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Hon. Diane Finley, P.C., M.P.
Minister Responsible for CMHC
House of Commons
Ottawa, Ontario
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Dear Minister:

I am writing you with regard to the undertaking made by the Prime Minister in Victoria on December 17, 2005 that his new government would "review CMHC's handling of construction regulations and leaky condos."

Prior to the start of the national campaign I had, as a Vancouver area Member of Parliament and as someone who had sought to hold the previous government to account on the issue of leaky condos, recommended to Mr. Harper that he commit to a public review. I was therefore very pleased by his commitment on December 17th to "review" CMHC's handling of construction regulations and leaky condos.

As you are no doubt aware, tens of thousands of homeowners in the coastal areas of British Columbia have incurred massive repair costs due to moisture-related damage to their homes. Many of the people affected by this tragedy are seniors living on fixed incomes, or young people who had purchased their first home.

Over the past decade, CMHC has consistently refused to take any responsibility for the problem, or to take any meaningful role in resolving the problem.

Nothing of real substance will happen to improve this situation until the history of government action, or lack thereof, has been brought fully into the open, acknowledged and put behind us. It is essential that homeowners understand what happened, the state of the problem today and where we go from here.

Using the *Access to Information Act* I uncovered government documents which show that CMHC, the Department of Natural Resources and the National Research Council knew, as early as 1981 that the federal government's own energy conservation policies for home construction would lead to moisture-induced structural damage. These documents also show that CMHC knew that this flawed design was in wide use on the west coast of Canada. Despite this knowledge, none of these government agencies warned homeowners or the construction industry of this serious problem. The documents that I have obtained show that, not only did the government remain silent, but that it may well have worked actively to hide their responsibility for the problem.

In my view, not only is it important for this government to review the history which has led to this crisis but also, it is important to hold the previous government and its agencies to account for their failure to prevent and respond appropriately to this tragedy. I recommended to the Prime Minister in November and I would recommend to you now the following course of action:

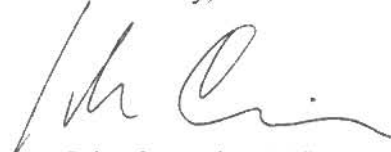
1. **Review:** Establish a judicial inquiry or review with a nine month mandate to get to the bottom of what led to the housing failure and to make recommendations as to the extent of federal government liability and the nature of restitution and relief for homeowners.
2. **Accountability:** End the cover-up and denial about the government's role in this disaster. Provide a complete and total disclosure of all documents to the public review on the government's knowledge of what went wrong and why the government apparently sought to hide the problem from homeowners.
3. **Acknowledgement:** Based on the findings of the review, publicly acknowledge whether or not federal government agencies were aware of what was causing wet walls with respect to the injurious implications of the energy conservation measures and why they failed to adequately warn the public and take compensatory measures.
4. **Restitution and Relief:** There must be equitable restitution and relief for homeowners based on the findings of the public review.
5. **Prevention:** Ensure that CMHC, the National Research Council and Natural Resources focus research on low cost solutions that ensure government mandated building design and building codes are no longer the source of moisture induced damage in home construction.

The primary object of such a public review would be to identify the mistakes made in the past in order to ensure that such problems are avoided in the future. This public review would also put the new Conservative government in a better position to make difficult decisions about helping those homeowners who have incurred huge repair bills to fix their homes, as a result of the federal government's failures over the past two and half decades.

While many have suffered loss, I hope that the new Conservative government's first efforts will be to deal with problems and repair costs suffered by homeowners. Homeowners should be the first priority.

Diane, I would be happy to sit down at any time and discuss this matter with you at greater length.

Yours truly,



John Cummins, M.P.
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