

Government Orders

the purposes of housing or whether provinces will be able to do so. I am not getting the right answer and unless I get a good answer I am prepared to move to strike the words municipalities and provinces unless I am quite convinced there is a good reason to have these two formations in place.

Mr. MacKay: Basically it is just part of the business process. There is nothing there, as I say, that is intended to be irregular. It is just a case that part of the process of ensuring and obtaining finance may be utilized under certain circumstances by the provinces or municipalities. It is something that gives the act more flexibility and gives Canada Mortgage and Housing more options in dealing with these entities. That is all.

Mr. Fontana: Mr. Chairman, I am sure that the minister would acknowledge to this Committee of the Whole that while this constitutional debate is going on in this country with respect to governments in housing, average Canadians are sometimes fed up with governments fighting turf wars over whose responsibility it is. They want problems in this country solved and housing is one of them.

The minister had discussions with big city mayors and with the Canadian Federation of Municipalities. The one thing that is clear is that when it comes to housing they believe that CMHC is absolutely essential to ensuring that we do have a national housing program, a national housing equity across this country. They are nervous about what potentially may occur to this great Crown corporation that represents Canadians from across the country, from Vancouver right to St. John's, Newfoundland. It does provide the security that people will be treated equally across this country.

I would like to understand and know whether it would be possible for municipalities and provinces to process loan insurance as per this new clause that has been introduced. I am rather suspicious that it has much more to do with flexibility in terms of potential constitutional results than it has to do with the delivery of the mortgage insurance process.

I wonder if the minister could try to convince me and perhaps others that in fact inserting those two words, municipalities and provinces, does not take away at some

point in time the glue of CMHC in terms of its national obligations.

Mr. MacKay: Mr. Chairman, I am sorry if I am not getting my point across adequately but the provinces are in effect doing this now. They are underwriting it now. This will make the process more visible. Canada Mortgage and Housing still has the ability to approve it in the final instance. This just allows them to be more flexible in doing what they are already doing and have been doing for some time.

Again I want to assure my colleagues that it has nothing to do with any constitutional negotiations.

Mr. Fontana: Mr. Chairman, I know that the minister has CMHC officials near him. Could he give me an example of a few provinces or municipalities that are now delivering such a program so that for the record we could have it and I could be assured that that is exactly the past, present, and perhaps future precedent?

Mr. MacKay: Again, Mr. Chairman, I stand to be corrected, but I think all of the provinces—the member asked for a specific province—are doing it at the present time.

What this does is allow them slightly more power to commit Canada Mortgage and Housing to do this but it is not a giant step or anything like that. It just improves and enhances what has been going on. They are doing it.

Hon. Alan Redway (Don Valley East): Mr. Chairman, as I read this clause, it indicates that the corporation may authorize any approved lender, municipality, province, or agency of a province to act as agent for the corporation in insuring loans. It goes on to say that in the case of an approved lender, insuring the loans that are made by the approved lender.

I take it in the case of the provinces and municipalities we are talking here of merely insuring loans that are made by CMHC. Is that the case? It is not insuring loans made by themselves.

Does it mean that we are in effect by this clause authorizing the municipalities and the provinces to go into the mortgage insurance business and to provide mortgage insurance themselves from a mortgage insurance fund of their own?