

*Oral Questions*

complaints like that when he has forgotten that the key impulsion to new housing starts in Canada is precisely what this Government has delivered, namely, lower interest rates. Lower interest rates have resulted in a record number of housing starts in the last year. The exact number is somewhere in the neighbourhood of some 200,000, which is the highest it has been in about a decade.

I think that while there is clearly overheating in the housing market because of the powerful prosperity in southern Ontario, in particular in Toronto—something about which we are concerned and very conscious of—the Government will be working with the Government of Ontario to alleviate that concern to the extent humanly possible. I think my hon. friend would agree that in terms of housing in Canada there has been enormous progress under this Government in the last four years.

## FEDERAL LAND HOLDINGS

**Mr. Sergio Marchi (York West):** Mr. Speaker, if the Prime Minister ever visits Toronto—

**Some Hon. Members:** Oh, oh!

**Mr. Marchi:**—he will understand that there is not a crisis in housing starts, there is a crisis in affordable units. Toronto is becoming a playground for the well-to-do.

I ask the Prime Minister again, given that the federal Government can also ease this crisis of affordability by utilizing its surplus land holdings in Metro, which are extensive, for the purpose of affordable housing construction, why has the Government refused to commit surplus federal real estate for constructing affordable housing rather than fuelling land speculation by selling these lands that are already owned by the taxpayers to the highest bidder?

Will the Prime Minister make the undertaking now that such federal lands will be made available immediately for some badly needed housing for working and middle-income Canadians on a first priority basis, rather than simply building luxury homes?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I give this information to my hon. friend for his consideration. Housing starts in July, 1988, were at a seasonally adjusted annual rate of 209,000, up 48 per cent since the election of 1984.

**Ms. Copps:** He said affordable housing.

**Mr. Mulroney:** Housing starts last year were at their highest level in Canada since 1977.

**Mr. Marchi:** So are the prices.

**Mr. Mulroney:** I have already discussed the concern of the Government in regard to affordable housing and our intention to co-operate very fully with the Government of Ontario, the City of Toronto, and the authorities of Metropolitan Toronto

in regard to that. This has been the object of strong discussions between us. Hopefully, some important progress will be made.

My hon. friend asks me to take note of this when I visit Toronto. I was in Toronto only a few days ago. However, I was also in Toronto a few years ago when interest rates were at 24 per cent and no houses were being built. We can now see the prosperity in Toronto.

**Some Hon. Members:** Hear, hear!

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## ENVIRONMENTAL AFFAIRS

## SASKATCHEWAN DAM PROJECT—WATER QUALITY STANDARDS

**Mr. Simon de Jong (Regina East):** Mr. Speaker, my question is addressed to the Minister of the Environment. I have in my possession a document entitled: "Final Draft Agreement Between the United States of America and Canada for Water-Supply and Flood Control in the Souris River Basin". This agreement is for 100 years whereas the Minister of the Environment has signed an agreement and a licence with the Province of Saskatchewan for only 50 years. More disturbing, the agreement talks about water quality objectives as being unbinding.

My question to the Minister is this. Who is responsible for setting the standards of water quality? Who will enforce those standards?

**Some Hon. Members:** Hear, hear!

**Hon. Tom McMillan (Minister of the Environment):** Mr. Speaker, it would take an entire Question Period to deal with the falsehoods surrounding the premises of the question.

Let me tell you, Mr. Speaker, and the House that I have in hand the 13 conditions, the stringent environmental conditions, that were associated with the permit under the International River Improvements Act in connection with the Rafferty Dam. The Director General for Inland Waters told me at noon hour—and he is the foremost hydrologist in the Government of Canada—that the stringency of these environmental conditions connected with the permit is the toughest in the history of Canada.

## SCHEDULED AMOUNT OF DAMAGE PAYMENT

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, I rise on a supplementary question. The fact remains that in this draft agreement which the Minister has not repudiated or disowned all that is talked about is non-binding standards.

Is the Minister also aware that in Article 8 of this draft agreement with respect to compensation for the Province of Manitoba it states that the Department of the Army shall pay the Province of Manitoba the sum of \$204,000 as full and complete compensation for any and all damages that might