

I am surprised that the Minister brought this forward. I thought he had more commitment than this. I want you to know, Sir, that we do not intend to support this Bill.

**The Acting Speaker (Mr. Guilbault):** Are there any questions or comments? The Hon. Member for Burlington on a question.

● (1610)

**Mr. Kempling:** No, Mr. Speaker, I have a comment.

**Mr. Hovdebo:** I have a question, Mr. Speaker.

**Mr. Kempling:** Go ahead.

**The Acting Speaker (Mr. Guilbault):** The Hon. Member for Prince Albert (Mr. Hovdebo).

**Mr. Hovdebo:** Mr. Speaker, I would like to ask the Hon. Member for Hamilton Mountain (Mr. Deans) if he could give us some insight into what effect this Bill will have on the securing of affordable housing for those people in the lower income groups who should be getting housing because they need it. Will this particular Bill make housing more widely available across the board?

**Mr. Deans:** Mr. Speaker, my colleague, of course, has asked one of the most crucial questions. He has asked if this Bill will do anything to improve the housing stock for the lower-income groups and, of course, the answer is quite clearly no, it will not. It will not add to the number of houses being built nor will it make one single family eligible to purchase a home that was not eligible previously.

In order to qualify for the assumption of a mortgage today, one must commit approximately 30 per cent of one's income. The same will be equally true after this Bill has been passed. Those people who do not qualify for mortgages today because of the interest rates which are currently in effect will continue to be unable to qualify for mortgages. The Bill will do absolutely nothing to increase the number of housing units available in the country.

**Ms. Mitchell:** Mr. Speaker, I would like to ask my colleague a question. In his remarks, he made it quite clear that this Bill will indeed encourage mortgage interest rates to rise rather than control interest rates, which is what most people who are purchasing a home would certainly want. Looking back at the history of the housing policy in the country, I would like to ask the Hon. Member if he feels that the Government should return to the policies that were in place quite a number of years ago.

Perhaps the Hon. Member remembers the years in which it was the practice to have long-term mortgages and set rates of interests which allowed people to plan for the future of their families, to pay off their mortgages and eventually own their own homes in the earlier part of their lifetimes. I wonder if the Hon. Member feels that it is possible to return to that kind of a policy and what suggestions he might have for the Government in that regard.

### *National Housing Act*

**Mr. Deans:** Mr. Speaker, I believe that I am speaking on behalf of the entire Party, but I certainly believe that to begin with, mortgage financing must be treated quite differently from any other kind of financing. That is not unusual, and I say to the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) who is looking at me quizzically, that it is not unusual to treat certain kinds of financing differently from others. He knows that as well as I do. For example, we in Canada have made money available to certain fields of endeavour at a variety of different interest rates with different structures and different time periods of repayment. The Government has pursued that as a matter of practice and as a matter of principle. I suggest to the Hon. Member that that is necessary in this case.

We must look at the benefits of putting money into housing and weigh them against those of putting money into other things. When money is put into housing, the risk of loss is considerably reduced. When money is put into housing, the asset or the house itself is always in existence. It is not an asset that one can put under one's arm and take away. Therefore, the risk to the collateral is much less for homes than it is for a number of other purchases which might be made.

I believe that you can appreciate, Mr. Speaker, as can others, that there is a greater risk involved in financing certain luxury items that can be purchased at interest rates that are in some instances lower than the interest rates that are now being charged for mortgages. I begin by recognizing that in the field of mortgage recovery, the actual loss ratio is very small. The overwhelming majority of mortgage holders continue to make their mortgage payments. More important than that, even those who default on their mortgage payments cannot take the asset with them and, therefore, the asset is available for resale.

We must recognize that every penny invested in housing is returnable in a number of different ways and is perhaps returnable even far in excess of the actual dollar value itself. The money is returned first through the mortgage payments themselves, plus whatever the interest is or the money is returned through rents, depending on whether the home is a rental accommodation or a purchased accommodation. The money is returned through taxes that are paid at the municipal level on the appreciated value of the property as a result of an apartment or single-family dwelling having been built. The money is returned in the form of income taxes that are charged against those who build the accommodation.

Workers who are presently unemployed could be building these accommodations and would be paying perhaps 30 per cent or 35 per cent of their income back in taxes to the federal and provincial Governments. The money is returned through corporate taxes, paid by the corporations, which enter into the business of building the homes that we require. The money is returned through the sales taxes that are applicable, where they are applicable, on materials that go into the building of the homes. When money is invested in a home, an overwhelming benefit is derived. Not only is every penny returned that is put into building a house, but there are tremendous spin-off effects as well.