

Under our presently constituted form of organization, head office and Government is responsible for "what" our field offices do; while the regional offices ensure that the duties are properly carried out. Including a head office strength of 520, our total staff numbers 1,889 persons. Three years ago it numbered 2,350 persons. I bring this to your attention, honourable senators, to indicate that although our business has increased in three years we have been able to effect certain economies in operation. This staff includes compliance inspectors, appraisers, plans examiners, supervisory staff, clerical personnel and technicians, including architects and engineers.

The Corporation is, for all purposes, an agent of Her Majesty and the powers it has may be exercised only as an agent of Her Majesty. There is only one exception—the employment of personnel.

We are free to hire or fire personnel. We do not come within the Civil Service Act nor do we come within the Superannuation Act of the federal Government. I might say that that freedom of hiring and firing is not quite so free as you might imagine. As a corporation in Ottawa, we have pretty well got to follow governmental classifications whether it is with respect to stenographers, architects or engineers. We are pretty well committed to government classifications. I think I may say in my three years with the Corporation I am only aware of two civil servants who have resigned from the Government to come to the Corporation. I am one of them. On the other hand, I am aware of hundreds of resignations by employees of the Corporation who have gone to the Civil Service. I think this is an indication that we are not overpaid at our end of the field. However, this is just a commentary break in passing. I think the employment of personnel is most important in permitting re-organization. We could not have re-organized as we did and dispensed with 500 personnel had we been under the Civil Service Commission.

Senator CREER: Hear, hear.

Mr. BATES: This could not have been done. These changes are more definite than the framework which constitutes the Civil Service. I would say, in passing, that we do regard ourselves as part of the public service of Canada.

Members of the Committee will have read on Page 2 of the Annual Report a very brief summary of the specific functions of Central Mortgage and Housing Corporation. Perhaps it would be helpful, Mr. Chairman, if I now amplified this statement of responsibilities.

The first of these in the order shown in the report is to insure mortgage loans on new housing made by private lenders—banks, life insurance and trust and loan companies and other approved lenders. This is an arrangement that was introduced with the National Housing Act, 1954. It was at the same time, and in an effort to encourage the flow of private mortgage funds into new housing, that the chartered banks became, for the first time in Canada, approved lenders under the Act.

I have continued here with a couple of paragraphs to try and define for you what an insured loan is. Some of you will know this but perhaps I could go through it anyway.

Perhaps I can best define an insured loan by describing quickly the procedures followed. An individual home-owner applicant may go to an approved lender of his choice with the plans and specifications for a specific house on a specific lot. If the lender is satisfied with the proposal and has funds available, he assumes responsibility for ensuring that the borrower is credit-worthy. He then submits an application to the local office of the Corporation. The lot is inspected by us, the plans are examined to ensure that they comply with the building standards and an evaluation of the proposed property is made. As of 1958, preparation of the building standards became a responsibility of the Division of Building Research, National Research Council, instead of the Corporation.