

total cost should be added to the purchasing cost instead of being subsidized through the tax system. The problems that are being created cost money which has to be paid by the taxpayer whether or not he likes or uses disposable bottles. That is one example but there are many others.

• (4:10 p.m.)

I am suggesting that there is not sufficient capital to meet all requirements; neither are there sufficient resources. The motion before the house seeks to find a way of establishing priorities through the Bank of Canada. I do not think this is effective. I should like to argue this point more fully but I do not have the time at the moment. It is sufficient for the purpose of this debate to say that I do not think we can do things in this way.

However, the intent of the motion is very clear. What my friends to the left are saying is that we have to find some way of making the requirements of the public of this country available at lower cost. There are other ways of exploring this proposal. For example, not very long ago we wanted to stimulate housing construction in the winter and in order to do so a bonus of \$500 was paid on each house so constructed. This worked very well and almost revolutionized the construction industry in terms of stretching out work. The seasonal attitude of the industry changed. That particular form of incentive proved most effective.

I suggest to the Minister of Finance that he consider this kind of incentive approach in order to stimulate housebuilding in this country, particularly houses that are within the reach of the low and medium income groups. This can be done, as I suggested earlier, by using the taxation system. If the minister were to announce that the tax on building supplies, would be refundable in the case of certain types of housing construction, this would have the desired effect of stimulating house construction. It would work in this way. In the construction of a service station, a bank or a luxury office building a whopping sales tax would be applied on the building materials required. In the case of the construction of a low or medium cost house the sales tax paid on the materials would be rebated. The same level of taxation would be maintained simply by shifting the taxation from one source to another. There is ample precedent for this. The minister attempted to do it with estate tax and it is done under our income tax system. A differential sales tax on

Use of Bank of Canada to Ease Tax Burden
building materials should be considered in order to stimulate the construction of certain kinds of houses.

The hon. member for Edmonton West—I am sorry he is not in the house at the moment to engage in debate on this particular aspect—might be horrified at my suggestion that the government make value judgments about our society, that the government should say that some things are more important than others. My hon. friend from Edmonton West might say that this is not the role of government, that the marketplace should make judgments of that kind, though when his party was in office obviously it did not completely believe this theory.

I think that the role of government is to make value judgments. That is why governments are elected. The issues of an election campaign are the kind of society we are going to live in and the kind of value judgments we are going to make. This is done by the government now through the taxation system. The government says that some things are more important than others, that some things should receive a bonus and others a penalty. It is incumbent upon any responsible political party to make value judgments according to the wishes of the people.

I think the wishes of the Canadian people at this moment are quite clear. At a time when three-quarters of the people of this country cannot find adequate housing they want the government to make a value judgment that will stimulate housing construction within the reach of the low and medium income earners of our society. This the government has failed to do. More than that, the government has gone or appears to be going in the other direction. The task force on housing suggested that even the limited intervention the government now makes in our money markets should be discontinued, that the entire financing of housing mortgages should be left in the hands of the financial institutions of this country. It said that the government should not appropriate any funds for housing nor make value judgments about their disposition; the entire matter should be one for the free market. I think such a proposal would be disastrous and should be resisted with all the power at our command.

I should like to recall to the house a statement that I made in 1966 when the Bank Act was being debated. At that time we were being told that we should take the ceiling off bank interest rates, that if we allowed the