

Oral Questions

the banks, there is always a risk. As far as we in the government are concerned, we prefer to take the chance of allowing a potential home owner to own a house even though we may possibly end up being obliged to take that house back later, rather than denying him right from the start the opportunity to become a home owner.

[*English*]

Mr. Whiteway: Mr. Speaker, last Monday, CMHC sent a telex to all CMHC offices across the country directing them to send to CMHC in Ottawa a list of all AHOP mortgages which were in a state of default. The number that has been reported, which the minister has, is massive.

Without getting into all the rhetoric, could the minister tell the House of Commons, now, if he will consider convening the appropriate standing committee, and will he outline there the scope and severity of this serious problem?

Mr. Ouellet: Mr. Speaker, I do not think there is anything serious about this matter. I think there is a fundamental difference between the Liberal party and the Conservative party.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. McGrath: Vive la différence.

An hon. Member: Horner is blushing.

Mr. Ouellet: We Liberals on this side are ready to give a break to low income and middle income people.

Some hon. Members: Hear, hear!

Mr. Ouellet: In so doing, we are running the risk of there being some defaults. It is quite clear that the Conservative party will never give a break to the low and middle income people.

Some hon. Members: Hear, hear!

Mr. Paproski: Shame. You are even stealing that one now.

QUALITY CONTROL UNDER AHOP

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, I would like to address a question to the Minister of Public Works. He is a bit testy today, but that is all right.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

● (1422)

Mrs. Pigott: I would like to ask the same minister a question with regard to the quality control program for AHOP houses. There seems to be a great deal of concern by many owners that the quality control mechanisms have not been put in place. Will the minister inform the House what measures are being

[*Mr. Ouellet.*]

taken by his ministry and by Central Mortgage and Housing Corporation to ensure that quality control steps are taken for these owners?

Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs): Mr. Speaker, the government, through the efforts of my predecessor and myself, has put in place, in co-operation with HUDAC—the Housing and Urban Development Association of Canada—guarantee programs. We have indicated that from now on, any mortgage that is guaranteed by CMHC will have to be under a plan that gives full protection to the new buyer.

Mrs. Pigott: Mr. Speaker, I think the minister has perhaps been misinformed a little by his department. That is after the fact. I am talking about the past.

Some hon. Members: Oh, oh!

Mrs. Pigott: My goodness, the Gallup poll seems to have upset those boys.

Some hon. Members: Hear, hear!

Mrs. Pigott: In light of the announcements by his ministry that he is bringing in the new guaranteed payment mortgage, will the minister please assure this House that the government will hold up that program until they review what is wrong with AHOP, in order that we do not compound the confusion for the poor people who have been put out on the street, with their credit ratings ruined—8,000 in Ontario alone? Will the minister please assure the House that he will rethink the guaranteed payment mortgage program?

Mr. Ouellet: Mr. Speaker, a few things are wrong in the allegations of the hon. member. First, it is a graduated payment mortgage, not a guaranteed payment mortgage, as she calls it. I assure the hon. member that this program allows other options for those seeking money in the market in order to buy a new home. It is quite clear that any time you allow someone to buy a new home and put forward a proper financial program to do it, you are running a risk.

The hon. member objects and appears scandalized because there have been some defaults. Obviously, the ideal position is to take no risk. However, that would substantially reduce the number of people who could become home owners. We do not think that is a sound way of doing it. We believe we have to take risks and give some breaks to those at the lower end of the income scale, hoping that their incomes will improve and they can keep their homes. Obviously, we do not succeed 100 per cent. However, the figures show that we have a success rate of over 95 per cent, which I think is pretty good.

Some hon. Members: Hear, hear!