

*Oral Questions*BREAK-IN AT L'AGENCE DE PRESSE LIBRE—DATE MINISTER
KNEW FORCE WITHHELD INFORMATION

Mr. Edward Broadbent (Oshawa-Whitby): We have been left with the impression for the past couple of days that the investigation that was so described last year led to the government knowing at that time that the then Commissioner of the RCMP, Mr. Higgitt, had withheld information from the then Solicitor General, the present Minister of Supply and Services. Therefore, the whole question of account ability of the RCMP to the political authority and the problem that existed was known last year. It appeared that the government was unaware of the problem last March. When did the present Solicitor General learn of the withholding of information? Considering the implications of a lot of the uncertainty that arises out of the particular case as to whether an investigation was done, does the Solicitor General now agree that we need a public inquiry into the whole affair?

Hon. Francis Fox (Solicitor General): Mr. Speaker, I think the hon. member is once again confusing two things. A public inquiry as he has suggested interfaced between the Department of the Solicitor General and the force could quite properly be within the jurisdiction of the federal government. As to the other part concerning coverups or criminal activities, either during the course of the break-in or following, we have indicated a number of times in the course of the past week it is a matter that ought to be looked at by the appropriate provincial attorney general.

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[Translation]

CENTRAL MORTGAGE AND HOUSING
CORPORATION

REQUEST FOR EASIER LENDING CONDITIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the Minister of State for Urban Affairs.

Since the federal government through the Central Mortgage and Housing Corporation lends considerable amounts of money to the provinces for building low-price homes and since the provinces undertake to reimburse the federal government \$5 for each dollar borrowed, because of the not only high but compounded interest rate, can the minister tell the House whether he will urge his cabinet colleagues to change that loan policy to the provinces so they may reduce their debt towards Ottawa and accept a greater number of projects so as to spur construction and reduce unemployment?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I should like to remind the hon. member that in fact the federal government lends at a preferential rate for 50 years, which is already a form of grant. That is why I cannot agree with the hon. member who gives the impression that the rates of interest on housing loans made by the federal government to the provinces are too high. On the contrary, these are preferential loans made at a rate far lower than any on the

[Mr. Fox.]

market. It is obvious that by his question the hon. member again raises, in a disguised form, one of his party's policies, that of advocating interest-free loans to the provinces, but I do not think that suggestion, which was not acceptable in the past, will be so in the future.

Mr. Lambert (Bellechasse): Mr. Speaker, I understand that the minister is also giving a conventional answer to the effect that this has never been done elsewhere. Why should it be done in Canada? However, as recently as yesterday, the Minister of National Health and Welfare stated that Canada was introducing a new policy that had never been implemented elsewhere.

I would like the minister to answer my question and ask the advice of his colleague the Minister of National Health and Welfare to find a new and less burdensome formula for the provinces. I understand that those loans are for a 50-year period, but they become costly when the provinces are compelled to pay them five times over. Does the minister agree about that?

Mr. Ouellet: Mr. Speaker, I know that the hon. member is working toward a noble purpose when he suggests a new formula. However, instead of encouraging the provinces it might be advisable to encourage the residents of the provinces and in that respect the hon. member could perhaps ask the Quebec government to sign an agreement under section 44(1)b) of the National Housing Act which would allow the payment of a rent subsidy not intended for the province as such but rather for the poorer citizens who have lower incomes in Quebec, so that some accommodation at decent rents is made available to them through federal subsidy.

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[English]

CONFLICT OF INTEREST

INVOLVEMENT OF SENATOR DAVEY WITH BLUE WATER RACING
ASSOCIATES AND HYDROCULTURE LUWASA

Mr. Ray Hnatyshyn (Saskatoon-Biggar): Mr. Speaker, in the absence of the Prime Minister, the President of the Privy Council and the Minister of Agriculture, I wish to ask the Minister of Justice a question in relation to the position of Senator Keith Davey, the chief Liberal organizer and confidant of the Prime Minister. It has been confirmed by Senator Davey in connection with his interest in Blue Water Racing Associates Ltd. that he provided assistance and licensing and that he involved himself in representations to government which consisted of setting up meetings with Department of Agriculture officials. More recently, Senator Davey has acknowledged his involvement as a director of Hydroculture Luwasa, a privately-owned company which does business with the federal government. May I ask the Minister of Justice whether he does not feel that these different activities of Senator Davey could result in a possible conflict of interest?