which have now reached the level of 9 per cent to 11 per cent or 12 per cent on mortgages.

Inflation, as it has been described, is the greatest thief of all. From whom does it steal? It steals from those on fixed incomes, on fixed pensions, the young and the aged. In fact, inflation today is such a national crisis that we now see, as described by the hon. member for Verdun, the average Canadian shackled to poverty because of the policies of this government. Of course, increasing pensions for the aged and increasing the baby bonus helps for a time those who suffer from inflation. However, it is like a person in hospital suffering from an incurable disease—an oxygen tent may keep the patient alive for a time, but eventually he will die. That is exactly like the policies of this government.

Some hon. Members: Hear, hear!

Mr. Woolliams: All this government has done is patchwork which has been of no assistance in controlling inflation. The hon. member for Verdun took great exception to someone using the expression "tight money". Well, if we do not have tight money we certainly have expensive money, because interest rates in Canada are the highest they have been since the last war.

Some hon. Members: Hear, hear!

Mr. Woolliams: I wonder what kind of policy has led to these high interest rates. I think the questions asked today by the hon. member for Don Valley (Mr. Gillies) and myself flushed out the government with regard to their policies in so far as interest rates are concerned. I refer to this question asked by my leader on April 9, 1973, recorded at page 3087 of *Hansard:*

> Mr. Speaker, I wish to direct a supplementary question to the Minister of Finance. In view of the very short, terse statement given by the governor of the Bank of Canada in making his announcement of the increase in the bank rate, would the minister make a statement on motions within the next day or so setting forth what the monetary stance is now—

The Minister of Finance (Mr. Turner) replied:

> Mr. Speaker, I will be appearing again before the standing committee—

This is the significant part of his answer:

> I just want to remind the Leader of the Opposition that the primary day to day responsibility for monetary policy rests with the governor of the Bank of Canada, unless there is a conflict between the thrust of monetary policy and that of fiscal policy or governmental policy. That is not so as long as the monetary policy remains expansionary, which it does.

In other words, he said monetary policy lies with the Bank of Canada and unless there is conflict with government policy the government goes along with the increased rate of the Bank of Canada, which today is 7¼ per cent and brings mortgages up to 10, 11 or 12 per cent. The Minister of Finance and the Prime Minister (Mr. Trudeau) say they endorse the bank's policy of increasing the rate to 7¼ per cent, according to the financial pages of the *Globe and Mail,* is a result of the bank's policy. There is no conflict; they endorse the bank's policy.

I want to read what the minister said on May 14, 1973, to prove my case that the government cannot slough it off on the Bank of Canada, because this government is aquiescent and approves in every regard the high interest rate of the Bank of Canada which means expensive money for this nation. This, of course, is bringing about a national housing crisis. In reply to a question asked by the hon. member for Winnipeg North Centre (Mr. Knowles) on May 14, 1973, as recorded at page 3713 of *Hansard,* the Minister of Finance said:

> Mr. Speaker, I will take the general tenor of the hon. gentleman's remarks into consideration. Obviously, the day to day responsibility for the monetary policy of the country rests with the Bank of Canada. It is only when the general thrust of that policy comes into conflict with that of the government that the Minister of Finance has to intervene.

As the government has not intervened, and as there is no conflict between the Bank of Canada and the government's policy, this government is endorsing high interest rates.

Some hon. Members: Hear, hear!

Mr. Woolliams: It is the beginning of the same policy it adopted between 1968 and 1972 which brought about the unemployment the hon. member for Verdun spoke about. It is the same beginning, the same policies, the same nineteenth century economics of the Liberal party. Let us look at what happened today. In an editorial on the financial page of today's *Globe and Mail,* headed "Ottawa raises bank rate by half a point to 7¼ per cent", it is stated:

> In a move aimed at controlling inflation, the Bank of Canada has increased its bank rate by half a percentage point to 7¼ per cent, effective today.

The article says the prime rate to large borrowers has been raised to 9 per cent from 8.25 per cent, and mortgages will increase to 10 per cent or 10.5 per cent. That is the government's policy, because they acquiesce and approve the Bank of Canada interest rate. This is the beginning of a tight money policy which will bring about more unemployment this winter, more suffering for those Canadians referred to by previous speakers. I wish to refer briefly again to the report on business which appeared in the *Globe and Mail* today. It reads:

● (2100)

> Most Canadian chartered banks have announced that prime loan rates will rise three-quarters of percentage point to a record 9 per cent effective September 17. The move raises the prime rate by 50 per cent since April.
>
> The 9 per cent prime rate surpasses the former record 8.5 per cent which was in force from July, 1969, to July, 1970.

So interest rates tonight in Canada are higher than they have been at any time since the second world war. That is the policy of the government. That is the policy they are using against inflation.

Mr. Paproski: Where is the Minister of Finance? Why isn't he here?

Mr. Stanbury: Where is your leader? It is his motion. He has lost interest.

Mr. Paproski: Where is the Minister of Finance?

An hon. Member: Where is the Prime Minister?

Mr. Stanbury: You are desperate.