

*Oral Questions*

also according to Clayton Research, once Phase II of the tax reform is implemented, it will cost tenants \$65 more per month per unit. What I want to ask the Minister of Finance is this: could he give the House the assurance that there are no plans for a tax that would have the effect of restricting the right to housing or the right to own property? And will the Government ensure that there will be no tax on homes for couples and families?

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, I would like to repeat what the Minister of Finance said in Regina on September 6. When the details of the new system are worked out, and there are still many details to be dealt with, we will see whether there is any danger that the system will stand in the way of affordable housing. If that is the case, we will do what is necessary to deal with the problem, either by providing direct assistance to private citizens and to families, or by changing the way the tax is implemented in this important sector. These measures will be taken in the spirit of consultation I just described.

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**TRADE****ALLEGED VIOLATION OF FREE TRADE AGREEMENT BY AMERICANS—GOVERNMENT POSITION**

**Mr. Dan Heap (Spadina):** Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister for International Trade. The Secretary knows perfectly well that the House of Representatives and the U.S. Senate have just passed a bill that violates the trade agreement. The bill restricts imports of textiles, clothing and shoes, without the promised exemptions for Canada. Has the Government sent a protest note to the U.S. Government, since this measure calls into question U.S. support for the trade agreement with the United States? If so, what answer did it get? If not, why has the Government failed to do anything?

[English]

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, the short answer is yes. The Canadian Government made very strong representations on the proposed legislation.

Suggestions that they are on the point of enacting this Bill are a little misleading and alarmist. Let me inform the Hon. Member that the Senate and the House of Representatives have not settled their differences on the Bill. In any event, if he looks at the votes that were taken there they cannot override a veto and the President has made the commitment that he would veto that particular Bill.

**CANADIAN TEXTILE FIRMS**

**Mr. Dan Heap (Spadina):** Mr. Speaker, does the Hon. Parliamentary Secretary not consider that the fact that the

majority of the American Congress voting in plain defiance of the so-called free trade agreement adds to the pressure on Canadian textile firms to shut down in Canada and relocate in the American south?

• (1450)

**Mr. John McDermid (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, just the opposite. Canadian textile firms and Canadian garment workers are going to expand and grow because of the free trade agreement. We feel the textile Bill in the United States is in opposition to the free trade agreement. That is why the administration has made a commitment. Mr. Yeutter has made it clear, and the President has stated that he will veto this Bill. The Senate and the Congress will not have the votes to defeat that veto.

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**HOUSE OF COMMONS****PRESENCE IN GALLERY OF MANITOBA MINISTER OF FINANCE**

**Mr. Speaker:** I wish to draw to Members' attention the presence in the gallery of the Hon. Clayton Manness, Minister of Finance for the Province of Manitoba.

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

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**HOUSING****METROPOLITAN TORONTO—FEDERAL RESPONSIBILITY**

**Mr. Sergio Marchi (York West):** Mr. Speaker, in the absence of the Minister responsible for housing I address my question to the Prime Minister.

The Prime Minister surely knows that Metro Toronto is in the middle of an unprecedented housing crisis in part because his Government has betrayed the traditional federal role in a national housing policy. During the last four years we have had to endure a reduction in federal non-profit housing; CMHC subsidies have fallen dramatically; federal capital funding has been cut by 61 per cent; federal grants for rehabilitation of residences has been cut by 51 per cent; and the home ownership program for first-time home buyers has been completely eliminated.

Why has the federal Government completely abdicated its responsibilities in the area of housing? Will it now, without waiting for an election call, re-establish an active federal presence in housing so that this dangerous trend in Metro Toronto, where the average home price is approaching \$230,000, can be quickly reversed?

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, I am surprised to hear my hon. friend with a litany of