

*Housing*

applications, but they will not be in a position to offer either insurance or a grant as long as this bill which is now before the House has not been passed and as long as Parliament has not empowered it to act. As everybody knows, Mr. Speaker, there are measures provided for in the MacEachen budget, but for this program to be implemented, this bill must be passed by the House.

There are a few facts which people interested in this scheme should know. First of all, only those who own their own homes and live in them are eligible. For instance, a home owner could not obtain either insurance or a grant for a second house which he is renting out to others or which is occupied by members of his family. However, if he occupies an apartment a duplex or a triplex he owns, he will be deemed to be the home owner occupying that apartment for the purpose of this program. The assistance will apply to only one mortgage, either the first, second or any other, whichever the borrower chooses, on condition this mortgage loan was obtained when the house was bought. Of course, the assistance would apply to only one mortgage renewal. The grants will be paid to the lender on behalf of the borrower and not directly to the latter. It is understood that these grants would be tax free.

Mr. Speaker, I have made it clear to my constituents that a cheque will not be addressed directly to the home owner who is experiencing difficulties but that the Canada Mortgage and Housing Corporation will send one to the lending institution after it has approved the application.

To decide whether or not the income of a borrower makes him eligible for assistance under this bill, the income of the whole family before taxes is taken into account. That is, the income of the wife and husband, as well as other sources of income such as rental income, investment income, family allowances. As I have said before, the mortgage lenders are quite willing to discuss the program with their clients. I can even say that the willingness with which lending institutions have lent a hand with the application of the program has been of great value to the public. Because they have agreed to assume part of the administration of the plan by screening applications for assistance and putting up the funds, those institutions have enabled the government to make substantial savings in terms of costs and man-years.

Indeed, Mr. Speaker, I must emphasize that the Liberal government has always respected that long-standing tradition between the Canada Mortgage and Housing Corporation and the Canadian lending institutions, and co-operated with the private sector to bolster our economy and, of course, the housing sector as well.

Naturally the plan has come under criticism, particularly because it has failed to find a lasting solution to the problems of Canadians who occupy their own homes and who are faced with the difficult rearrangement of their personal expenditures as a result of soaring interest rates. Still we must admit that the program plan does meet its objective which is to help those

people who may lose their home owing to high interest rates. I should even add, Mr. Speaker, that the plan offers that assistance in such a way as to make it possible to take into consideration at the same time the restraint which the government must use in the administration of public funds in these trying times and, of course, the urge to help the home owner keep the house on which he has already made sizeable payments.

The Canada mortgage renewal plan is an adequate answer to the problem of the current economic situation. It is a major feature of the bill introduced in the House, and I urge my colleagues to study it very carefully and diligently. The Canada mortgage renewal plan amounts to a fair solution of the problems inherent in renewing mortgages. Generally speaking, owners living in their own home earn appreciably higher incomes than renters do and, something which is just as significant, they have much larger assets than renters do. An over-all assistance program for mortgage renewals would be extremely costly, of course, and it would have transferred the income of small-wage earners to others who are much better off. It would then have been very difficult to reconcile such a program with the will of the government to help the most needy.

● (2150)

[English]

This is why in 1979 I so strongly opposed Bill C-20. The program was very unfair. It promoted subsidies and grants for everyone. This, of course, was to be done using the money for those who cannot afford a property.

[Translation]

However, the government realized that the tendency of mortgage terms to get increasingly shorter has caused great uncertainty among home owners. Mortgage renewal can affect in many ways the wellbeing of families and create cash problems. Mortgage renewal has been a source of uncertainty both for existing and prospective home owners and rental housing contractors. Confidence is very low, Mr. Speaker, and measures will have to be taken to renew confidence. The Canada mortgage renewal plan helps reduce uncertainty in households that are or will be renewing their mortgages. Other steps no doubt will be needed later, and I am ready to discuss them at other times.

Numerous discussions have dealt directly with the current mortgage instrument problems, namely, their short term, which generally is one year, and their uncertainty. Many people have urged that this instrument be changed. Home owner associations suggested we should come back to a 25-year mortgage term, because it would give families the certainty of being able to meet their monthly payments. Home owners want the assurance they will be able to meet their payments. With that security, families can plan for years ahead. However, Mr. Speaker, I am not sure the current