable rate of interest. This would dispel the allegation made again and again in the House that \$45,000 a year is needed to be able to buy an average home. I believe that this proposal, with the precedent which has been set by the Minister of Agriculture when both opposition parties made a proposal almost a year ago, which the minister finally got in the bill, should be accepted by the minister of housing.

We offered the same proposal that we made to the minister of housing and to the export agency, to farmers. We see that the Minister of Agriculture introduced it, had it passed through cabinet and the House in second reading and, hopefully, it will survive the committee stage and, finally, third reading.

I believe, Mr. Speaker, that I have made a reasonable, objective and fair case for equity for people who live in homes to be treated as are those who have access to the Small Business Development Bond.

I know that the banks and credit unions are somewhat disturbed about the instability of this government and wince on their responsibility under the Small Business Development Bond. However, they will certainly move into high speed action and real competition when the housing people lend money at 8 and 9 per cent, the Farm Credit Corporation lends money at 8 or 9 per cent and the export companies which lend at 8 or 9 per cent and are doing it for less in some cases, as we know.

The small businessman, exporter, farmer and those who want to live in their own homes, when given this incentive, will pay for their homes and put people to work. Taxes will be collected on it and the government will be better off. It will be able to achieve the objective of the Minister of Finance, not by reducing incentives or following an antique mythology such as the tax expenditure theory where a percentage of nothing is still nothing, but by an old-fashioned, simple way that achieves all our objectives.

I should also add that some of my colleagues hope to add amendments to the bill on the Farm Credit Corporation, not only using the principle of the Small Business Development Bond, but also to work out a plan under this "any means" wording to let people use capital gains for some relief as they used to have by putting it to worth-while social purposes. This relieves them of being taxed all in one year.

Those who want to retire and give a reasonable price to their sons to buy their businesses or farms can use this principle by putting their money into a useful social purpose and accepting half the interest rate because they will also be able to avoid the tremendous smashing which they were given by the November 12 budget when it took away the income averaging annuity, and so on.

In the time I have remaining I would like to try in a small way to match what the member for Capilano has been doing by discussing principles and philosophies. This bill, that is the national housing statute, has been in existence for approximately 50 years. Tremendously good work has been done with it but there have also been great mistakes. Not utilizing the land bank idea 50 years ago is one example. Other mistakes have been made, but it has been mostly a question of reorganization in such a complex way that nothing is accomplished. That has been the basic difficulty, as I see it.

The last speaker was much more brutal in his remarks. He put his finger directly on the difficulty of there being no clear line of responsibility. He called it the dictatorship of a few bureaucrats who have so often been organized and reorganized that there is no way an idea can evolve quickly. They have to spend 95 per cent of their time fighting for their territory within this complex organization. I will not give a political science talk. I am simply saying that I agree with the hon. member for Capilano. However, I believe we should go one step further, as he did, and that is to see what is happening behind the scenes. For the last 30 years it has become clear to those of us who had responsibility in government, as well as to people outside government, that something is dreadfully wrong in all our western governments.

I have said this before and I repeat it again, we have not had in Canada the opportunity to debate in the press, radio, television or in debates in the House, in any kind of forum, two fundamental subjects. One is the international monetary policy. We have shied away from that in the 30 years I have been aware of what happens here. We have very few debates on domestic monetary policy. We tried hard two years ago in the period of the Clark government when the rank and file of the party simply insisted that we accept the idea—which came from the Liberal side of the House, actually—for this matter to be put before the Standing Committee on Finance, Trade and Economic Affairs. All we asked of the Governor of the Bank of Canada and the then minister of finance was that they listen to us as laymen. We wanted to put forward questions to get at the facts. Second, as laymen we wanted the right to put forward practical and common sense ideas about how they could get around the difficulties facing them. Both those gentlemen, the Governor of the Bank of Canada and the then minister of finance, agreed to do that.

• (2150)

Our questions as laymen Members of Parliament brought from the Governor of the Bank of Canada the admission that the three reasons he had for a high interest rate policy were not achieving the results he had hoped for. He advanced three reasons, and I questioned him about them. I asked what evidence he had that his policies, which had been in effect since 1975, were working. In every case he said he did not have evidence that they were working. I think he knew I was sitting there with charts on my desk which showed they were not, but he said he could hope, and he prayed, his policies would be right.