

## CENTRAL MORTGAGE AND HOUSING CORPORATION

### ALLEGED KICKBACKS TO CMHC BUILDING INSPECTOR

**Mr. Fouse Faour (Humber-St. George's-St. Barbe):** Mr. Speaker, I wish to address a question to the Minister of Public Works, whom I congratulate on finding a difference between the Liberals and the Tories—something I have not been able to do. I have given the minister notice of my question.

Serious allegations have been made regarding kickbacks to a CMHC building inspector relating to the construction of 116 townhouses at Virginia Park, St. John's, with financial assistance provided through AHOP. Is the minister aware of these allegations? If so, has he called for an investigation by the RCMP?

**Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs):** I thank the hon. member for giving me notice of the question. I had a chance to check this allegation with CMHC officials who are looking into the matter. I expect to have a report tomorrow or early next week. I will then advise the hon. member and the House of the outcome of this investigation.

● (1427)

As far as the condition of the brick exteriors is concerned, we have been working for some time to find agreement among those concerned as to how the cost of repair could be financed. That is one of the problems involved. We are trying to find ways to help those who are experiencing these difficulties to find the appropriate financial resources.

**Mr. Faour:** I am glad the minister is aware of the inadequate quality of the houses: there have been horror stories related to bricks crumbling, inadequate foundations, cracked tiles, and sagging floors. However, I should like him to give a more positive assurance to people in the housing development concerned that CMHC will ensure that they will not suffer, and will guarantee any necessary repairs to their homes.

**Mr. Ouellet:** I cannot give such an assurance before being fully aware of the file. I can assure the hon. member that CMHC will take its full responsibility. We cannot go beyond, to the responsibility of the contractors, and we cannot assume the responsibility of the municipal authorities if, indeed, they were the prime ones who approved the construction and gave the go-ahead. But we are looking at the situation and we shall do our utmost to help the people affected by these deficiencies.

### COMPENSATION FOR HOUSES DAMAGED THROUGH FAULTY WORKMANSHIP

**Mr. James A. McGrath (St. John's East):** A supplementary, Mr. Speaker. I brought this matter to the attention of the minister over a year ago. At that time I identified faulty inspection and the use of faulty materials, yet the minister refused to act and forced these low income earners to take their case to court.

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### Oral Questions

If the minister is as interested in low income earners as he professes to be, will he tell the House that he is prepared to make compensation to these people who are the victims of what are alleged to be very corrupt practices? There are allegations of pay-offs to CMHC inspectors, a matter clearly within the jurisdiction of the minister, not of the city of St. John's.

**Hon. André Ouellet (Minister of Public Works and Minister of State for Urban Affairs):** I have indicated that the corporation is reviewing the various allegations and the documents.

**An hon. Member:** You've had a year to do that.

**Mr. Ouellet:** As soon as I have a report, I will bring it to the attention of the House.

**Mr. McGrath:** The situation which has surfaced in St. John's and which was aired on national television last night is, in my view, only the tip of the iceberg. We would identify other AHOP programs across the country where there is evidence of inadequate inspection and of substandard material being used. In the light of this, and of the evidence produced on national television last night, will the minister ask his colleague, the Attorney General, to order a full-scale investigation into the construction of AHOP housing?

**Mr. Ouellet:** The answer is, clearly, no. The opposition is systematically, on the basis of an isolated case, trying to build up a large general situation. There are thousands of builders in Canada who are performing well, who are using government programs and putting up top quality housing. I totally refute the type of allegation made by the hon. member who tries to use one isolated case to convey a message that all the builders in Canada are crooks.

**Some hon. Members:** Hear, hear!

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● (1432)

[Translation]

## HOUSE OF COMMONS

### USE OF AIR PASSES BY CERTAIN MEMBERS

**Mr. Richard Janelle (Lotbinière):** Mr. Speaker, my question is directed to the right hon. Prime Minister. Further to an article published in one of this morning's newspapers in which it is stated that some federal minister put their air passes to personal use, does the right hon. Prime Minister intend to issue orders for putting an end to that practice?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I am not aware of the details of that article, but I do know, if I am correctly informed, that Air Canada gives passes to the ministers of this government because their duties demand that