

Government Orders

CMHC has served the housing sector very well. It has served home owners and people seeking affordable housing very well. Despite the budgetary constraints imposed by this government, it has served low-income Canadians to the best of its ability. With the help of CMHC programs, the housing industry in Canada has shown a remarkable ability to change in response to changing economic and market conditions.

Canada's industry increased its productive capacity sevenfold in the 30 years from 1946 to 1976 and it has expanded ever since. The evidence of successful adaptation to change in the past very strongly suggests the industry will be equally capable of responding effectively to the evolving markets and circumstances of the future.

The National Housing Act and the CMHC Act have been amended in the past by the House of Commons as a reaction to changes in the Canadian economy. However, reacting to changes in the economy is only one reason to introduce amendments to these two acts as we are being asked to do tonight.

Through many of the administrative amendments of the National Housing Act and the CMHC Act included in Bill C-82, CMHC can continue to maintain its high level of efficiency and cost effectiveness. There is another important reason for the need to adapt these instruments of national housing development. The housing sector itself is a vital component of the Canadian economy. CMHC cannot simply react but it must also become a vehicle for economic health and growth in this country. Housing activity in Canada has played an important role in the economic advancement of the country, as we all know.

Housing has had the advantage of being labour intensive, focusing much of its economic benefit in the locality or region where the housing is constructed. It is required in all parts of the country and it has considerable economic ripple effects beyond the actual building site. It creates not only construction jobs, but jobs in the sectors that must service the construction as well as spin-off jobs in servicing the communities which are being constructed. Therefore a comprehensive housing policy and a well-administered housing corporation is

well suited for use as federal tools of macroeconomic stimulation.

As we face the challenges of the future, this House must again examine these acts to facilitate the most efficient operation of CMHC and its administration of the National Housing Act.

Bill C-82 provides for the authorization of approved lenders such as banks and others to act for the CMHC in insuring loans. The CMHC will set up the criteria which allows approved lenders to process the mortgage insurance, and the Crown corporation will set up a rigorous monitoring system, which will enable them to supervise these procedures. It is expected to take two to three years to implement these changes fully. Ultimately it should make the operations of CMHC more efficient; it should speed up the processing of mortgages.

The bill also increases the limit of loan insurance the CMHC can now authorize. The current limit of \$60 billion has almost been reached and the new limit of \$100 billion is expected to be adequate to service the demand for mortgage insurance until 1997.

This proposed legislation also closes up a loophole. The owners of assisted housing will be prevented from selling their projects without CMHC approval. This amendment is long overdue because there have been some horror stories with respect to assisted housing being converted to something other than was planned and designed for.

This ensures that CMHC subsidized housing will be maintained as social housing and not sold as a market rental project. This amendment will allow for better enforcement of the legislation, and ensures government housing subsidies are protected and targeted to those in need.

Another amendment to the National Housing Act enables CMHC to develop and manage housing projects without having to buy the land. CMHC can be contracted on by a government department, for a fee, to administer lands and develop housing.

Currently we all know that CMHC must first acquire the land before developing any housing on it. This fee-for-service change also allows CMHC to sell some