

*National Housing Act*

**Mr. Fleming:** That does not answer the question. The minister purported to base his earlier observation on some specific experiences of the discovery of the evidence of fraud. What was the period in the particular cases within which the evidence was discovered?

**Mr. Winters:** I am told that in one instance a period of some eight months had elapsed, and in other instances there has been a longer period, but I have no specific information before me now as to just what the periods were in the cases we have had.

**Mr. Fleming:** I do not require greater persuasion to believe that the period of six months is short and should be enlarged, but I think the committee has been left quite in the dark as to why the period should be enlarged to three years.

**Mr. Winters:** Another reason, as I said, is that under the present statute the term of the loan is three or five years, depending on the amount of the loan. We are extending the period of the loan to ten years which, it seems to me, has some bearing on the argument I am advancing that we should be allowed a longer period for overtaking these attempts at fraud.

**Mr. Fleming:** It is a little hard to see what the length of the loan has to do with the period within which any fraud should be discovered. What possible relationship does the minister see between those two factors?

**Mr. Winters:** Mr. Chairman, as I said at the outset I am basing my reply on the experience of Central Mortgage and Housing Corporation.

**Mr. Fleming:** But their experience falls so far short of what you are asking.

**Mr. Winters:** Just in that one instance where it was eight months against the six months allowed now, but there have been other instances where they have not been able to overtake these attempts in that time. In the light of their experience they believe they need three years to achieve effective administration of this section of the act.

**Mr. Fleming:** Mr. Chairman, with all respect for the judgment of the officials, I believe that is a quite inadequate reason for making a change in the statute law of this country, and I think we should be given some better reason. As I have indicated, I do not require a great deal of persuasion to yield to the suggestion that the period should be increased from six months, but we have had one case only, apparently, where the period of limitation prevented prosecution. In that case the alleged fraud was discovered

eight months after the period of limitation began. That is no reason at all for extending it to three years. I think it is quite evident from the minister's last answer that the suggestion that there is any connection whatever between the length of the loan and the length of the period within which the officials of the corporation ought to be able to discover fraud, if there is any, is just too far-fetched to have any bearing.

Unless there is some better reason for extending the time I do not think the minister has made out a case at all for extending it to three years. The Minister of Northern Affairs and National Resources has had a good deal of experience in a professional way with the criminal law. I think he would not be lightly disposed to support a lengthy increase in the period of limitation in a section like this without some better reason than has been given. Surely what we want here is to maintain and keep before the officials of the corporation at all times their duty to be vigilant and alert, and if the impression gets around that there is plenty of time and that they do not need to worry because they have three years, I do not think this sort of provision is going to keep before these officials the necessity for being vigilant and alert.

Surely what we want in this respect is twofold. First of all we want the sanctions of the law there to restrain potential law-breakers from breaking the law. In the second place we want effective and early enforcement so that if there are wrongdoers who do break the law those who are charged with the responsibility for enforcing the law are going to be swift in the discharge of their duty in executing the law; and surely to give them a nice comfortable feeling that they have three years to work on is not going to achieve the kind of results that we as a parliament should be seeking.

**Mr. Lesage:** I have one observation. Why should parliament give to the man who is guilty of fraud the comfortable feeling that if he is not caught in one or two years he will get off the hook? That is what my hon. friend proposes now.

**Mr. Fleming:** No, it is not.

**Mr. Lesage:** That is what I understand he proposes now. After all, why should a man guilty of fraud under this section—I understand it is a question of fraud through false statements.

**Mr. Fleming:** It is offences under the section. We have talked about fraud.

**Mr. Lesage:** When it is a question of false statements and fraud it is quite possible it will take more than seven or eight months.