

## Oral Questions

## MINES AND MINING

[English]

## CANADA MORTGAGE AND HOUSING CORPORATION

## MORTGAGE PORTFOLIO MANAGEMENT SYSTEM

**Hon. Elmer M. MacKay (Central Nova):** Madam Speaker, I want to ask the Minister in charge of Central Mortgage and Housing a question which is further to the one I asked him on March 16. It concerns the efficiency, total cost, and satisfactory performance or otherwise of the mortgage portfolio management system of CMHC. He knows of my interest in it since this program had its genesis when I was Minister. I realize that he was not Minister during the critical period. However, will he tell the House and the country if he is satisfied with the way this program has evolved?

**Hon. Roméo LeBlanc (Minister of Public Works):** Madam Speaker, this very morning I signed the answer to the Hon. Member's question which is on the Order paper. It will give some of the details that I may not have from memory.

The Hon. Member is correct to point out that the program did start some years ago, in the late 1970s. Around July of 1981, if I remember correctly, it was discovered that there were problems which really should be very carefully re-examined. This was done.

I might say that some months ago, around the end of 1982, the Board of Directors called in a consultant to examine the question, and in fact put a hold on the program until such time as they are satisfied. I might also add that the figures quoted by the Hon. Member, or attributed to him in the Toronto *Sun*, are highly inaccurate. In fact we are speaking of a maximum of \$24 million instead of \$60 million or \$80 million.

**Mr. MacKay:** I recall yesterday when the Minister quoted the late U.S. Secretary of Defence, Engine Charlie Wilson, saying that he wanted a bigger bang for a buck. I would imagine that he would agree that a \$24 million loss is hardly peanuts and could have provided for a lot of low cost housing.

## CONSULTANT FEES

**Hon. Elmer M. MacKay (Central Nova):** Madam Speaker, does the \$24 million that the Minister is tossing about include all of the consultant fees, to companies like Systems House? Is he prepared to stand or fall on that \$24 million figure?

**Hon. Roméo LeBlanc (Minister of Public Works):** Madam Speaker, I would have to check the contents of that \$24 million before I answer. I take the Hon. Member's question very seriously since he is the former Minister responsible for CMHC. I might suggest that the idea that this was all wasted is inaccurate, if that is the understanding of Hon. Members. The fact is that a certain amount of the equipment or hardware was utilized by the Corporation in other ways.

## CLOSING OF SHERRITT GORDON MINE AT LYNN LAKE, MAN.

**Mr. Rod Murphy (Churchill):** Madam Speaker, my question for the Prime Minister is supplementary to that asked of him by the Minister for Hamilton Mountain. The Prime Minister ended his answer by asking what the Province of Manitoba or the Premier of Manitoba would do.

In the case of Sherritt Gordon Mines in Manitoba, Sherritt Gordon has announced that it is closing the mine, laying off the workers, and will not do exploration in the region for base metals even with the assistance of money from the the Province of Manitoba because, quoting from the President of Sherritt Gordon, "They get a better deal with the private sector since the Government does not pay taxes where Governments do and therefore private enterprise could obtain—"

**Madam Speaker:** Order. I will not allow Hon. Members to start quoting in the course of the Question Period. That is going a bit too far.

**Mr. Murphy:** Since the quote indicates that the company will not accept money from the Province of Manitoba because of the federal Government's tax write-off procedures, will the Prime Minister check into the tax write-off procedures and make sure that there is a change so that, when companies refuse to do exploration because of these tax write-offs, the Government will have a stick as well as a carrot?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, the question is one which I obviously cannot understand or answer without knowing the facts in more detail. But I do understand that the Hon. Member is alleging that tax write-offs are discouraging exploration rather than encouraging it. It would seem to me to be certainly contrary to the spirit of the budget, and would seem to be a good matter to raise in debate since we are in the middle of the budget debate right now.

**Mr. Murphy:** I intend to speak on this subject tomorrow when I do speak on the budget.

## REQUEST THAT TAX WRITE-OFF PROVISIONS BE CHANGED

**Mr. Rod Murphy (Churchill):** This matter affects the workers in Lynn Lake. If the tax measures of the federal Government are preventing the company from doing exploration because it would rather do so with private enterprise and not accept the money provided by the Government of Manitoba, will the Government change the tax write-off procedures, since it is a matter of Government policy?

**Hon. Lloyd Axworthy (Minister of Employment and Immigration):** Madam Speaker, I think it would be important to correct the Hon. Member's assertion in the House. The fact of the matter is that, in the case of the proposed closing of the Sherritt Gordon Mine, negotiations were undertaken under the NEED Program to provide financial assistance under the joint program. Federal authority officials were quite prepared to