

**Mr. Woolliams:** That is the policy of the government, and the minister must be prepared to accept it as his responsibility. What do we need? The government should intervene immediately to deal with this question of interest rates. The Minister of Finance has said that where there is a conflict of policy, the government should intervene. It is high time, now, the government did so, in light of the rate set by the Bank of Canada, if we are to prevent the highest rate of unemployment of any winter since the last war.

Today inflation is posing a severe problem. It was brought about partially, or aggravated at least, by high interest rates. According to a report which has just come out in Ontario, between 300,000 and 400,000 Ontario families need housing help. I would predict tonight, and I am sure my estimate would be confirmed by a computer operating across this nation, that 800,000 Canadian families need help from the government to buy houses or to cope with increased rents.

I want to give just one example of what happens when interest rates increase. A house with two bedrooms, occupying 800 or 900 square feet, whose price would be \$35,000, to a person having \$10,000 for a down payment would cost \$58,000 over a 25-year period with an interest rate of 6 per cent. Incidentally, one cannot buy such a house in Canada today. But increase the rate of interest to 9 per cent, as it is today—

**Mr. Lalonde:** Louder.

**Mr. Woolliams:** The Minister of National Health and Welfare (Mr. Lalonde) says, "Louder". He was assistant to the minister of justice in the Diefenbaker government, and acquiesced and sold out that leadership for a pot of gold.

**An hon. Member:** You mean a mess of potage.

**Mr. Woolliams:** I hope I can speak loud enough for the Canadian people to hear me. At 9 per cent, the cost increases to \$72,100. That house, at 10 per cent, would cost a Canadian family \$77,125. Now, let us take the cost spread over a 40-year period. At 6 per cent, that \$35,000 house, with \$10,000 down, would cost \$75,520. At 9 per cent, it would cost \$100,080. At 10 per cent, the rate of many conventional mortgages, it would cost \$110,080. This is what high interest rates are doing to the average Canadian.

What action should we be taking? The first thing the government should do is to set a ceiling on interest rates. Surely there is a conflict between what the Bank of Canada is doing today and the best interests of the Canadian people. So bearing in mind what the Minister of Finance said, it is time the government intervened to roll back interest rate to enable the average man across this nation to afford to buy a home or pay rent. Second—though we have said this many times before, it bears repeating—we should repeal immediately the building tax, which should never have been imposed.

**Some hon. Members:** Hear, hear!

**Mr. Woolliams:** It was put on by Walter Gordon and is still in existence although statistics show that back in 1959

### *Cost of Living*

it cost about \$8 a square foot to build a house while today, under the government's inflationary policies, it costs \$17.30. That is what inflation is. Repeal of this tax would ease the burden to some extent. We must be prepared to deal directly with the cities, if necessary, and offer money as an inducement to housing development.

Who do high interest rates on home loans affect most? Middle-class people and those who have reached middle-age probably own homes which have been partly paid for, but young people starting out in life and wishing to buy a home cannot afford to do so with interest rates at 9 per cent or 10 per cent. This is why only 6 per cent of those with incomes of average size in the city of Toronto can afford to buy a home.

**Mr. Hellyer:** Young people haven't got a chance.

**Mr. Woolliams:** They have no chance at all. Those are three concrete proposals. The Minister of Finance asked today; "What is your policy?" I would say the main policy of the opposition, and there is only one party which is in opposition in this parliament—

**Some hon. Members:** Hear, hear!

**Mr. Woolliams:** The minister should remember the words the late Lester B. Pearson threw across the House when he felt the then government should go down to defeat. He quoted the words of Cromwell: "For God's sake, go." That is my message to the government; it is the only solution for the Canadian people: "For God's sake, go."

**Mr. Stanbury:** The total of Tory policy.

**Mr. Woolliams:** The minister of health laughs. Of course he laughs now. He is drawing a fat salary as a cabinet minister as a result of being an executive assistant under one of the ministers in the Diefenbaker government.

**An hon. Member:** Don't get personal.

**Mr. Woolliams:** Let me say one last thing and I will sit down. The government has a fine record! It has the highest interest rates of any time, the highest cost of food, the highest cost of housing, the highest unemployment and the highest degree of arrogance of any government who ever sat on the treasury benches.

**Mr. Andrew Brewin (Greenwood):** Mr. Speaker, there is one important aspect of the cost of living which has not, in my judgment, received sufficient attention. Much has been said, and justifiably so, about the rising cost of food. But there is another aspect of the increase in the cost of living which is particularly disastrous for sections of the community on small and fixed incomes who live in rented premises. As a matter of fact, the majority of people in urban areas such as the one I represent fall within this category. I refer to the uncontrolled increase in rents.

● (2110)

The hon. member for Oshawa-Whitby (Mr. Broadbent) dealt in this debate with the failure of governments of Canada to provide a plan for homeowners other than a few in the top brackets of the income scale. The same failure has put such pressure on the limited stock of rental hous-