

Government Orders

I wonder if the minister might want to comment on how this is going to protect the government from grabbing CMHC's surplus funds in the future.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Chairman, I want to say to my friend opposite it is not the intention to prevent the government from grabbing funds.

The member knows, as do all members in the House, that our government is involved in a very serious exercise to try to reduce the deficit so we will have discretionary funding so that we will be able to respond to some of the requests that have been made, such as the one made for the RRAP program by his colleague opposite, the member for Cape Breton—East Richmond.

It might not be a bad time to reflect upon the comments made by the treasurer of the province of Ontario, Mr. Laughren. When he was commenting on budgetary matters, I think it was on March 21, he indicated that he never wanted to see the government of his province put in a position such as the federal government found itself. To his credit he is resisting.

I think he indicated, as the member for Kingston and the Islands would know being a financial expert, that around maybe 14 or 15 cents of every dollar of the revenues of the province of Ontario are applied to paying the interest on past borrowings, which is only about half of what the federal government has to contend with.

When this money was appropriated from the fund which my colleague from London East talks about it was a considered act and it was done after careful consultation so that it would not interfere with the actuarial sums of the MIF. I can tell him that this other provision does not have any sinister background. As he indicated it is a housekeeping and expedient thing for the corporation to do.

Clause 4 agreed to.

Clauses 5 to 8 inclusive agreed to.

On Clause 9—

Mr. Joe Fontana (London East): Mr. Chairman, with respect to clause 9 and the changes in the National Housing Act, subsection 11(1)(a), dealing with co-opera-

tives, I want to ask the minister if the content of this amendment would remove the statutory requirements that CMHC review housing co-operatives' by-laws.

I know that this is just an administrative step but in the past co-operatives were supported by CMHC and the federal government. Unfortunately this government has not as of this year because it cancelled co-operative housing programs. That was a brutal blow to those people who were looking for a form of housing that had security of tenure, that was affordable and had a mixed income concept.

CMHC now wants to not review the by-laws of the co-operatives. It would seem to me that the government, and if not this government then future governments, and CMHC would want to ensure that by-laws could not be changed by co-operatives. By-laws that are passed can easily be changed in the future. If one wants to ensure that co-operatives are functioning as they should and are protecting public investments then those by-laws should be reviewed on an ongoing basis by CMHC.

I am wondering whether the minister would comment as to why this clause is being put in.

• (2120)

Hon. Elmer M. MacKay (Minister of Public Works): I am informed that Canada Mortgage and Housing will continue to review these by-laws. It is put in for flexibility to eliminate the practice of more or less making it mandatory. Provincial legislation has a role to play here.

Despite any misgivings my colleague has about the lack of supervision or lack of interest he does not have to be concerned. We are still going to be looking at the by-laws and provincial legislation also has a role.

Mr. Fontana: I am not entirely satisfied. CMHC may want flexibility but it has that flexibility now. It is clear that clause 9 essentially will be that the rule will not be that they will review the by-laws.

I would like to deal with co-operatives because the by-laws of the co-operatives may very well relate to the indexed link mortgage. That has been the model for the past five years in the delivering of co-operatives.