

*Oral Questions***HOUSING**

Mr. Garth Turner (Halton—Peel): Mr. Speaker, my question is to the Minister of Housing. It concerns a very tough situation with respect to new housing construction in Canada's most populated city.

As luck would have it, it follows up on the concerns of the hon. member for Oshawa.

The number of housing starts in metropolitan Toronto this year has dropped by more than half. Employment in the industry is down by 71 per cent. The value of building permits has fallen by over \$1 billion.

My question to the minister is simply this: How can we house people in the Toronto area when new housing construction has ground to a halt at the same time as 60,000 people a year are flocking to the city? Is the minister concerned about this? What steps would the government contemplate to keep this industry alive?

Hon. Alan Redway (Minister of State (Housing)): Mr. Speaker, there are many reasons for the situation with home building in the metropolitan Toronto area.

One of the main reasons is the fact that for the last several years, Toronto home builders have been concentrating on building very expensive homes for the move-up market rather than concentrating on homes for first time home buyers.

Actually, the vice-president of the Toronto Home Builders was quoted last week as saying that new home sales last month hit their highest level in a year. It hit the highest monthly total since last November.

He went on to say that modest detached homes and basic housing with few bells and whistles actually dominated the market in October, and that what the industry needs is municipal help in clearing some of the rezoning hurdles in order to put land on the market.

The federal government's housing agency, CMHC, has a rezoning application currently before the town of Vaughan. I hope it will get on with rezoning the land so that we can help the situation there.

SOFTWOOD LUMBER INDUSTRY

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is to the Minister of Forestry.

A few weeks ago, senior federal officials were successful in reducing Quebec's softwood lumber export surtax from 8 per cent to 6 per cent effective immediately, and subsequently reduced to 3 per cent next year.

Can the minister indicate to this House and to the lumber manufacturers of northern Ontario why he could not negotiate such a deal for the province of Ontario?

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, it is true, as my hon. friend points out, that officials of the federal government assisted with an initiative of the province of Quebec to negotiate a reduction in the countervail tax to be self-imposed from 15 per cent to 3 per cent in another year. This is an initiative that was launched by the province of Quebec and provides an avenue that is available to every other province to launch. I would assume that my hon. friend would encourage the province of Ontario to look at a similar initiative.

• (1450)

[*Translation*]

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, considering that two more saw mills shut down because of the softwood lumber surtax and high interest rates which result in thousands of Northern Ontario workers being laid off, it has become imperative that senior federal government officials get together with their Ontario provincial counterparts with a view to developing a strategy and cancelling the agreement.

Can the minister tell the House what representations he made to Cabinet to abolish this tax which is driving the Northern Ontario industry into the ground?

[*English*]

Hon. Frank Oberle (Minister of Forestry): Mr. Speaker, first, I would like to tell my hon. friend that the revenue from the tax accrues to the province of Ontario, as it does to every province where the product is produced.