

Oral Questions

domestic production of such product form, provided that the cumulative level of imports in quantity or value of the like domestic product in any form is not less than 5 per cent of total domestic production of the like domestic product", end of quotation.

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[Translation]

GOODS AND SERVICES TAX

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance. Considering the fact that the GST will increase the price of housing and that the Minister of Finance has devastated the industry with his made-in-Canada recession and excessively high interest rates, why doesn't the minister drop the GST instead of gouging Canadian consumers?

• (1450)

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this matter of the GST has been decided in this House.

What is at issue today is whether senators who form a minority in the Senate are going to hold the Senate to ransom and hold this Parliament to ransom by not only resisting debate on the matter of the GST, but also resisting a vote on the GST.

The GST was part of this government's platform in the last election. The Liberal Party lost the election.

Ms. Copps: False.

Mr. Gauthier: It was not.

Mr. Wilson (Etobicoke Centre): It is very unusual that the member for Ottawa—Vanier would be saying that it was not part of our platform. Then why is it that the second item of the platform of the Liberal Party of Canada was that it was going to defeat the goods and services tax?

The rules that I have always worked by in this House is that if you lose an election, you do not run the agenda of Parliament.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, anybody who goes back to the records of 1988 will also find that the same minister said at the time that any reform in the

tax system would be revenue neutral. That is what the minister said then and that is not what the minister is doing right now.

My supplementary is for the Minister of State for Housing. Is the minister aware that many people in Canada today find the housing situation very difficult? We have a record number of homeless at the present time. We have many people who are going to sleep on the street in the cold. Many shelters for the homeless are already full.

What is the Minister of State for Housing planning to do in order to assist the homeless of Canada? Is he planning to do what the Minister of Finance is saying in terms of a solution to the recession that people should die first before they can go to heaven?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I just want to make one point to the hon. member.

He cannot say it was not a part of our platform and then turn around and say we are not following one part of the part of our platform.

The point I would like to make to the hon. member is that there is a downturn in housing; that is very clear. But when you look at the housing record over the last four years from 1986 through 1989, we had levels of housing between 200,000 starts a year and 246,000 starts a year, which is a good deal higher than the normal sustainable level of housing starts, which is in the range of 175,000 to 185,000.

The condominium market in this province has been overbuilt in the last little while, so there is bound to be a reaction in the housing industry. That is the sort of reaction that we are going through right now. Because of the policies that we are following to get inflation down, to get interest rates down, we are going to see a recovery in the housing markets that will put us back on the track comparable to what we have seen in recent years.

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PETRO-CANADA

Mr. Ross Harvey (Edmonton East): Mr. Speaker, I have a question for the Minister of State for Privatization.

Can the minister confirm that under Article 1602 of the free trade agreement, the cap in Bill C-84 on the percentage of Petro-Canada shares that can be sold to foreigners can never be lowered? That under the trade deal, that 25 per cent foreign ownership ceiling will in