

*National Housing Act*

coverage under the program as soon as it becomes law. Any claim will be based on the market mortgage rate prevailing on the day of that application, in this case April 15, the day the mortgage was entered into.

The Mortgage Rate Protection Plan is a protection against unaffordable losses. Some of the experiences which home owners have undergone in recent years with high and volatile interest rates have created a good deal of anxiety and shaken confidence in home ownership as a secure investment. The plan is designed to relieve that anxiety and to restore confidence in the housing market.

● (1120)

In that connection, Mr. Speaker, I would like to mention one other feature of the Bill which relates to mortgage and home owners' security. As the Minister of Finance mentioned on Budget night, there is widespread feeling that longer-term mortgages, mortgages to be renewed, say, every ten years instead of every five years or less, would contribute to the stability and growth of the building industry and alleviate people's worries about sudden disastrous changes in interest rates. One way of encouraging longer-term mortgages, the Minister of Finance suggested, would be a system of mortgage-backed securities. The Bill now before us facilitates the introduction of such a system by private enterprise. My colleague, the Minister of State for Finance (Mr. MacLaren), will speak on this aspect of the legislation before us.

[Translation]

Mr. Speaker, I think the vast majority of Canadians share my view that if the economy is given careful direction, we can be optimistic about our chances in the long term. However, it is no use pretending we live in a vacuum. Canadians cannot be insulated from the economic developments and realities in other countries and in the rest of the world. Since it is impossible to guarantee interest rates, we are offering a system that, if it performs as we expect it to do, will help us to survive or at least to keep our losses to a minimum.

[English]

One other purpose of this Bill, Mr. Speaker, is to serve people who find themselves in a very different position, people in the rural and outlying parts of the country who are in urgent need of safe and healthy shelter. For these people, the amendments which this Bill contains will strengthen the helping hand of the federal Government and allow us to act more quickly and effectively to help rural and native people achieve the cherished goal of so many Canadians, a home of their own. Furthermore, it will allow us for the first time to bring this urgently needed help to all qualified Canadians regardless of the province in which they happen to live.

[Translation]

Mr. Speaker, despite the fact that Canadians have some of the best housing in the world, there are still more than 600,000 homes in this country which are substandard. People are living in overcrowded conditions. Some are living in homes that are

in a poor state of repair and for which they pay too much money. I am sure most Members of this House will agree this is unacceptable.

The Rural and Native Housing Program was implemented in 1974 and is intended for communities of less than 2,500 people. Forgivable loans are awarded for the purpose of rehabilitating homes and making them adequate from a health and safety point of view, and special loans are arranged for urgent repairs, especially before the onset of winter.

[English]

But the main emphasis has been on helping people to acquire their own homes by subsidizing mortgage payments and taxes and making a small allowance for utility costs.

● (1125)

The rehabilitation and repair services are funded solely by the federal Government. The Home ownership assistance and the small amount of rental assistance provided must, by the present law, be cost-shared with the provinces according to the terms of the National Housing Act.

While the program is intended to help all low-income people living in the designated areas, people of native ancestry—Métis, non-status Indians and Indians who live off the reserve—are unquestionably the most in need. They are among the worst housed people in Canada. Lack of decent housing is spoiling their health, shortening their lives and hampering their efforts to educate themselves. I can say, however, that the situation is not without hope. Approximately 150,000 homes have been acquired or rehabilitated under the Rural and Native Housing Program since it began ten years ago. I expect an additional 22,000 homes will be provided under that program during the current year.

Some improvements can be introduced within the terms of the legislation already approved by Parliament, but some very important changes can be effected only by the passage of the amendments to the Bill now before the House.

Perhaps the most important change is the amendment dealing with provincial participation. The Act now requires that assistance for home ownership under the program can be provided only on a federal-provincial cost-shared basis. This requirement has proven to be a serious drawback. I am inviting Hon. Members now to rectify the situation. Provincial participation in home owner assistance has been, I am sorry to say, somewhat haphazard. Prince Edward Island has not participated in this aspect of the program since 1977; New Brunswick withdrew from the program in 1983; British Columbia withdrew in 1984; and Quebec has never participated, although, to be fair, I recognize that the Government of the Province of Quebec has done a fair amount of work in the area addressed by this part of the Bill.

According to the 1981 census, more than 40 per cent of the rural households in need are in the four non-participating provinces. Even those provinces which are participating have specified terms and conditions under which they would not provide certain kinds of assistance to certain groups of clients.