

Mr. Stackhouse: Is there one law for Toronto and another for Rochdale? What the hon. member says may be true in the instance of football. We shall see whether it is true with respect to Rochdale. Anyway, we can understand why the *Globe and Mail* writer asked this question: "What is there about Rochdale that makes politicians impotent?" That is not a word I would have used myself, but it is used in that editorial. It does raise a question with which we should all concern ourselves. We should seek to support the government in whatever action it may find necessary. We ought to say to the government: This responsibility is yours and we are looking to you to correct the mistake which was made.

● (1730)

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I hesitate to intervene in private members' hour, but I do so in this debate as the minister responsible for Central Mortgage and Housing Corporation simply to demonstrate the very deep concern and interest of the government and myself on this issue. I am under something of a handicap in that this matter, as the hon. member who has just spoken made clear, is the subject of foreclosure and is before the courts. I am under some impediment as to precisely what I can say, but I will endeavour to manage with that impediment.

I was amused during the speech of the hon. member, who has made several speeches on the subject of Rochdale College, when he suggested that it must not be made into a partisan matter but should be dealt with as a non-partisan, non-political issue and then spent some time in his speech, as he has on previous occasions, using every possible means to turn it into a partisan political matter. I have made it clear on the record of this House before, and I do so again today, that the government is taking every possible legal means—I underline "legal" means—to gain possession of Rochdale College.

Mr. Hellyer: Nonsense.

Mr. Basford: It is my view that we are doing that simply because present conditions at Rochdale are intolerable and unacceptable. Unfortunately, it is not a simple matter to rectify the situation through the legal process. We shall hear from a learned law professor in a moment. Unfortunately, foreclosure is not a simple matter. But the proposals made by the hon. member would not get around the difficulties with which we are faced.

Let me outline the legal situation and describe what this government has done in an attempt to expedite the process. I shall not go into the history of this matter except to say that I was not the minister at the time. It seems to me, looking over the records, that at the time the Rochdale proposal was put forward, everyone in all parties in this House, in the city of Toronto and in the provincial government, including people from all walks of life, thought the idea as presented—I underline the word "presented"—was a good one. It was an attempt to meet the particular housing situation at the time. It was thought to be such a good idea that the loan was approved, and this is no reflection on him, by the hon. member for Trinity (Mr. Hellyer), who was then the minister responsible for housing.

Rochdale College

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. It is not that I wish to interrupt the minister in presenting this apologia for the government's inaction, but I should like to set the record straight. I was not the minister at the time the loan was approved.

Mr. Basford: I stand corrected and I accept the hon. member's word on that.

Mr. Hellyer: I hope the rest of what you say is more accurate.

Mr. Basford: I will have to check the records, and I may have been confused, but I understand that in fact the hon. member approved the loans in respect of some of these co-operative colleges. My concern about what has happened at Rochdale is that it may unfortunately reflect upon the whole co-operative housing movement. Last session this House passed very good amendments to the National Housing Act relating to co-operative and non-profit housing. These amendments are beginning to work in some parts of the country, and I should hope that the experience of Rochdale, which in fact is not a co-operative in any sense of the word, will not adversely affect the operation of the amendments approved by the House in the last session.

Mr. Hellyer: The co-operatives will get you into trouble, too.

Mr. Basford: Going back to the legal situation, after the loan was made, default on the mortgage occurred on August 17, 1971. As a result of that substantial default in payments, CMHC proceeded on behalf of the government with a foreclosure action by writ of summons. That suit attempted to take possession of the building and to give CMHC, as the agency foreclosing, possession and management of the building. After several unsuccessful attempts in the court, CMHC attempted through the legal process to gain interim possession, interim receivership and interim management of the building but was refused by the court. In fact, the order of the court specifically excluded CMHC from taking over possession and management of the building.

At that point we instructed our solicitors to endeavour to commence an action, on behalf of all the creditors, for the appointment of a receiver or manager. Fortunately, that application was successful and by order of the court a receiver was put in possession of the building. The trial of that action commenced October 1, 1973. Our solicitors again took special action, and I wrote the attorney general of Ontario and asked that he use his good offices in this regard and the matter was referred to the court registrar to set an early trial date for the action. It was heard on October 1, 1973, and arguments were completed on October 4.

On the foreclosure action in the Ontario court judgment was reserved by Madame Justice Van Camp, who gave judgment on February 4, 1974. That judgment was totally in favour of the foreclosure action of CMHC. Everything that CMHC had asked for was granted. That decision was completely in our favour. I will not detail the precise nature of the order, as foreclosure actions are extremely complicated, but there was an order for a reference before