

Oral Questions

[English]

CANADA MORTGAGE AND HOUSING CORPORATION**PAYMENT OF GRANTS UNDER CANADIAN HOME OWNERSHIP STIMULATION PROGRAM**

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have given notice to the Minister responsible for CMHC of my intention to ask him a question with regard to the Canadian Home Ownership Stimulation Program. Is the Minister aware of the letter dated November 18 from senior counsel of CMHC in which it was acknowledged that the regulations required under the National Housing Act prescribing the circumstances under which grants can be made to Canadian home buyers under the Program have never been issued, and that the payments which have been made of some \$300 million, to almost 100,000 Canadians, are likely illegal? What steps does the Minister propose to take to rectify the situation and to prevent what could be a very serious problem for hundreds of thousands of Canadian families?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I was informed that the Hon. Member gave me the courtesy of notice, just as I arrived at my office before Question Period. I was also informed that the authority for the Canadian Home Ownership Stimulation Program is taken from Section 34.15 and Section 34.16 of the National Housing Act which permit loans and contributions not exceeding such amounts as are prescribed by regulation. Of course I will follow up on the Hon. Member's question, but I would tell him right away that if the benefits of the Program are such that there is a technical problem, I am sure the House will allow us to rectify it very quickly.

Mr. Beatty: The Act also requires that there be an Order in Council issued, specifying the circumstances under which such contributions can be made. Those circumstances have never been specified by Order in Council, thereby making this \$300 million illegal. I have written to the Auditor General to request an investigation by him of this.

METHOD OF PAYMENT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in view of the fact that CMHC contrived an elaborate means of getting around the Act, which provides at the present time that contributions can only be made where a loan is taken out, and that CMHC decided to try evading the Act by contriving, in essence, a phoney loan to the tune of \$3,000 which was automatically forgiven upon endorsement of the cheque, can the Minister tell me whether he has asked for an opinion from his legal counsel as to whether or not such an invention constitutes a fraud against the Act?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am sure the Hon. Member, who is a responsible Member of Parliament, would not want to smear a corporation

which has really done a great deal to help Canadians, especially in the crisis of a year ago when interest rates were very high.

Some Hon. Members: Hear, hear!

• (1150)

Mr. LeBlanc: As the Hon. Member knows, getting legislation through Parliament is an extremely long process.

Mr. Beatty: Just break the law.

Mr. LeBlanc: The Hon. Member is heckling, saying break the law. I would hope that he leave it to the responsible people to make the decision if the law has been broken—

Mr. Clark: Parliament.

Mr. LeBlanc: —to the judges, but that he would not take it upon himself to run a kangaroo court.

* * *

TRADE**EFFECT OF FOOTWEAR IMPORT QUOTAS ON RETAILERS**

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of State for International Trade. He recently told my colleague, the Hon. Member for Vancouver Quadra, that the Government reimposed import quotas on footwear in order to protect the jobs of Canadian manufacturers. But what is happening in Vancouver is that retailers are having to close their doors and lay off people because the quotas are not sufficient for them to continue their operations, and they cannot buy the products here in Canada. Canadian manufacturers do not want to make speciality shoe products because there is not enough of a market for them. How does the Minister justify putting Canadians out of work under a program designed to save Canadian jobs?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I thank the Hon. Member for her expressed concern in relation to the employment of Canadians in the retail business.

Mr. Epp: Give us an answer.

Mr. Regan: I want to say to her that I recognize that this is a very difficult matter. The Government decided, considering the need to protect Canadian jobs, the quantum that would be allowed by way of imports. It then becomes an extremely difficult matter to satisfy the importers, the wholesalers, the retailers and the different groups who are involved.

It is certainly a fact that the limitation encourages Canadian manufacturers to try to make additional shoes available, but the quota is of such a nature that there should not be a case of any store being forced out of business.

Mr. Crouse: They are.

Mr. Regan: We are in the position that they are receiving—