

*National Housing Act*

nies, lending pension plans and other private plans. Since I began to sit in this House I observed that all the government is concerned about is for lending companies not to lose one cent in interest. Now is the time to say, and the big financial supporters of the government never forget this principle and they know what I mean: charity begins at home. And the people, they do not matter.

First, if the government were serious, it would allow grants to the municipalities, not to protect the interests the financial institutions will get, but to give grants of 40 or 50 per cent of the required capital. For the balance, it would ensure that the municipalities get an interest-free loan, at the administration rates. So, the municipality which builds sidewalks and sewer systems would not pay for them three, four or five times over 75 years. That is what is wrong about the legislation. It is quite strange that all hon. members know that and do nothing. We will not get out of it, Madam Speaker. We will not get out of it if we keep on acting that way.

For example, Madam Speaker, in this municipality which needs a water system or a sewer project, payments are made on a 30-year period but after 30 years, the capital is still outstanding. I have been mayor of a town and each time we replace, we still have to tax for the old debt. We will never see the end of it unless, once again, we think in terms of the ratepayer.

What is very expensive nowadays is not to provide the services for a municipality but to finance the projects. This is what costs a lot. The ratepayer grows ever more aware that he lives only for banks and other financial authorities that have the right to use the credits of the whole nation to submit the citizens to an endless indebtedness. We see examples of what I have just said every day; just read the bill and you will see what the government proposes to do to promote home ownership.

Having realized that no one dares build a home when interest rates are 13, 14 and even 15 per cent, the government discovered another trick to "take in" the future homeowner. In fact, we read here that a family man can get assistance in the form of an interest-free loan for the first five years to reduce his interest rate to 8 per cent. In other words, if a finance company lends him money at 13 per cent, the government agrees not to give the individual a grant, but to lend the 5 per cent interest he will have to pay. In this regard, to get information on the mode of payment, I put a question to the Minister of State for Urban Affairs (Mr. Danson) who simply told me that the loan would be payable over a five-year period at the then current rate of interest.

So, he will have to pay the finance company and borrow from it again. If the interest, at the end of five years, amounts to \$3,000 or \$4,000, he will have to change his mortgage contract or sign a new one, that is, get a second mortgage. Imagine what a second mortgage will cost when everyone knows that it always costs more. The rates of interest are always higher on second mortgages. After five years, a second mortgage will have to be taken to pay for the favour granted today.

Can anyone believe, Madam Speaker, that the new owner who is unable to pay more than 8 per cent today will be in a better position to pay 14, 15 even 16 per cent in five years? The government will surely catch a few more in

[Mr. Gauthier (Roberval).]

that trap in the next few months, but I would hate to see those who will have to reimburse the \$3,000 or \$4,000 that will, of necessity, be added to their mortgages. If the government sincerely wants to help and encourage home ownership among those who earn 14,000 or less a year, there is only one logical course to take, and that is to reduce the interest rates for the whole duration of the contract. We are being choked by astronomical interest rates today, and that in every sector whether it be public or private. Let us cease making ourselves the buffoons of financiers and let the government bring forth an act which will bring back to their senses those who are trying to take advantage of the people.

● (1600)

Madam Speaker, we found beautiful treasures in this bill. Here is one: amendment to the program of subsidies to builders to help tenants. Listen to this. With a view to encouraging the construction of rental units, the government proposes to increase to \$1,200 the maximum yearly subsidies per housing unit per builder, in order to reduce the interest which the builder has to pay. They even go further: they will extend by two years the tax deduction allowance for rental unit depreciation.

Now, Madam Speaker, let us see what this means. A rental housing builder is allowed to deduct from his taxes the interest on the money he has borrowed. He is not paying out, he is borrowing. Yet he is entitled to deduct all the interest on the loan, municipal taxes, school taxes, maintenance, 10 per cent depreciation and will, in addition, receive \$1,200 per housing unit, and further he will be entitled to a new tax deduction for amortization while a couple anxious to become owners do not have the right to deduct from their income tax those very interests on the money they need to buy their house, nor can they deduct school and municipal taxes. They do not have the right either to deduct a depreciation of 10 per cent and, even less, maintenance costs.

The social and financial injustice is most flagrant. Only the government does not want to see, only the Cabinet of ministers does not want to see the result of the "just society" that was promised to us a few years ago already.

**Mr. Béchard:** Christ promised it.

**Mr. Gauthier (Roberval):** The ordinary worker earning \$6,000 to \$10,000 a year cannot be eligible for a mortgage loan because you simply do not measure up these days unless you earn at least \$14,000 a year. So the \$750 grant for people with one child or more so their monthly payments will stay under 25 per cent of the income of the head of the family is just a drop in the bucket because 90 per cent of that category of people do not have the salaries they need to even consider applying for a mortgage loan.

To the minister, this has to be the most important bill from a financial point of view, especially for financiers. But for the person who wants to become the owner of a single family house I say it is entirely inadequate.

However, I hope the members of the committee will take good note of all the remarks I made in favour of the single family dwelling and will introduce the amendments required to make this bill more social. We also wish the