

Oral Questions

The Co-operative Housing Program, as the hon. member knows, is an exception to those principles. It is an exception because the philosophy of co-operative housing is to have a mix of income in a co-operative housing project. That is something we are looking at very closely at at the present time.

The recommendations that I will be making to cabinet will address the whole issue of income mix. It will address the issue of ILM mortgages and the whole question of a continuing co-operative housing policy and program federally.

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THE ECONOMY

Mr. Joe Fontana (London East): Mr. Speaker, my question is to the Minister of Finance. Housing starts are at their lowest level in six years, down 40 per cent. The construction industry has 82,000 unemployed and climbing, and could reach 150,000 in the next month or two.

Now that the minister has admitted that he has purposely triggered this recession and inflicted this pain, will he now do the right thing: lower interest rates, scrap the GST and start building this country instead of tearing it down?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it is a gross distortion of the policy of this government to suggest that we have triggered a recession deliberately. The hon. member talks about the low level of housing starts, and that is true. What has happened here is we had a very strong level of housing starts, in excess of 200,000 units a year and up as high as 240,000 units a year for a period. That has resulted in a fairly substantial amount of the demand being met. Now the pendulum has swung the other way. We hope that it will swing back soon to a more normal level of housing. We have seen interest rates come down. Five-year mortgage rates have come down from the 14.25 to 14.5 per cent to the 12.75 to 13.0 per cent range, and other mortgages rates have come down as well.

This we believe is the best thing that we can do without doing things that will distort the housing market, as the housing industry would agree. They do not want us to put special programs in that will distort the market, but they do want us to get interest rates down. That is what we have been doing.

Mr. Joe Fontana (London East): Mr. Speaker, surely the Minister of Finance is not suggesting that interest rates are low enough. In fact, he should know that support for his government is even lower than the interest rates in this country.

My supplementary question is this. Effective April 1, 1991, 1991 home buyers, if there are any left, who buy a home which which was completed in 1990 but not yet sold will get no FST rebate but will also have to pay the GST. Why does this government insist on double-dipping into the pockets of new home buyers who are already pounded by this government's high interest rate policy? Will this government reverse that double-dipping policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I met with representatives of the housing industry just yesterday. This was a proposal that they put on the table that I said I would give consideration to. At this point I am not in a position to say what we would do.

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TRADE

Mr. David Barrett (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Minister for International Trade. Given the press reports that President Bush conditionally agreed to Canada sitting at the negotiating table to discuss free trade with Mexico, I ask the minister to please tell this House today exactly what the specific conditions are that Canada has agreed to in order to participate in these negotiations. Will the minister table all correspondence that his department has had with the United States relative to the Mexico-Canada-U.S. free trade agreement, plus research papers that support Canada's position?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am indeed glad to welcome the hon. gentleman back from his prolonged siesta.

Mr. Speaker: I know that the hon. minister is motivated by only the best of good wishes, but I would hope that he would remember the rules here and carry on with the answer to the question.

Mr. Crosbie: Mr. Speaker, I am certainly not going to ask the hon. gentleman to vamoose.

With respect to his question, he is a little out of date because it was two or three months ago, I believe—I cannot remember the exact date—that we agreed with the United States and Mexico to engage in a consultation