

### National Housing Act

in the market by Government of Canada bonds that, at the time the rate of interest is prescribed under this paragraph, would mature in twenty years, such return to be determined by the Governor in Council on the basis of the yields of the most comparable issues of Government of Canada bonds outstanding in the market, the pay—”.

That Bill C-133, An Act to amend the National Housing Act, be amended by striking out lines 33 to 40 on page 26 thereof and by substituting therefor the following:

“such rate of interest, if any, as may be prescribed by regulation of the Governor in Council, which rate shall not exceed by more than one half of one per cent the rate of interest return that would be yielded in the market by Government of Canada bonds that, at the time the rate of interest is prescribed under this paragraph, would mature in twenty years, such return to be determined by the Governor in Council on the basis of the yields of the most comparable issues of Government of Canada bonds outstanding in the market.”.

It is agreed that when the debate is concluded on motion No. 3 which I have just read, a vote will take place which will also dispose of those other motions. Is that agreed?

**Some hon. Members:** Agreed.

**Mr. Eldon M. Woolliams (Calgary North):** Mr. Speaker, it is not often I have the privilege of rising and knowing that the amendment to which I am referring, actually there are four, Nos. 3, 5, 9 and 11, have been agreed to by the government. I want to say at the outset that the purpose of these amendments is simply this. When the 6 per cent ceiling was removed from the Bank Act all ceilings fell by the wayside, including those under the National Housing Act. As a result, there has been no ceiling whatsoever in respect of insured or uninsured loans.

There are two kinds of loans made by CMHC. First, there is the uninsured type, and I will deal with that, which is made directly by CMHC for basically four purposes. Then, there are loans made by lending institutions such as chartered banks, mortgage companies or finance companies and these are insured or guaranteed by CMHC. I realize today that it would be impossible to set a ceiling on the rates of interest those lending institutions charge in light of the fact there is no amendment to the Bank Act and the Bank Act is not before the House at the present time. Therefore, no ceiling could be set on the interest rates they charge on the money lent through mortgages of various types for housing.

On the other hand, I was of a certain opinion when this bill was before the committee, and I stated so on second reading. I said that where loans were made directly by CMHC from money advanced by the Treasury Board of Canada, there should be a ceiling on the interest rates to be charged various municipalities, provinces and others benefiting from those loans. At that time I moved a motion covering the same section, and I want to put this on record. Basically this amendment is the same as the one we are dealing with now; that loans made under the authority of this section should bear interest at such rate as may be prescribed by regulation of the governor in council, but shall not exceed one half of one per cent above the rate the governor in council would approve under Section 37 of the Financial Administration Act.

Basically, my amendment at the committee stage was that whatever money the government borrowed for any purpose, when the money was advanced to the CMHC, the CMHC would not charge more than one half of one per

[Mr. Deputy Speaker.]

cent over and above what the government would pay. This motion No. 4 now before the House will replace that amendment. The only difference is in wording and I will deal with that. In my original wording I said: “according to Section 37 of the Financial Administration Act”. That would cover any money that the government borrowed. Having talked to certain experts in the department and discussed this with the minister, I found that more than 95 per cent of money is really obtained by long-term bond financing. So, in light of that and to make the formula more simple, I substituted this amendment and it was approved unanimously by the committee. The amendment reads:

—Governor in Council, which rate shall not exceed by more than one-half of one per cent the rate of interest return that would be yielded in the market by Government of Canada bonds that, at the time the rate of interest is prescribed under this paragraph, would mature in twenty years, such return to be determined by the Governor in Council on the basis of the yields of the most comparable issues of Government of Canada bonds outstanding in the market; and

In other words, CMHC will only charge interest at one half of one per cent over the interest payable on those bonds. If the interest is 6 per cent on long-term bonds, then the maximum the CMHC could charge is one half of one per cent, so it would be 6½ per cent. It might be 6¼ per cent or 6⅓ per cent. For the first time since 1967, these amendments will put a ceiling on interest rates, and goodness only knows, today's news and the news of the last three weeks would indicate the need for a ceiling.

On May 10, speaking on the cost of housing I said, as reported in *Hansard* at page 3642:

“Bring in your housing bill.” I told him we have two or three amendments to it. I said that the bill is only a band-aid bill, but let us at least get the band-aid on the move. I gave him the undertaking that our party wants to see the Liberals on the move. We want to get the bill to the committee, where we will move our amendments, hope to get some support from government members, move the bill back into the House and get some action. It will not solve much, but it is better than nothing. The Prime Minister tries to say that there have been delays. I cannot say he deliberately misrepresents the facts, but I can say he wanders from the truth.

That was our undertaking, but when the government announced its priorities, Bill C-133 and Bill C-135 were left out. On May 18, as recorded at page 3912 of *Hansard* I said:

Mr. Speaker, may I direct a supplementary question to the Minister of State for Urban Affairs. As we spent 10 hours in the standing committee piloting the bill on housing through, and as the leader of the House yesterday, in announcing the business of the House, left this piece of legislation off the list of priorities—it has no priority at all—would the minister now talk to his colleagues, namely, the Minister of Finance, the Prime Minister and others to get this legislation before the House and get some action?

The minister replied:

Mr. Speaker, the list of legislation that the leader of the House announced yesterday was not an exclusive list of legislation to be dealt with.

In any event, it was left off the list of priorities so we forced it on, and it is now before the House so we will give it speedy passage.

Let me just deal with this ceiling on interest rates. There are four amendments and I do not intend to make a speech in respect of each one, I will deal with them all at