

the bill in such a way that would prevent meeting the purposes of the bill. However, personnel change. Recently we have seen a new president of CMHC. I would have felt better had there been something in the bill to articulate the very purpose of the bill itself, particularly in respect of interest rates not only on uninsured but on insured loans.

Although the minister has never expressed this to me, I am sure there are times when he must have difficulty—every minister has—concerning programs presented to cabinet. Therefore, it would have been safer if articulated somewhere in the bill was the principle that every Canadian would have a chance to hold equity in a home and some time during his lifetime would be able to own a single unit, if he so wished, with a little bit of landscape. Surely that is the ambition of every Canadian and it is not too much to ask in a country such as ours which is rich in resources. Much of our time we have been concerned about surpluses of resources. In a country with surpluses of resources we should be able to promise all Canadians that they will have this opportunity.

I should like to point out why I am concerned about interest rates. If a man today—and this would apply to the most modest bungalow in Canada—bought a home for \$35,000 with a down payment of \$10,000 and a mortgage of \$25,000 spread over 40 years, which is the accepted period today—the government says we should spread the payment over a longer period—what would that house cost with a 6 per cent rate of interest? I have figured this out; it has been checked by our research people and, also, I believe by CMHC. I repeat that I am talking about a \$35,000 house, which represents a very modest dwelling. If his interest rate were 6 per cent, the purchaser would pay \$75,520. If his interest rate were 9 per cent—and tonight the CMHC rate in my own city, I understand, is 9½ per cent he would pay \$101,080 for a \$35,000 home.

Some hon. Members: Shame!

Mr. Woolliams: If the interest rate should rise to 10 per cent, he would pay \$110,080. What frustration there must be in the minds and hearts of young people in Canada who know that the most modest house they would be able to buy—if they could find the \$10,000 down payment, which many of them could not—at an interest rate of 6 per cent would cost \$75,000, at a rate of interest of 9 per cent it would cost \$101,000, and at 10 per cent it would cost \$110,000.

An hon. Member: You've got to have a rich daddy.

Mr. Woolliams: Yes, and you need a Santa Claus.

An hon. Member: A rich wife.

Mr. Woolliams: Yes, a rich wife. Let us, within the same terms of reference, shorten the mortgage period to 25 years. The old plan was a 20-year one. With a 25-year mortgage and an interest rate of 6 per cent, a \$35,000 house would cost \$47,991, or in round figures \$48,000. At an interest rate of 9 per cent, the same house would cost \$62,100. In other words, the difference between a mortgage of 6 per cent and a mortgage at 9 per cent in respect of \$25,000 is \$14,000.

National Housing Act

An hon. Member: Who can get such a small mortgage today?

Mr. Woolliams: I am just giving examples. There is the problem. As I said in my opening remarks, I am moving four amendments which have been accepted. When I sit down I shall not speak on the other amendments, so I am trying to put forward my comments in one speech. I should like to refer to some of the problems that are pointed out in an article which appeared in *Time* magazine of June 11, 1973. The research is very good. The article reads in part:

For many young couples, a down payment of 10 per cent has become an ever-receding target. Says Ian Dennis, of Vancouver's Cumberland Mortgage Corporation Ltd.: "I know secretaries who are trying to live on their husbands' income and bank theirs toward a good-sized down payment. But even they never catch up. Housing has gone up 17 per cent in a year. Where are they going to get 17 per cent on their savings to keep pace?" Says Mrs. Ann Broadfoot of the Vancouver Real Estate Board: "I'm telling my own children they'll probably never own a single unit home." Many young couples have simply given up trying, and moved into house trailers, costing \$16,000 or so—which depreciate instead of increase in value.

Calgary provides a vivid example of the rising cost of housing. A new three-bedroom bungalow that sold for \$23,000 two years ago is snapped up for \$33,000 today. The lot has gone up 20 per cent, from \$5,000 to \$6,000. The builder has added another \$1,000 for standards imposed by the city—

The article goes on and on. Let us see what is said about spiralling inflation. Some classes of lumber have increased in price by 300 per cent, and most of it has increased by at least 100 per cent. The government sits idly by with its 11 per cent building tax. We might consider the difference between the effect of the 11 per cent building tax at the time of Walter Gordon and what it represents today. So really the losers in respect of inflation today are the people, while the gain is by the Department of National Revenue. It is up to the government to give direction. The article continues:

Clearly, with the cost of housing on the rise, more will have to be done to shelter people who cannot afford the prices. The trend to smaller families and more working wives has made Canadians more apartment-minded and this has brought some relief.

Even those who are apartment-minded find that their rents increase. An example is the man who one morning agrees to pay rent of \$130 a month, and by noon is told it is \$157. So the trend goes on and on. Speaking on the whole picture for a moment, surely the time has come for this government to recognize that there is in Canada a real housing crisis. That is why I supported the NDP amendment this afternoon. I appreciate, as does my party, that the time has come when municipalities will have to get into the picture, and I am glad that under the amendment, if it should pass the House, loans will be made directly to the municipalities in order to help people who need shelter.

We now need a new national housing policy not only in respect of interest rates, including direct federal financial assistance aimed at attacking the high cost of serviced land which is in short supply, but we should have a policy whereby every Canadian should as a right be able to obtain and live in suitable, reasonable-cost housing which has the amenities of landscaping. However, within the natural constraints of geography and necessary economic