

Adjournment Debate

homes built by Shouldice and his various front organizations without doing a performance check on this developer? How could such poor workmanship pass inspection by CMHC appraisers?

I call for a complete investigation of the CMHC and the manner in which it operates and underwrites mortgage loans. CMHC has a responsibility to those persons whose homes are not being foreclosed, and that is to rehabilitate the foreclosed homes to CMHC standards and possibly sell them to the Ontario Housing Corporation. Moreover, the government has a responsibility to legislate a national building code and put some teeth into it, and also to introduce legislation to protect the purchasers of new homes in respect of defects, inferior material and unscrupulous marketing techniques.

Indeed, there is nothing new in what I have suggested. As a matter of fact, in Great Britain, where builders are registered with a national housing bureau, they have to offer the following protection to home buyers: inspection in the interests of buyers, that is, to quality and appearance and not just strength and safety, give a two-year guarantee with an arbitration system to settle disputes, provide ten-year coverage against major structural damage, and provide insurance to protect a buyer if a builder should go bankrupt. There must also be an undertaking by the council to implement any arbitration award should a builder default.

I assure you, Mr. Speaker, that if our constituents in the Nickel Belt, in Whitson Gardens in particular, had this kind of protection under the law I would not have had to direct the question to the minister last Friday and I would not be standing here making a speech tonight. It seems to me that the interests of our people are completely ignored by this kind of government. Surely this is a situation which cries for justice, and I ask for justice for the people who have invested their savings and earnings in this operation.

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, the hon. member for Nickel Belt (Mr. Rodriguez) in his remarks this evening has ranged somewhat further than his question on Friday. Let me say to him in a general way that I welcome his remarks. In respect of what he has said about housing policy, I am pleased to inform him that there are a number of proposals in the Speech from the Throne which I will be enunciating further in the course of this debate, in the course of a federal-provincial conference to be held in Ottawa on January 22 and 23, and in administrative changes under study in respect of CMHC, all of which will answer some of the problems he has enunciated.

May I also say to him, in relation to his general remarks about the kind of things he has observed in the particular sub-division to which his question relates, that we have seen instances across Canada of bad workmanship and

non-completion of houses which have created great hardship for purchasers. Because of my past experience and outlook as Minister of Consumer and Corporate Affairs for three and a half years, I can say that the throne speech indicates our desire and willingness to set up a system of warranties for new home purchasers. I think this is very much needed in this country, and when these proposals are laid before parliament and the country I feel I can look forward to the support of the hon. member for Nickel Belt.

May I say, in respect of this particular sub-division and the difficulties that have been created there, that the practice of that particular selling organization is a matter of investigation by the department of consumer affairs of Ontario. I have told my officials to co-operate with them to the fullest extent. Where there has been wrongdoing and breach of the law, I have no doubt those people should be prosecuted if the investigation should show that. I am sure the hon. member agrees with that position. We will be as helpful as possible.

The hon. member expressed concern about the people within the subdivision, and their investment being protected. He mentioned that unoccupied houses and those subject to foreclosure denigrate the value of other properties in the area and take away from those who are making their payments. May I make clear the legal position of Central Mortgage and Housing Corporation. We assure payment of the mortgages to the extent they are being foreclosed by the Toronto Dominion Bank, the mortgage holder. We have no legal position until the bank in fact forecloses and comes to us, at which time we acquire the property.

I give the hon. member our assurance that Central Mortgage and Housing Corporation acts in such a manner as to endeavour to manage that property, deals with it in such a way as to ensure not only recovery of the investment but also tries to avoid impairment of the value of adjoining properties. That is the practice the corporation has followed and will follow here.

On Friday last the hon. member asked whether I would have negotiations with the Ontario Housing Corporation concerning property in this subdivision. I have instructed my officials to do so. I have not yet had a report on that. Whether or not it will lead to anything remains to be seen, because the Ontario Housing Corporation, while it owns and purchases houses, purchases them for a limited purpose. I am not sure that the residents of the subdivision would want the Ontario Housing Corporation to turn these houses, for example, into rental houses or public housing developments of one sort or another. That is a matter for discussion among the people in the subdivision and the Ontario Housing Corporation. I have asked my people to discuss those possibilities with OHC.

Motion agreed to and the House adjourned at 10.18 p.m.