

## HOUSING

## SALES TAX ON HOUSING MATERIALS—REQUEST FOR RE-EXAMINATION

**Mr. Reginald Stackhouse (Scarborough West):** Mr. Speaker, my question is directed to the Minister of State for Finance. An objective of tax reform is to help people of modest means. In the past some of us in this House have advocated the removal of the federal sales tax on housing materials as a way of doing that. So I ask the Minister, in light of the critical shortage of affordable housing, especially in our large metro areas, will the Minister take a fresh look at this dimension of the tax system and seek ways of reforming it to help people who now despair of ever realizing a home of their own?

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, I would like to thank my hon. friend for the concerns he has expressed about affordable housing in Toronto. Clearly, the issue of housing prices in tight markets is a very important one. I have to tell my hon. friend, however, that tax reform is premised on the basis of not increasing preferences and deductions but in fact removing them, broadening the base and lowering the tax rate. As a result of that, we will not be in a position to do precisely what he has asked. However, I have to tell him that we will have, as he knows, a refundable sales tax credit. That will be put in place to allow middle-income Canadians and lower-income Canadians, after tax reform, to be better looked after.

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## NATIONAL DEFENCE

## ACQUISITION OF NUCLEAR POWERED SUBMARINES—COST OF INFRASTRUCTURE

**Mr. Len Hopkins (Renfrew—Nipissing—Pembroke):** Mr. Speaker, my question is directed to the Minister of National Defence. In answer to one of my questions last week, the Associate Minister of National Defence stated it would cost \$3 billion for infrastructure and \$5 billion for the submarines, but the Assistant Deputy Minister in charge of *materiel*, Mr. Eldon Healey, stated it would cost \$4 billion for the submarines and \$4 billion for the infrastructure. Obviously, there is only a \$1 billion differential between the Associate Minister and the Assistant Deputy Minister—

**Mr. Boudria:** What's a billion?

**Mr. Hopkins:** —and this begs the question, who knows what is going on in the Department of National Defence? Who is right? Is the Assistant Deputy Minister right or is the Associate Minister right? Surely the Conservative Party today is coming out and saying "what is another billion?" That is exactly what they are saying, and what is another billion to them?

## Oral Questions

**Hon. Perrin Beatty (Minister of National Defence):** Mr. Speaker, it may be that the Liberals are not very good at mathematics, as is evident from the financial shape of their political Party. Whether it is \$3 billion and \$5 billion or \$4 billion and \$4 billion, it adds up to \$8 billion, which is equal. The exact ratio will depend on the exact model of submarine which is chosen.

All of this does beg a question, though. It begs the question, what is the policy of the Liberal Party of Canada? Canadians know what our policy is. They know what the cost would be. We know what the Liberals are against. When are they going to state with some honesty what they are for?

**Mr. Hopkins:** Mr. Speaker, if it was not for the budget put together by the Liberal Party here in this House of Commons, the Conservatives would not have anything to go on today—

**Some Hon. Members:** Oh, oh!

**Mr. Hopkins:** —because they have not put enough in to buy ammunition.

## COMMUNICATIONS SYSTEM

**Mr. Len Hopkins (Renfrew—Nipissing—Pembroke):** Mr. Speaker, Admiral Anderson mentioned other items besides the very low frequency radio system that was required on the submarines. After he finished his shopping list, he said that the moneys would have to be found somewhere else in the Department of National Defence. This was precisely the reason for my questions last week when I said this massive expenditure could be a detriment to other areas of the Defence Department.

Will the Minister tell us where these additional moneys are going to come from for the submarine program? And why is the Minister so enthusiastic about purchasing a fleet of nuclear submarines at a cost of \$8 billion when he cannot even talk to them when they are under the Arctic ice? Is he going to wait for them to come up to get a report?

**Hon. Perrin Beatty (Minister of National Defence):** Mr. Speaker, while we are talking figures here, we are dealing with a political Party on the other side that is bankrupt in terms of its finances and in terms of its policies.

I made it abundantly clear earlier today during Question Period that, for example, if the Hon. Member is proposing that we should purchase anti-ship missiles, we would have to remove some of the Mark 48 torpedoes which we plan to have in our weapons load. An anti-ship missile actually costs less money than a Mark 48 torpedo. If the Hon. Member is proposing we do that, we would be saving money. Additionally, I have already indicated to the Hon. Member, and it has been done before committee as well, that while we will have the ability to load fuel in Canada, it is not our intention at the present time to fabricate the fuel in Canada. I indicated that to him already.