

Government Orders

Hon. Elmer M. MacKay (Minister of Public Works): The member makes a good point with his observations on the merits of Orders in Council and regulations as he has stated, but the intent here is simply to let us respond more quickly to the needs of RRAP customers as it were. We are looking at ways of perhaps enhancing or improving the delivery and some of the limits on RRAP. We thought that by doing it this way we could do it more quickly and be more responsive. That is the only reason for it.

Clause 36 agreed to.

Clauses 37 to 40 inclusive agreed to.

On Clause 41—

Mr. Joe Fontana (London East): Mr. Chairman, if you want to call clauses 41, 42, 43, 44 and 45, I do not have any problem with doing that because all of these essentially have to do with repealing separate borrowing authorities for several programs and in fact changing them to that central borrowing authority for flexibility.

Let me ask again with respect to indexed linked mortgages whether or not we can get a commitment from the minister that this financial mechanism, which has proven its weight in gold with respect to co-operatives, has the support of CMHC, Canadian bankers, the co-operatives and even groups that may use it in home ownership, and would not take away the ability of CMHC or the government to continue to use them for other uses.

Can the minister tell me whether or not in any of clauses 41, 42, 43, 44 and 45 separate borrowing authorities may have been required? I know ILMs are now something in the neighbourhood of about \$180 million. I mean CMHC has been promoting pension funds. Will the passage of these clauses kill the ILMs?

• (2150)

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Chairman, my initial reaction from listening to my colleague was that it would not. I have checked with my officials and I am told that indeed that is the case. It will not affect it whatsoever.

I might say to him that I share his positive feelings toward the ILM as an instrument, but unfortunately I

cannot give him any commitment tonight that this will be quickly utilized. I am an advocate for it and I know he is, so we will continue our discussions with the Department of Finance.

Clause 41 agreed to.

Clause 42 to 45 inclusive agreed to.

On Clause 46—

Mr. Joe Fontana (London East): Mr. Chairman, with respect to clause 46, it introduces changes to section 95(1) of the National Housing Act. It relates to housing expense contributions. I take it that this is authorizing CMHC to make contributions to landlords to reduce rentals including where CMHC is the landlord.

I understand that this broadens the class of eligible contribution recipients. Can the minister tell us how that is being monitored? Is it by virtue of agreements with specific landlords?

I want to know what safeguards are in place to ensure that when CMHC is making contributions to landlords to reduce rents, hopefully with the view of providing affordable rents, they are living up to those agreements and they can be revoked at any time those landlords are not fulfilling their obligations.

Hon. Elmer M. MacKay (Minister of Public Works): Mr. Chairman, I can assure my colleague that these will be monitored. As he knows, this provision and the necessity for it were perhaps best illustrated when we had to use a device in order to deal with the province of Prince Edward Island which had no shared cost housing in the conventional sense. This is one reason for that particular clause.

I take his admonition on the other. We will be monitoring it to make sure there is no abuse.

Clause 46 agreed to.

Clause 47 agreed to.

On clause 48—*Condition re sale, etc.*

Mr. Ross Harvey (Edmonton East): Mr. Chairman, I note in reading this proposed new section, section 97.1, which briefly provides that the corporation may require any person who is to benefit from a loan of the corporation at a lower interest rate or a contribution from the