

Supplementary Borrowing Authority

most difficult time, and the programs he brought forward showed his deep concern for the housing problems faced by many Canadian families. During the past year the Government has put close to \$1 billion into the housing sector, the direct result of my predecessor's efforts to ensure Canadians continue to be among the best housed people in the world.

The Government has acted through the Canada Mortgage Renewal Plan to assist home owners who are facing hardship in renewing their mortgages. Some \$75 million has been set aside for this purpose. The Government has acted to support rental production through the Canada Rental Supply Plan under which the production of some 30,000 rental units will be supported during the remainder of this year and next. Close to 9,000 units have already been committed and an additional 5,000 are expected before the end of the year. An amount of \$350 million was provided for this plan.

• (1240)

The Canadian Homeownership Stimulation Plan has now been extended. People buying newly constructed homes will be eligible to receive the \$3,000 grant if their house was built before the end of April, 1983 and they purchase it before the end of December, 1983. In the case of people who have never owned a home before and are buying an existing house rather than one just newly built, they can get a grant as long as they make the purchase before the end of this year. For this program \$400 million has been set aside. To date, some 65,000 householders have benefited from the program, and many of them were assisted in moving out of rented accommodation into homes of their own. This helped to relieve the scarcity of rental units.

[*Translation*]

Finally, Mr. Speaker, the Minister of Finance (Mr. Lalonde) announced that \$50 million more will be allocated to the Canadian Home Renovation Plan, thereby increasing total funds for this program to \$115 million. It is estimated that some 34,000 households have already benefited from this program. The average cost of renovations has been about \$6,700, of which \$1,675 or 25 per cent was contributed by the government. Homeowners had to pay the remaining 75 per cent, so that this program has not only been an incentive for Canadians to improve their homes but has also stimulated private investment of up to \$240 million in direct job creation. I should also mention that the average income of households benefiting from the program is between \$24,000 and \$25,000, considerably less than the national average of \$30,000.

As I said before, up to now the present government has provided nearly \$1 billion to improve accommodation for Canadians during the current year. It is estimated that in terms of jobs, these measures have created between 120,000 to 125,000 person-years of work. The Canadian Homeownership Stimulation Plan will help create 40,000 jobs, in other words, one job for every \$10,000 invested by the government. The Home Renovation Program Renovation Program will provide 28,000 jobs a little more than \$4,000 per job—and the Canada

Rental Supply Plan 54,000 jobs or one job per \$6,500. Since all these programs attract investment by the private sector, they have proved to be very effective as a source of job creation. In addition to this very substantial contribution by the Government of Canada in stimulating the housing industry, other factors have come into play. Mortgage rates have dropped 5 per cent since June, and following the initiative taken by the federal government, seven provinces have introduced measures to stimulate housing construction. The economic outlook is becoming more encouraging. Inflation is going down. And as the Minister of Finance said Wednesday, support for the 6 and 5 program will help bring the inflation rate down to about 7.5 per cent in 1983. This kind of development will probably help reduce interest rates even further next year. As the economy recovers and continues to do so in 1983, I expect to see a net increase in housing starts during the last month of 1982 and throughout 1983.

[*English*]

Despite these positive and encouraging signs, the potential growth in the housing industry continues to be constrained by consumer attitudes. Householders, perhaps understandably, are cautious in making the important decision to purchase a home. As the economic recovery gains momentum and inflation abates, this uncertainty should be significantly reduced. In the meantime, I will be examining the feasibility of measures which could provide purchasers, as well as investors, with some measure of protection against the hazard of very volatile mortgage interest rates.

In all of these deliberations I welcome the participation and advice of industry associations as well as consumer groups and other interested organizations. I have already had an opportunity to meet with representatives of national builders and real estate organizations. I see these meetings as very useful and I will continue the tradition of consultations set by my predecessor.

In enumerating my concerns about the housing problems of Canadians, Madam Speaker, I do not want to leave the House with a distorted view of our present circumstances. For that reason, I would like to remind Hon. Members that, by the most reasonable standard of comparison, Canadians are very well housed.

The most recent international statistics indicate that Canada stands well ahead of most countries in terms of its investment in housing and the rate of construction related to population. We outrank the United States in both our construction rate and in housing investment as a proportion of gross national product. We stand second only to the United States in the proportion of homes occupied by the owners. It is interesting to note that, despite all of our recent difficulties, well over half of all homes in Canada, some 60 per cent, are owner-occupied.

The fact that we are generally well housed, however, serves only to emphasize the problem of the relative few who are not. There is an important minority, many of them native peoples, who are still inadequately housed or who are paying a very