

a loan to the municipality for a substantial proportion of its share of the costs.

Senator Bonnell: In any event, there is no clause in this amending bill governing the shell housing program, but I take it the shell housing program still exists?

Mr. Hignett: Yes, it still exists. It does not require any amendment to the act. It will, of course, be incorporated in the assisted home ownership program. The assisted home ownership program will be very effectively used in conjunction with the shell housing program. The shell housing program, in the Atlantic provinces, has been extraordinarily successful in large part. In the Atlantic provinces, where people tend to be good with their hands, a great many people can finish the house providing they have a good sturdily built structure that is completed on the outside. This allows them to finish the interior as they go along. This is a very substantial program in the Atlantic provinces, and in conjunction with the assisted home ownership program, it will be much better.

The Deputy Chairman: Are there any further questions?

Senator Heath: Does CMHC have any recourse against a builder where he has received an instalment payment and then leaves the job? What recourse does CMHC have in those circumstances against the builder?

Mr. Hignett: If there was any point to it, we could sue him. However, what usually happens is when the corporation makes advances, it only advances for the work in the place and endeavours to withhold the cost of completing the house. So theoretically, at least, if a builder goes bankrupt, there are sufficient funds in the mortgage account to finish the house. What happens is that in order for the builder to get his advances, the suppliers and the sub-trades often give the builder a waiver of liens, which deprive them of their future rights. When the builder does go bankrupt, the suppliers and tradesmen are badly hurt.

It is this kind of protection that we try to give the home purchaser who has bought a house and then finds his builder, for bankruptcy or other reasons, cannot complete the house. We want to ensure that he gets a completed house and is protected from liens or other difficulties that arises under such circumstances. This is by no means a complete warranty system. All it ensures the home owner is that he will get a complete house at the price that he undertook to pay, and that he will not find himself with many additional expenditures because of difficulties encountered by the builder.

Senator Heath: Can the corporation, then, protect itself by advising the prospective purchaser not to have such-and-such a builder undertake to build the home? Do you go that far to protect the corporation?

Mr. Hignett: Once a builder goes bankrupt, we watch him very carefully to see that he does not re-appear in the building industry under another name. We have to do this in order to protect ourselves as well.

Senator Bonnell: I should just like to say that I am one hundred per cent in favour of this bill. I think it is a wonderful thing. I think it is a great thing that the government of Canada can come up with a program which is so badly needed by Canadians from coast to coast. To think that a little province like Prince Edward Island, with a

population of 110,000 people, has a need for approximately 5,000 new homes every year. I believe that the housing program in Prince Edward Island has been magnificent in the last two years. I believe that we in the province of Prince Edward Island have made great strides in home ownership and home improvement programs. CMHC may have even gotten some of its ideas from the Prince Edward Island programs.

Co-operative housing programs, and so forth, again have added a big boon to our province in that they allow people of lower and middle incomes to purchase housing which they could not otherwise have afforded. The sewage treatment program, under CMHC, has been tremendous in cleaning up our rivers and streams in that province, and the first thing you know, with your help, we will have a pollution-free province, especially our rivers and streams. They are almost to that point now.

With respect to the community development program, I think you must have gotten that idea from Hillsborough Village, which is being stirred up out there; it is a new town being built near Charlottetown. This will be of tremendous support to them.

I think it is just great, and I want to congratulate the minister and CMHC for a good bill, which was badly needed by all Canadians who are waiting for us to get it through. Therefore, I want to support it.

The Deputy Chairman: Just before we move the adoption of the bill, I have one question for Mr. Hignett. Is lack of uniformity in by-laws and building codes a serious handicap to lowering the cost of housing?

Mr. Hignett: Not as serious as it used to be, Mr. Chairman. More and more Canadian cities are adopting the national building code. The national building code now has very wide coverage across the country. It is something that we urge municipalities to do, and is something that the minister talks about a great deal. Absolute uniformity of the building codes across the country would make it much more efficient, not only for the builders, but for the manufacturers of all materials that go into the building of a house. It is improving all the time.

Senator McElman: Mr. Chairman, I am simply amazed that Senator Bonnell, in speaking about Prince Edward Island, has omitted to say that Canadians are celebrating with Prince Edward Island their centennial year and that all Canadians, including members of the corporation, should go down and see the tremendous advances of the last three years through the auspices of CMHC.

Senator Bonnell: Even the Queen is coming to see that.

Mr. Hignett: I spent last Saturday and Sunday in Charlottetown. I did the proper things. I went to see "Green Gables," I went to Cavendish, and I had lobster at Montague in the lobster shack. The Island looks very well.

Senator Bonnell: You toured the Queen's route!

Senator Inman: Did you go to Brudenell?

Mr. Hignett: Yes, I did. That is where the golf course is.

Senator Bonnell: There is no CMHC money in that.

The Deputy Chairman: Do I have a motion to report the bill without amendment?