

Housing

● (1740)

Another measure in the bill, the mortgage deferral scheme, is a good measure. It means to some people who receive the benefit that what you do not pay today you will pay tomorrow with interest and you will pay interest on the interest; but to others there is a good financial benefit. The bill's intent is, first, to provide the necessary legislative authority to put into effect the Canada mortgage renewal plan and, second, to enable the government to act more effectively in stimulating production of rental housing and make possible new kinds of assistance to young families who are buying their first home.

I do not think there could be any serious disagreement with this intent—indeed, it is a laudable one. My concern is with the magnitude and the impact of the measures proposed in the bill in relation to the enormous problems that it seeks to attack, and in this regard I find the measures inadequate.

The plan will offer interest deferral guarantees of up to \$3,000 to borrowers who have some equities in their homes and are obliged to renew their mortgages at rates of interest which could require an excessive proportion of their income. For borrowers with the same problem but with no substantial equity, the government will provide assistance up to \$3,000. The program will apply to mortgages renewed between September 1, 1981 and November 12, 1982. It will only be for home owners who are required to pay more than 30 per cent of their gross family income.

It is really a scheme for home owners to borrow against equity, to pare down their payments and pay off the amount at a later date. This grant and loan guarantee program will assist a total of 50,000 home owners out of nearly a million who renew their home mortgages during the time limit imposed by the government. In fact, 37,500 of the 50,000 assisted receive temporary help, but only 12,500 will receive real financial assistance.

On the subject of housing and the high cost of rents, I wish to refer to an ominous note sounded in some of the material tabled with the budget.

One of the tax expenditures referred to in the budgetary paper on this subject that was tabled by the minister with his budget, was the subject of imputed rent to ordinary Canadians who live in their homes and own their own homes. By imputing a charge for rent and making it subject to tax, the government would be able, according to the paper, to achieve a saving of a further \$4.5 billion for its tax revenue. That was based on the fiscal year 1979. According to the Minister of Finance (Mr. MacEachen), if the government chose to charge that imputed rent, that \$4.5 billion would have resulted in a tax increase of an average of \$458 per tax filer in Canada.

It is in the same tax paper that saw other tax expenditures terminated by the budget. It is significant that computations were made to see how much revenue could be gained by a tax on imputed rent. The minister decided not to do it this year, but when you consider the fact that other measures in the same paper did find their way into law, and considering also the government's tax record and its role as a tax master,

Canadian home owners and families have good cause for concern that the trial balloon floated by the Minister of Finance in November of 1981 may very well turn out to be the reality in the coming budget.

The best plan to have seen the light of day in the House to assist home owners with high interest rates and to stimulate the building trades, is the Clark government's mortgage interest and tax deductibility plan. To Canadians facing high interest rates, \$1,250 provided by that plan would have been a big help this year. Where is the government's better program to replace it? Where is the shelter assistance program for lower-income Canadians facing massive rent increases? Where is the energy tax shelter similar to the one proposed by the Clark government for Canadians faced with high heating fuel costs?

I would like to express thanks for the small blessings that are contained in the bill before us. The basic problem is probably outside the mandate of the minister and is rooted in the high interest policies of this government. The best answer was the Clark government's interest and property tax deductibility program; and the present government has not proposed a better alternative.

Another group of home owners who are on the short end of the stick when dealing with the government are those who insulated their homes with urea formaldehyde foam insulation on the advice and with financial backing of the federal government. Anyone who is currently trying to sell or renew a mortgage on a home with this insulation knows all about UFFI.

It took the government over a year after it banned UFFI to bring in a program to help clean up the very mess which it helped create. The government is taking its sweet time to begin processing applications, obviously wanting Canadians to shoulder the financial burden themselves, at a cost which can easily run into thousands of dollars per household.

If the government had acted more quickly, it would not be faced with so many angry Canadians, not to mention the problem of removing the foam. There is no question that the government has a responsibility to help remove UFFI, because it pushed for Canadians to use it.

It is clear that the most common sense approach would be for the government to own up to its responsibility, to recognize a mistake was indeed made, to stop dragging its feet, and to pay full compensation to home owners involved in this government-sponsored mess.

Some hon. Members: Hear, hear!

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I consider this is a very critical bill that we have before us at this time, Bill C-89, dealing with the housing measures that were produced in the budget. I have been rather interested, listening today to various Liberal members get up and in a somewhat backhanded way try to defend the measures that have been put forward. Obviously, try as they will, they cannot bring much empathy to it. They cannot put much