

*Oral Questions*

**Mr. Speaker:** Order, please. Standing Order 43 requires, as I indicated on an earlier motion by the hon. member for Vancouver-Kingsway (Mrs. Holt), that the matter to be debated must be of urgent and pressing necessity. While it may be a matter of interest and concern, I hardly think it qualifies under that rule.

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● (1410)

**PENITENTIARIES**

REQUEST FOR INVESTIGATION INTO SECURITY, CONTROL AND ADMINISTRATION OF FEDERAL INSTITUTIONS—MOTION UNDER S.O. 43

**Mr. F. Oberle (Prince George-Peace River):** Mr. Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In less than a month we have witnessed three incidents involving prison employees being held hostage by inmates. Despite the fact that the first drama ended in the death of one employee the government appears to ignore the need for increased security in our federal prisons. I therefore move, seconded by the hon. member for Burnaby-Richmond-Delta (Mr. Reynolds):

That the Solicitor General order an immediate full public inquiry into the security, control and administration of federal penitentiaries.

**Mr. Speaker:** The motion is proposed under Standing Order 43 and therefore requires unanimous consent before it can be put. Is there such consent?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

**ORAL QUESTION PERIOD**

[English]

**HOUSING**

EFFECT OF SHORTFALL OF HOUSING STARTS—POSSIBILITY OF NEW MEASURES TO COUNTERACT

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, I have a question for the Minister of State for Urban Affairs arising out of his admission that it will now be virtually impossible to achieve the target of some 210,000 housing starts this year. Can the minister tell the House what short term impact he sees from the shortfall in terms of housing prices and rents?

**Hon. Barney Danson (Minister of State for Urban Affairs):** The degree of shortfall would largely be determined by the response to the recent infusion of funds amounting to \$200 million as a result of the budget and the enrichment of the subsidy program—the program which has now been copied by the government of Ontario. There are increases in housing costs but the exact effect of the shortfall is still to be determined. We are placing great emphasis upon rental accommodation where the greater shortage exists and we hope our efforts will help moderate rents across the country.

[Mr. Dionne (Northumberland-Miramichi).]

**Mr. Stanfield:** May I ask the Minister of State, who concedes there will be a shortfall, whether he has caused a study to be conducted as to the effect of this shortfall on levels of rents and housing prices so that the government may be in a position to determine how urgent it is to take measures to prevent such a shortfall from taking place?

**Mr. Danson:** Certainly, we acknowledge that any shortfall places an additional strain on the market; that is why it has been the policy of the government to increase supply wherever possible. This is being done at a greater rate than ever before in history, though we are facing the fact that governments alone cannot do the entire job. Nevertheless, the government's contribution to housing starts this year is greater than at any year in our history except, perhaps, for 1970. Until the private market responds we cannot determine the net effect of current economic conditions on the housing market.

**Mr. Stanfield:** Now that it is clear to the minister, particularly following the release of the June figures, that he will fall short of his stated goal of 210,000 housing starts this year, may I ask whether he intends to announce any new policies to fight the consequent disastrous inflationary effects of this shortfall? Or, on the other hand, is he content to sit back and leave it to the provinces to do the best they can in the circumstances?

**Mr. Danson:** We do not see any disastrous consequences. Compared to that of other nations, our performance is much better. This is a problem we share with all the world; it is one we do not welcome, but it is one which we are attacking by means of a great infusion of funds through the Minister of Finance, and by a call to the private sector to invest more money in the housing mortgage market, money which we are ready to subsidize.

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**FINANCE**

REQUEST FOR STATEMENT OF POLICY AFFECTING HOUSING AND FOREIGN EXCHANGE RATES

**Miss Flora MacDonald (Kingston and the Islands):** Mr. Speaker, my supplementary is directed to the Minister of Finance. Since the Minister of State for Urban Affairs has publicly expressed doubt that the measures in the budget will significantly stimulate housing construction, and in view of the fact that the housing crisis has arisen partly as a result of artificially high domestic interest rates, will the minister now quit hiding behind the governor of the Bank of Canada and tell the House the nature of the government's monetary policy as it affects housing and foreign exchange rates?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, we will continue to review the housing picture as it develops in view of the infusion of budgetary funds. As my colleague the Minister of State for Urban Affairs indicated, we have increased the budget of CMHC by 20 per cent, to \$1,200 million. The total amount of money in play is already \$1,600 million and we are counting on a strong private sector response. There has already been a considerable commitment by the financial institutions of