

### *Housing*

budget, but this fellow in my office who wanted some relief thought of it. The Department of Finance with all its expertise had not thought of it. They returned my telephone call and asked, "What do you suggest we do?" I suggested that they do for this gentleman the very same thing they would do for every other Canadian who qualified; that is all I was asking.

Then I got in touch with the Department of Finance in Ottawa and officials here said it would be more difficult than they thought. When I asked why, I was told that the interest rate at the particular credit union was considerably lower than current market rates. In fact the credit union rate was 16 per cent. The credit union had done so well—and hon. members opposite should learn a lesson from this—that at the end of the year it dropped its mortgage rate from 16 per cent to 15 per cent retroactively.

Once again officials contacted me and said that this man was paying 15 per cent, which was lower than the going rate and, therefore, they did not think they had to do anything. I said, "Just a minute, is it not correct that it has been rewritten?" They indicated that was correct; everyone agreed. Then I said, "If he is earning no income, surely his payments are in excess of 30 per cent of his income." They had to rethink that one too. Eventually, to make a long story short, departmental officials said, "Yes, you qualify".

For what did he qualify? It depended on his equity position as against the amount of mortgage. He had to calculate his equity and his mortgage positions. For example, if one has more than a \$3,000 equity position, one does not qualify for the grant but, rather, for interest deferral. If one has a \$50,000 equity in a house and a loan of \$47,001, one qualifies for the grant. But if one has reduced the mortgage to \$46,999, one does not qualify. This is the kind of housing policy on which the minister uses closure to convince us to get the matter through, to get "thousands" of units going and "thousands" of jobs created. What a farce, what a farce! The minister asks Canadians to accept this legislation.

What is interest deferral? It reminds me of the story of an old car salesman. The first job I had out of high school was working for a garage which sold both new and used cars. In my home town most people work at some time in such an establishment. When a customer would say that a car was too expensive, the salesman would say, "Look, you don't pay more; you just pay longer." That is like this program; one does not pay more; one pays longer. At the end of the mortgage the interest deferral is attached, and one pays interest for all these years again. This is no different than AHOP, and AHOP was ill-devised. How many people walked away from AHOP? Having walked away from an obligation once, it is easier to walk away a second time.

Obviously there are other aspects to this piece of legislation. If one has equity of less than \$3,000, one is eligible for a grant, at least to some extent. The reason we have this legislation is not because the minister has a housing policy. I know he wants a housing policy; he would like to have one. But this is a bail-out policy; it is not a housing policy. All one has to do is go

through the correspondence which every hon. member receives from The Canadian Real Estate Association. I know there are some people in this House who do not like the Canadian Real Estate Association. Do you know what these people do? They make a profit. I am glad they are making a profit. I am glad they are turning that profit into housing and putting it back into the Canadian economy. These are Canadians who are legitimately seeking to address themselves to the housing market of the country.

● (2140)

In their presentation to the government some interesting things were mentioned. They talked about the reduced housing we will see in 1982. They talked about the impact on employment. I believe it was the hon. member for Essex-Kent (Mr. Daudlin) who said, "We have to pass this legislation because it will create these thousands of new jobs." But the Canadian Real Estate Association which knows the business, is not that impressed with the possibility of creating these new jobs. In fact, the association is not impressed at all.

**Mr. Cosgrove:** Just the person looking for a job.

**Mr. Kempling:** Petulant Paul.

**An hon. Member:** That is the most significant contribution the minister has made all day.

**Mr. Epp:** The Canadian Real Estate Association commented in this fashion:

A reduced volume of buying and selling in real estate markets could have a significant secondary impact on persons whose livelihood depends on a healthy real estate market.

The paragraph continues:

In addition, if low levels of real estate sales discourage production of new housing, then unemployment in the construction industry may also increase.

That is the housing policy of the minister. The Canadian Real Estate Association also talked about the supply of housing. I could go into that; suffice it to say that the minister spoke to the HUDAC conference in Winnipeg. What a reception he got. It was almost the same kind of warm reception we in the west reserve for most federal ministers. For instance, the Minister of Transport (Mr. Pepin) visited Delisle, Saskatchewan. It is a nice little community. There are great people there and 1,200 people came out to greet him warmly.

**Some hon. Members:** Oh, oh!

**Mr. Cosgrove:** They support the legislation.

**Mr. Munro (Esquimalt-Saanich):** Don't kid yourself.

**Mr. Epp:** The minister is awake again. If he wants to be a comedian, he could find a forum where some people would laugh.

There is another side to the story. I have a letter here from a lady in my riding whose situation is slightly different from that of a young couple who might want to buy their first home. She wrote about capital gains. That factor strongly influences the housing market. We are taxing away small pools of capital