

These rules have been laid down. Why then is it that the Central Mortgage and Housing Corporation is still of the view that in these areas it can lend only to a borrower who wants to put up a nice suburban home, such as those seen around Toronto?

There is an urgent need, honourable senators, for the introduction of loans by Central Mortgage and Housing Corporation to people in non-urbanized areas who want to build a modest home of the type which formerly cost only \$3,000 or \$4,000. Why does the corporation lend these billions of dollars to the members of the affluent society only, for homes costing from \$14,000 to \$40,000 or more?

If this bill is not going to a committee then I am certain the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) will assure me that my views will be presented vigorously to the corporation. I was surprised to learn in a conversation the other day that in two communities in northwestern Ontario, namely, Hudson and Sapawe, that while industry in these places has gone ahead with the most up-to-date plants, Central Mortgage and Housing Corporation still has the idea that industry only should take care of all the housing problems there. The result is that because they cannot borrow from sources such as banks, these Canadians are living under conditions that are not desirable and certainly would not be tolerated in the metropolitan areas of our country. Yet, the industries here have a long life secured to them because of the provincial government's conservation rules.

Hon. Gordon B. Isnor: Honourable senators, I do not propose to take up very much of your time. However, there are one or two points I should like to bring to the attention of the honourable Leader of the Government (Hon. Mr. Connolly, Ottawa West) who so eloquently outlined the purposes of this bill. I should like also, at this point, to compliment the honourable senator from Cape Breton (Hon. Mr. Macdonald) on his contribution to the debate.

I recall well that when I was a member of the other place, the Honourable Charles Dunning brought in the National Housing Act in 1938. I notice that this bill mentions the National Housing Act of 1954, but if my memory serves me correctly it was in 1938 when Mr. Dunning brought in the National Housing Act. It was at that time that the Central Mortgage and Housing Corporation was started, and we have come a long way since then.

At that time the corporation advanced something like 60 per cent of the cost of a

home. Senator Ross Macdonald and our Whip, Senator Beaubien (Provencher), will confirm that only 60 per cent was advanced at that time. I remember it being said that we would see the day when housing loans would be made on the same basis as life insurance is made available, namely, on the moral character of the borrower. We have not yet reached that stage, but we have gone from 60 per cent to 70 per cent, from 70 per cent to 80 per cent, and from 80 per cent to 90 per cent, as the honourable Leader of the Government has announced today. That is going a long way, for I believe that 90 per cent will cover the needs of the average person who seeks to build his own home.

Hon. Mr. Benidickson: Yes, if the standards appeal to the lower-income groups.

Hon. Mr. Isnor: Quite right.

The honourable Leader of the Government touched on section 2 of the bill which relates to a person who intends to purchase, improve and occupy an existing house or one of the family housing units thereof. I wish to make particular reference to the word "occupy." I take it for granted that this bill does not cover the borrowing of an amount for improvements to be made by a person who intends to resell that home. The home must be occupied by the person who is borrowing the money.

Hon. Mr. Connolly (Ottawa West): It is intended for homeowners.

Hon. Mr. Isnor: Yes; it is for homes occupied by the owners. There is no intention here of giving a certain type of person the opportunity of buying an older home, borrowing \$4,000 to improve it, and then selling it for an additional \$6,000 or \$8,000?

Hon. Mr. Connolly (Ottawa West): It is not intended to help the speculator.

Hon. Mr. Isnor: That is the right word. I just wished to bring that to the attention of the Senate in view of the fact that this bill is not going before a committee. I am quite in accord with that thought.

I am also impressed, as was Senator Macdonald (Cape Breton), with the idea that a person who is borrowing an amount for improvements is permitted to make the repairs and charge up his labour costs to the extent of the amount he borrows. This is a good move. Quite often a home owner and his family can do the work in just as satisfactory a manner as someone else who is brought in for the purpose.