

of its services to non-profit housing corporations and to co-op housing projects.

These services could include, for example, training programs and computerization. This amendment will be of most interest to the provinces, which have the option of purchasing these services in a block for all of their housing projects.

The provinces have other alternatives. They can provide these services through their provincial housing ministries or they can contract these services from the private sector.

Perhaps the most significant change affected by this bill is the clause which would allow the CMHC to directly finance and refinance loans. This change alone is estimated to be able to save government over \$150 million over five years and I would hope that the government in saving this money would recirculate these savings to produce more affordable housing for those people in need.

CMHC studies have shown that the Crown corporation could provide lower and more favourable rates for the first mortgage of many social housing projects. The subsidies that CMHC spends on social housing projects are based to a large extent on the interest needed on the first mortgage.

By lending itself money at a better rate, savings can be achieved through lower subsidies. Other savings will be achieved through the creation of a more competitive financing environment.

The entrance of CMHC into the lending market will create I believe more competition in the financial community. Since the social housing projects are cost shared between the federal and provincial governments, this amendment would have the reciprocal effect of saving the provinces money because of the reduced subsidy level.

Another major amendment will expand CMHC's investment authority. Currently the Crown corporation is limited to investing in government securities or guaranteed government securities. This legislation will allow broader authority, subject to government review.

Last, the bill changes CMHC's income tax status, removing its tax exempt status for some funds. This will make CMHC more like a financial institution and registered insurance company. Currently CMHC is limited to \$25 million of accumulated surplus. This means that any additional net profit is turned over to the government as dividends. The extra profit already goes

to the government and taxes. This bill will result in the money being shifted from dividends paid to the government to taxes paid to the government.

• (2010)

These amendments to the National Housing Act and the CMHC Act will allow for greater efficiency in the operation of the Crown corporation.

In these times of economic hardship, the federal government must pursue cost saving measures while at the same time maintaining an adequate level of service. Bill C-82 has introduced amendments which are not only cost saving but are also cost effective.

These legislative changes are aimed specifically at administrative functions and operational structures. What is not included in this bill are the policy changes necessary to ensure that federal housing programs are as efficient as possible in meeting the housing needs of Canadians.

While this bill takes care of the administrative functions of the CMHC, improving its efficiency, housing policy itself has been neglected by this government.

The legacy of CMHC has been to learn from the past and adapt itself to meet the future requirements of Canadians. Unfortunately this government is neglecting to make the policy changes that are required to deal with the housing problems of today. Moreover, it lacks the vision to address the housing problems of tomorrow.

Despite the accomplishment of CMHC, there are still challenges that this government must address. There are still many Canadians who are inadequately served by the marketplace and for whom government assistance is required to ensure that they are adequately housed. The aging of Canada's population presents a number of challenges to public and private sectors alike and the government must now begin to implement new and more innovative ways of dealing with the housing needs of this emerging population.

The federal government must implement policy changes that will address sectoral changes that are expected. Canada's housing requirements are projected to decline considerably over the next two decades. There will not be as many housing units produced as there were in the past unless the trends in our population growth change and change dramatically. While the markets for new production are shrinking, they are also becoming more discrete and specific. The federal government must facilitate the development and servicing of these newly emerging markets.