

have studied the amendment and I think it has an effect which I would like to point out to the House in the hope that the members of the NDP and Conservative parties would support the government's amendment. The effect of it, as I say, is that the forgiveness sections of the repair provisions would apply only to low-income people. The object of the repair and rehabilitation section is to have as wide an effect and to cause as much rehabilitation as possible within neighbourhood improvement areas, irrespective of the income of the people involved. Where there is a non-resident owner of the property receiving the grant, the amendment makes very clear that he receives forgiveness of the grant as a contribution toward repair only if he enters into an agreement to pass on that saving to the tenant.

Without this amendment, we would not be able to make any contribution to the repair of such housing and this would have the effect of defeating part of the purpose of our bill, which everybody supports, in respect of rehabilitation. It would have the effect of making it far more difficult to carry on the work in Montreal, which is a city with the most advanced repair and rehabilitation program in the country. That is the reason the province of Quebec made the representation it has made. Therefore, I would urge hon. members to support this amendment and clear up a difficulty which I think was not foreseen by the hon. member for Oshawa-Whitby when he moved his amendment in the committee taking out the \$2,000 provision which I am quite happy to see taken out.

The Governor in Council, from time to time, can set the forgiveness amounts in light of the funds available and the need for the program. Therefore, I support the basis of the amendment moved by the hon. member, but it has had this undesirable effect of limiting the program only to low-income houses owned by low-income people in which they were living. This would prevent the program from having any effect on non-resident owned properties which would have a very undesirable effect on the repair and neighbourhood improvement section. I assure the House that there is no rip-off, if I may use that term, because anyone getting the grant must agree to pass on the saving to the tenant by way of lower rental.

Mr. John Gilbert (Broadview): Mr. Speaker, it is rather good news to hear the minister now say he is happy that the \$2,000 ceiling is out of the legislation. It was the minister who placed the ceiling in the legislation and it was the hon. member for Oshawa-Whitby (Mr. Broadbent) who moved the amendment to remove that \$2,000 ceiling. In the previous bill introduced by the minister, the ceiling was \$4,000 and I suppose, on reflection, he decided he should bring it down to \$2,000. We are happy the ceiling has been removed and share that happiness with the minister. We accept the interpretation placed on his amendment with regard to the advantage which may have been obtained by the landlord if our amendment in committee had gone through without the amendment of the minister. Therefore, we are prepared to accept the amendment of the minister.

Mr. Speaker: Is the House ready for the question?

Some hon. Members: Question.

National Housing Act

Mr. Speaker: The question is on motion No. 7.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion No. 7 (Mr. Basford) agreed to.

Mr. Speaker: The House will now proceed to the consideration of Motion No. 8 standing in the name of the hon. member for Oshawa-Whitby (Mr. Broadbent).

[*Translation*]

The hon. member for Oshawa-Whitby (Mr. Broadbent) moved:

That Bill C-133, An Act to amend the National Housing Act, be amended by deleting proposed section 34.12 in Clause 12 and substituting the following therefor:

"34.12 Except as provided in paragraph 34.1(1)(b), a loan may not be made under section 34.1 to the owner of a family housing unit who does not reside in the unit unless the unit is located in a neighbourhood referred to in paragraph 34.1(1)(a) and the owner has entered into a contract with the Corporation that provides that

(a) the rental to be charged shall not, for such period of time as is determined by the Corporation, exceed the rental that the Corporation deems to be fair and reasonable having regard to the probable family income of the lessee of the unit;

(b) the unit shall not be sold or otherwise disposed of during the duration of the contract except with the consent of the Corporation and on such terms and conditions as the Corporation may approve; and

(c) the Corporation shall have the right, in the event that the borrower commits a breach of the contract, to declare the unpaid principal of the loan due and payable forthwith or to increase the interest payable thereafter on the unpaid balance of the loan to such rate as the Governor in Council may determine."

[*English*]

Mr. Edward Broadbent (Oshawa-Whitby): I shall speak very briefly on this amendment, Mr. Speaker, the purpose is really to restore the bill to its original state when it was sent to the committee. In the committee an amendment was moved by the Conservative party which, from our point of view and on first analysis, had real merit. It would have provided for landlords to receive rehabilitation grants for buildings outside the NIP areas. We thought this would be desirable because we could not only get work done but we could get rehabilitation done outside the areas. Therefore, at the time we supported the proposal.

● (1530)

On second thought, however, we considered that one of the unforeseen consequences—unforeseen by us and, in our judgment, by the mover of the motion at that time, and it was certainly not intended—was that NIP could be undermined in two ways. If you make grants for rehabilitation available outside of NIP areas as well as within, this will serve to deplete the amount of money available for serious work to be done under NIP. If we are really going to zero in on certain cities in certain parts of the country and do a significant job in terms of rehabilitation, then by definition we will have to concentrate our financial resources on those areas if we are to do a good job. So if you make funds available for rehabilitation outside NIP areas, by definition you are going to undermine in precise-