

Adjournment Debate

What prompted me, Mr. Speaker, to examine thoroughly the whole matter of public housing in my constituency of Ottawa-Vanier is that certain transactions show either a lack of qualification or of interest on the part of certain public servants whenever public interest and especially consumers' protection are concerned. I know that in the province of Ontario, proceedings are being instituted with the Ontario Housing Corporation and members will recall that I quoted the article from last Thursday's edition of *Le Droit*, saying that 15 officials have been indicted for receiving bribes and for collusion with contractors. According to that article, 9 other persons in the Ottawa or London area are likely to be indicted very soon.

When real estate speculation is practiced to the detriment of the interest of the community and in some collusion with provincial agencies, I think that speculation is unacceptable, and smacks more of theft than business. Indeed, that is exactly what is happening in my riding. That was the purpose of the question I put to the minister regarding certain transactions that benefited certain contractors. They made profits of about 155 per cent in an eight-month period. I have here a copy of the land register for a sale of \$105,000 which, eight months later, increased to \$273,000 for a piece of land on which a high rise for senior citizens was to be built.

I also know that the City of Vanier can buy land in my riding. In that city of one square mile land sells for \$5 a square foot. I also know that the Ontario Housing Corporation pays \$10 a square foot. I noted several cases of profiteering in my opinion and I asked the mayors of both municipalities of Ottawa and Vanier as well as the Central Mortgage and Housing Corporation and the Ontario Housing Corporation for a list of real estate transactions made in the last three years.

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I did that because the experience I gained as a school trustee gave me a certain knowledge of the price of land in my riding. At that time I did learn of lots which were bought by certain contractors at a price which, personally, I find quite scandalous.

I remember, in particular, a piece of land located not too far from the Cartier school, a composite school, which was for sale for some \$35,000 and that the school board has refused to buy because they said it was too expensive; it was sold and sold again to someone else and finally, within eight months, it went for \$273,000. That is the kind of speculation that makes me think that it is not only there that funny things are happening.

And what annoys me is that the Central Housing and Mortgage Corporation, the lender, is not necessarily an accomplice but controls are lacking; that is why I asked the minister here if he uses his powers of control over real estate expenditures made by the housing corporations and I am not under the impression that this is presently done in a routine way. I am under the strong impression, though, that as with all federal-provincial agreements, the federal government is paying the piper and the province is playing the tune.

However, in my riding, as in several others in Canada, there is now a housing crisis. I find the situation is tragic because, speaking in quantities, if land is bought for twice

what it is worth and high-rise buildings are built where they have no business being built, only half of the housing will be produced.

And if the reasoning is simplistic, I think that money being what it is today, expensive and hard to come by, the Central Mortgage and Housing Corporation should proceed with all the necessary caution and see to it that it can control its expenditures.

Within the shortest delay, federal government supervision over the use of funds made available to the provinces must be made more strict. The federal government must act to protect the common good rather than to favour all-out business. And to complete my question, Mr. Speaker, I would like to ask the parliamentary secretary to the minister if he can give me the assurance that account will be taken of my remarks by the Central Mortgage and Housing Corporation. If you wish it, I can give further proof in support of my allegations.

Mr. Pierre De Bané (Parliamentary Secretary to the Minister of State for Urban Affairs): Mr. Speaker, I can assure the hon. member that the Central Mortgage and Housing Corporation and the Minister of State for Urban Affairs (Mr. Danson) will be extremely interested by this information.

However, I would like to remind him that since 1968, Ontario, through the Ontario Housing Corporation completed its low rental housing projects under the National Housing Act with the help of federal government loans. Consequently, the Central Mortgage and Housing Corporation acts as a lender in its capacity of federal agency concerned. Previously, the federal and provincial governments were associated in these projects which were financed under another section of the National Housing Act.

According to the provision concerning loans (section 43 of the National Housing Act), the Ontario Housing Corporation is responsible for the planning of projects, for land banking and calls for tender or proposals.

As a lender, the Central Mortgage and Housing Corporation reviews on an individual basis applications for loans relating to those projects in order to ensure that they meet the criteria as well as the standards of programs.

As far as the land is concerned, the loan application made by the Ontario Housing Corporation in respect of every project indicates how much it has to pay for the land as well as the name of the seller. The application also includes an estimate of the land value made by an independent assessor. As part of its study, the Central Mortgage and Housing Corporation requests from its assessors an estimate of the value of the land to determine the amount of the loan. Therefore, in addition to the amount paid by the Ontario Housing Corporation, the Central Mortgage and Housing Corporation makes its own estimate in order to determine the amount of the federal government's loan. That amount is based partly on the value of the land as determined by the assessor, and not only on the amount paid by the Ontario Housing Corporation.

Under those circumstances, the Central Mortgage and Housing Corporation has neither any reason nor any opportunity to learn the details of the transactions that have