

Hon. Ron Basford (Minister of State for Urban Affairs): Mr. Speaker, I am advised that the corporation received the letter that Mr. Lapetina wrote to the audit services bureau, about which the hon. member has asked—I say this so that we are sure of what we are talking about—on October 25, 1971. Meetings thereafter were held between members of the staff of the audit services bureau and members of the staff of CMHC. I am advised that from those meetings the conclusion was arrived at that no further action should be taken.

Mr. Hellyer: Mr. Speaker, does the minister wish to convey to the House that this letter in the fall of 1971 was the first indication CMHC had of these allegations?

Mr. Basford: No, Mr. Speaker, but I believe the question of which the hon. member gave me notice related to that letter and that is what I was answering. Whether other information was available or became available to officers of the corporation is still a matter of inquiry. Without trying to convey any implication at all, I was replying to—

Mr. Hellyer: On a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. minister in order that he may complete his reply. I note the hon. member is rising on a question of privilege. I should remind hon. members that we have only three minutes left before the end of the question period.

Mr. Basford: Mr. Speaker, just so we are clear, the hon. member's question related to Mr. Vincent Lapetina's allegation of irregularities. I believe that the first allegations were contained in his letter to the audit services bureau. If there are other allegations, I am not aware of them. That is when I believe Mr. Lapetina's allegations were first made.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. I am surprised that the CMHC was unable to advise the minister that it was informed several months in advance of that time that allegations had been made, and that in fact there had been material brought to the corporation in Toronto—

Mr. Speaker: Order, please. I suggest that the hon. member for Trinity should indicate his question of privilege. This seems to be debate between the hon. member and the minister and hardly a question of privilege.

Mr. Hellyer: Mr. Speaker, the question of privilege is that the minister has inadvertently given the House misleading information affecting the integrity of CMHC. This is of a very serious nature in that CMHC knew of these allegations some time in advance of the date just given us by the minister. In addition it appears that they circumscribed the audit which was held, they did not carry out a proper investigation, they continued to authorize loans to the same principals involved, and that some of the senior officers or former senior officers of CMHC were involved in a cover-up. I think this involves the privileges of all members of this House to such an extent that the Prime Minister must now assure the House that an impartial judicial inquiry will be established, one which can call witnesses, hear testimony and get to the facts fearlessly and without prejudice. I feel all of these

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circumstances and facts have a relationship to the privileges of this House.

Mr. Basford: Mr. Speaker, I rise on the question of privilege. I think the hon. member suggested that I have misled the House. I have not endeavoured to do that at all. The hon. member has suggested that this is a serious matter, but I am treated with hilarity. The question of which the hon. member for Trinity gave me notice asked when CMHC was first advised of Mr. Vincent Lapetina's allegations of irregularities in respect of student co-operative projects. My answer to that question is that officials of Central Mortgage and Housing Corporation received the Lapetina letter referred to in this House the other day, on October 25, 1971, according to the advice given me. Whether they received information about the allegations by Mr. Lapetina earlier than the date of that letter, I do not know but I will make inquiries.

Mr. Hellyer: Surely they should have known and should have advised the minister.

Mr. Speaker: Order, please. I would suggest to the minister and to the hon. member that this is debate and has nothing to do with a question of privilege.

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ENERGY

PROPOSED GAS PIPELINE FROM ARCTIC ISLANDS— REQUEST FOR REPORT ON STUDY BY PANARCTIC OILS

Mr. Keith Taylor (Churchill): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In view of the recent statement by the Premier of Quebec relating to the pipeline route to carry natural gas from the Arctic Islands, will he advise the House whether PanArctic Oils Limited has completed its studies on the pipeline route, and has any report been made to him on such a study?

[Translation]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, studies are now under way and no decision has yet been made in this regard, neither by PanArctic Oils Ltd., nor by the group concerned.

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[English]

REGIONAL ECONOMIC EXPANSION

PROPOSAL TO ESTABLISH REGIONAL OFFICES—POSITION OF NORTHERN ONTARIO

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the minister's announcement that DREE will be decentralized and four regional offices established, will he inform the House whether northern Ontario is to be the recipient of one of these regional offices?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, it will not only be the