

National Housing Act

it is going to grant loans, may the interest at least not be more than the cost of servicing. The federal government must stop playing the millionaire before the provinces.

Finally, the government encourages, urges the provinces to take part in this by offering to lend them money which they have a right to get. The minister gives us another example of this through the creation of his land development program and this is what we find at page 2 of his report, where he says:

One of the most critical factors in the cost of housing is the price of land. All governments must be prepared to act to increase the supply of serviced land if housing is to continue to be available and financially accessible to Canadians. An overall land strategy is necessary and to this end provincial and municipal governments will be encouraged to become more active in public land acquisition and servicing. The federal government is committing at least \$100 million a year for the next five years for the public assembly of land, including assistance to new communities.

It is proposed to amend the land assembly provisions of the National Housing Act to make them more useful and attractive to governments.

The lending arrangement for land assembly, (Section 42), which expired by statute on March 31, 1972, would be broadened and established as a continuing program with 90 per cent loans available for any purpose having to do with housing.

The new arrangement would provide for debentures, as well as mortgages, to be used as security for the federal loan. In addition, where the province or municipality intends to lease out the land and thereby keep it in public ownership, the term of the loan will be extended from the normal 25 years up to 50 years. Repayment will be possible during the term of the loan, or as the land is disposed of, according to agreed terms.

Mr. Speaker, I believe that I have sufficiently brought this matter of federal-provincial relations to the attention of the minister; I am sure the minister will think twice before creating new programs without beforehand discussing them with the province.

• (1240)

One thing I found very interesting was that CHMC will be able to make a direct payment to the buyer to allow him to finish his house when the builder failed to do so. That is of utmost interest to me because I dealt with a case like that as recently as yesterday. The Minister of State for Urban Affairs (Mr. Basford) will certainly hear more about it from his office since I intend to call on his officials.

This case is about a mobile home bought with a loan from Central Mortgage and Housing, and the construction and repairs have been at a standstill for months. It is a loan of \$14,000 for the purchase of a mobile home which was paid \$8,000 by CHMC. For the foundations and all the rest, the owner has already paid \$2,800 cash to the builder plus a promissory note of \$2,500 because he did not have the money to have the work done.

The owner noted everything that was missing or faulty in the building and made a report to those in charge of that at Central Mortgage and Housing. Everything has come to a dead stop and the local director of CHMC says he cannot give the balance of the loan until the house is completed. The last suggestion made to the new owner was that he get a lawyer and bring his case to court to see if he can get anything from his builder.

Do you think, Mr. Speaker, that that owner can afford to spend from \$500 to \$1,000 to bring his builder to court?

[Mr. Gauthier (Roberval).]

It seems to me that CHMC should have the authority to order the completion of work using the balance of the loan.

I understand that once the act is amended, it will be much easier to intervene in such cases, and I believe that this was the purpose of the minister in this particular section.

The corporation should also provide for a further protection of small homeowners through a reduction of taxes and interest rates. The minister may go on telling us that these are low cost housing units, but one can hardly believe it when taking a closer look at it. Today the smallest house costs \$20,000. We must not forget that on this amount, the homeowner will have to pay 8 per cent provincial tax, 11 per cent municipal tax, the federal tax on building materials, which means that this 10 per cent down-payment which is required today from the homeowner is just designed to cover taxes.

The interest rate will often range between 9 and 12 per cent, according to the financial situation of the borrower. The poorer he is, the more he will pay. If you add to this amount municipal taxes, school taxes, fire insurance plus the insurance on the loan itself, and if you spread instalments over forty years, you will find that this poor "low income" homeowner had to pay five times the price to get a forty year old house. And all that when the owner has succeeded in securing the services of a conscientious contractor and of judicious inspectors who were not in connivance with the contractor to gyp him and force him to make repairs on very short notice.

I think that my colleague, the hon. member for Portneuf (Mr. Godin) has mentioned such examples in his speech that everybody can read on pages 1478 and 1479 of *Hansard* for February 20, 1973 and in which he listed the numerous complaints filed in his riding.

It reads:

In view of complaints reaching us from Ville Bélair, Val Saint-Michel and even Ville Vanier and other locations in my constituency, I am led to wonder, Mr. Chairman, at what level the studies have been conducted, and to what end? Were these studies fruitful? Did they focus on improving the quality of houses or on downgrading it?

... the president of the Association des propriétaires de Place Pierre-Bertrand said: "How come the governments concerned accept the recurrence of the same problems?"

In fact, the residents of similar projects in Montreal and Châteauguay are faced with identical construction defects. How is it, added the chairman, that once the building completed contractors suddenly disappear pretending they are bankrupt? How is it that sometimes after that they reappear with somewhat changed names and sometimes with the same names?

Mr. Chairman, I know a contractor who changed his name five times in 15 years. As the saying goes:

How does that grab you? After 15 years, he is still in business with the Central Mortgage and Housing Corporation.

Some people are led to believe that contractors doing bad work are simply incompetent. I for one strongly believe the contrary. I am convinced that the contractor who has succeeded in "playing" with the millions of the Central Mortgage and Housing Corporation is highly competent. In fact, those contractors, and there is more than one, are highly competent people.

Even the Central Mortgage and Housing Corporation knows its business; in fact, since last spring, we have been asking for an enquiry to be conducted and for someone to inspect these slums. We said that it was cold and there was ice in there. So we request-