

Oral Questions

● (1115)

ORAL QUESTION PERIOD

[English]

HOUSING

FIGURES RELATING TO STARTS

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish to direct my question to the minister responsible for housing. Yesterday Statistics Canada reported a 28.3 per cent decline in building permits issued for the month of August which, of course, will reflect a sharp decline in housing starts. At that trend, we are heading toward approximately 135,000 starts for the year, which represents a shortfall of 85,000. I might add that this confirms the predictions of the secret document which the minister has tried to disown. What advice does the minister have for Canadians who are now facing this critical housing shortage, which he finally recognizes as a housing crisis?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, this is my first opportunity to respond to a question from the hon. member for St. John's East since the House reconvened. I would like to take the opportunity to congratulate him on his new post as housing critic.

At the outset, I would like to say to him that I have been aware of changes and trends in the industry. I would indicate to him that on my last visit to his city, for example, I had the privilege of participating with the minister of housing for Newfoundland in the start of some social housing. That is one of the things the government has been able to do, to assist not only the supply of housing but also in the question of affordability. In both those cases I think we have demonstrated that we are of assistance.

FORECAST SHORTAGE OF ACCOMMODATION

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish I could be gracious and return the compliment and congratulate the minister on his performance. Obviously I cannot do that because we are in a serious situation, largely as a result of the inability of the minister to respond to this crisis in the housing industry.

Some hon. Members: Hear, hear!

Mr. McGrath: I wish to reflect the concern of many people in this country. The figures released by Statistics Canada yesterday indicate that there is a crisis. We are facing a zero vacancy rate by 1983 in the major markets of this country. Indeed, we have almost arrived at that point now.

According to his own document, this shortage will create a black market situation in which families will be forced to double up. It will bring on a Soviet Union kind of housing situation in this country.

Some hon. Members: Oh, oh!

Mr. McGrath: That is what we are facing. Non sequiturs of the minister in this House will not serve to address this situation.

Some hon. Members: Order.

Madam Speaker: Order, please. Was that the question, or does the hon. member now want to pose his question?

Mr. McGrath: Madam Speaker, with your indulgence I will now ask my question.

Given the fact we are facing zero vacancy in the major markets of this country—metropolitan Toronto is down to .4—I ask the minister, since he has met recently with the Housing and Urban Development Association of Canada, what advice he received from them, and more important, what advice has he offered his colleague, the Minister of Finance?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, perhaps I could assist the hon. gentleman if he is indeed looking for some opportunity to congratulate me for work in this ministry since I came into office. I would like to point out, for example, that the statistics he referred to are out of date. The starts across this country, not only for the month of August but September as well, are higher than the figures to which the hon. member has referred. As a matter of fact the average is somewhere in the region of 180,000. They are not the figures which he selectively used in one sector.

If the hon. member is looking for some good news, he should bear in mind that starts since last year have increased from a low seasonally adjusted average rate of approximately 150,000 to the latest reported figures for the month of September, which show approximately 180,000.

Some hon. Members: Hear, hear!

● (1120)

Mr. McGrath: Madam Speaker, I am not surprised. In this House the minister tried to discredit a document he himself signed and submitted to the cabinet, so it is not surprising that he would now try to discredit a report released yesterday by Statistics Canada.

EFFECT OF HIGH INTEREST RATES ON INFLATION IN INDUSTRY

Hon. James A. McGrath (St. John's East): Madam Speaker, perhaps the minister can enlighten the House. Since the Minister of Finance has indicated that high interest rates are the only means of bringing down the rate of inflation in this country, can the minister tell the House how this policy of high interest rates can reduce the rate of inflation in the housing industry?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, in my first response I indicated that in starting this new term the government did a number of things to address the industry, which we recognized was facing difficulty and would face trend difficulties. For example, in his budget last