

Urea Formaldehyde Insulation Act

home insulation. One of the problems that was identified then by Dr. Ian Efford was that the standards failed to prescribe application procedures critical to the foam's effectiveness. He went on to state, as a result, that no federal department should use the product.

That is very interesting and very germane to my argument, Mr. Speaker, because this product was approved by Canada Mortgage and Housing Corporation for use under the government's home insulation program, the CHIP program, in September of 1977. In other words, the government went against their own advisers. According to the advice they received, it was not good enough to be used in federal government departments. Indeed, there was some question as to whether or not the standards were adequate with regard to how the stuff was to be applied, and, indeed, whether or not there were standards governing application of the material. Notwithstanding that, there were the warnings that the government had, even going back beyond that to April, 1977, when the then minister was advised that there were problems with regard to shrinkage, degradation, the potential of UFFI causing metal corrosion and wood rotting. Because of that, the minister of energy at the time was advised not to recommend the product for use under the CHIP program. Yet it was recommended for use under the CHIP program and was given the seal of approval of Canada Mortgage and Housing Corporation in September, 1977.

There is a combination of errors here that has brought us to this particular situation at this point in time. First of all, we have the government closing its ears, failing to accept the technical advice it was getting from within the government. Secondly, this was a program that was and still is applied across the country without any statutory authority or any statutory provisions. In other words, there is no statute governing the Canadian Home Insulation Program. As a consequence of that, the CHIP program in its early days was responsible for a number of fly-by-night operators. These people knew absolutely nothing about the insulation business, being hastily formed in order to cash in on what was perceived as a bonanza.

We had this dangerous combination of inexperienced insulators, using a material that had inadequate standards for application. That is the combination which I believe has in large measure resulted in the problem that we are faced with today. It is a serious problem, Mr. Speaker, that is facing many home owners today. We do not know what the guidelines are and we will not know until presumably the bill gets to committee. And we may not know even in committee, given the track record of this government. We may not know what the guidelines are until the bill receives third reading and becomes law. Of course, the guidelines are critical in telling us how effective and how fair and just the bill will be in its application. We do not know that.

What we do know is that less than 20 per cent of those affected will qualify for the payment of the \$5,000 or up to \$5,000 that they can receive under the bill. What about the other 80 per cent? These are people who do not necessarily have a health problem or they have a health problem that they cannot prove meets the criteria set out under the regulations.

They may not have a health problem, but they have an economic problem of enormous proportions. They face the prospect of seeing their life savings—and a home investment usually represents the life savings of a family—depreciate to the point where they cannot sell their homes, where they have difficulty in obtaining conventional mortgages for the home. Up to now they have not been able even to make the case with municipalities that they should receive some consideration in terms of municipal property taxes, although I believe there is a movement in that direction.

So, Mr. Speaker, in my opinion the government has not only a moral responsibility. Given the fact that the minister responsible for housing went against the advice within the government in September, 1977 and approved urea formaldehyde foam to be used under the CHIP program, I believe the government has a legal obligation as well. Once we get to committee or beyond committee and have the guidelines, I suspect that this will be a matter for the courts to decide ultimately. Secondly, the legal responsibility flows from the government's ignoring the advice that came in the first instance, by the way, from the National Research Council in 1978, and from the government's subsequent decision to approve it, as I say, for use under the CHIP program.

By its decision to ban the product in December, 1980, the government assumed responsibility not only for the protection of the health of those using it but also to protect them from financial loss. That is a responsibility to the more than 100,000 Canadians who had this material in their homes.

The bill we have before us today not only fails adequately to address the health problem but totally ignores the very serious and very substantial economic problem created for that 80 per cent of the more than 100,000 homes which will not qualify for assistance under the bill. Incidentally, it should be said in passing that estimates of the number of homes which have had urea formaldehyde foam insulation installed range from 85,000 to a quarter of a million, so we can take our choice of any figure between 85,000 and 250,000 and somewhere between is an accurate figure for the number of homes affected in this country.

• (1520)

Of course, we are not even talking about public buildings, nor does the bill address itself to apartment buildings. That is another problem in itself and one which certainly will have to be addressed, because once we lay emphasis on the problem in terms of addressing it by legislation with respect to the health problem, then that, of course, has to be applied to other buildings as well such as public buildings, apartment buildings and motels and hotels. However, as I said, this does point out what I consider to be a very serious problem.

Was the government right back in December, 1980 in banning urea formaldehyde foam insulation once it had given the material its seal of approval under CMHC standards for use under CHIP? Did the government fully realize the consequences which would flow from its action? I submit that even