

ing up of the odometers, which I think he will recognize is of grave concern to us. Our basic principle is to be concerned with the safety of the cars, but at the same time not allow illegal tampering with the odometers.

We are examining the suggestion that he has put forward on the odometers, and all the others. I thank him for his very explicit letter. I hope to be able to give him a very detailed answer very shortly.

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HOUSING

Mr. Joe Fontana (London East): Mr. Speaker, my question is for the Minister of Finance or the acting minister.

At the First Ministers' Conference this week there was broad support from a number of premiers on the proposal for first-time home buyers to use their RRSPs for down payments. We all know that the RRSP proposal will not cost the taxpayers anything. It will provide a stimulus for the housing industry which is still steadily declining and which has left thousands of workers unemployed. In fact, housing starts were down again to their lowest levels in nine months.

I want to ask the minister why this government is not acting on this proposal now. What is it waiting for? Consumers want this proposal today.

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, as you know, this government reduced the requirement of a down payment from 10 per cent to 5 per cent under CMHC insured mortgages. The housebuilders' association has informed us that this has created a great deal of activity since being announced. The housing starts in January were down. They are traditionally down in January in Canada. It is not the greatest time to start house building. CMHC is sticking to its projections that there will be 180,000 starts in this year, which is a significant increase over last year.

As far as the RRSP suggestion that has been made by certain provinces, not all, that is being considered at the present time.

Mr. Joe Fontana (London East): Mr. Speaker, the minister will know that 8 out of 10 premiers in fact pushed for the RRSP proposal. He also knows that the private sector, as well as all the provincial governments, even an all-party committee of this House, has endorsed

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the concept of the RRSP proposal for first-time home buyers, including this government's own members.

When will this minister and this government stop playing politics with this issue? Homebuilders want to work and consumers want to buy homes. Why will this government not act today and announce this program?

Hon. John McDermid (Minister of State (Finance and Privatization)): Mr. Speaker, the homebuilders have been most laudatory of the government's actions so far in housing and have let us know that. It also informed us that the increase in activity has been significant.

An hon. member: You are playing politics with the RRSP thing.

Mr. McDermid: We are not playing politics with the RRSP thing. We are looking at it very, very carefully. When you are looking at this, you are talking about retirement benefits and you are talking about housing benefits and changing the philosophy on that. It is something that is very serious and has to be looked at in great detail before a decision can be made.

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TRADE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct this question to the minister of trade.

I would like to deal with the question of the barriers which have now been put in place against exports from Canada of Honda automobiles. This is going to be something which will have very serious effects on all future Japanese investment in the auto industry in this country.

I want to ask the minister of trade if his latest step against the spirit and the letter of the free trade agreement by the United States is not in fact a sign that Simon Reisman was absolutely correct in saying that the United States was behaving like a thug in the way it was treating us in terms of our trade relations.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I made it very, very clear in response to a previous question that the government takes very seriously the implications of what has happened in this Honda audit. We are going to study it very carefully. We will be reviewing it closely with our Revenue Canada people as well as the U.S. customs people and other members of the administration. If there is a need for any