

Oral Questions

homes, but also to buyers of existing homes. I believe that is assistance to the home owner and also to the construction industry.

However, I can also tell the hon. member that we have enriched the application of the Canada mortgage renewal plan. If he will look at the budget papers, the hon. member will find that any home owner who is spending more than 30 per cent of gross income as a result of mortgage renewal will be eligible for a grant up to \$3,000. It will be no longer necessary to defer interest before becoming eligible for such a grant. It seems to me that is a very important step that has been taken in the budget to assist the home owner faced with renewal who has a burden higher than the normal burden carried by home owners. Has the hon. member noticed that particular provision in the budget statement?

Mr. Deans: Madam Speaker, I did in fact notice that provision in the budget. It was very interesting, although I expect it will be about as effective as the provisions brought in last November.

QUERY RESPECTING GOVERNMENT TAX POLICIES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a direct question to ask the Minister of Finance. Why did the government decide to tax Canadians even higher than they are now being taxed in order to find money to give away, rather than direct that the interest rate levels currently being charged for mortgages be reduced to a level that is manageable on a monthly basis for Canadians earning dollars in Canada today?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is true that we will be collecting more revenues as a result of the budget last night. We are collecting these revenues in order to provide assistance to the unemployed. For example, the hon. member's leader has been calling for a job-creation program. As a result of these new revenues, and the reallocation of other resources, we will be spending, as a result of last night's budget, more than \$750 million to generate jobs in the economy.

Mr. Deans: Purchasing power generates jobs.

Mr. MacEachen: That is one of the ways in which these revenues will be spent at the present time.

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FISHERIES

THE BUDGET—IMPACT ON FISHERMEN

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is for the Minister of Finance and it concerns fishermen and fish processors. Why does the budget not appear to include any relief for fishermen or fish processors who are in serious difficulty—I want the minister to hear exactly what I have to say—meeting present interest rates on

past investment or current operating expense? There is absolutely nothing in the budget to help these people.

• (1450)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, as the hon. member knows, interest assistance for small businesses, farmers and fishermen was announced last night. As I stated earlier, \$400 million will be allocated to this program. The eligibility for recipients of this program will be identical to the eligibility rules for the Small Business Development Bond, and the Small Business Development Bond in the November budget was expanded to include unincorporated businesses, including fishermen.

POSITION OF FISHERMEN AND FISH PROCESSORS

Hon. John A. Fraser (Vancouver South): The minister said earlier in reply to a question that he did not want questioners to mislead the House. Of course we do not want the minister to mislead the House unintentionally. However, looking at the speech which the minister made last night, under the heading "Interest Assistance for Small Businesses, Farmers and Fishermen", the small business investment grants described there, and to which the minister has just alluded, are clearly stated to be only available if the person or the corporation is undertaking new investment.

I also point out that on page 9 of the printed portion of the minister's text it is again in reference to new investment. I point out as well that according to page 5 of the "immediate release communiqué" in which the minister talks about this, it is again only available to finance purchases of new depreciable property for use in Canada. Now that the minister has the facts straight, why is there nothing to help fishermen and fish processors in this country who are going under now because they cannot maintain the interest rates on past investment and current operating expenses?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I certainly do not want to mislead the hon. member on this point. Perhaps there is a misunderstanding between us. If he will read the budget speech he will see that the small business bond tax provision continues. The program now being introduced is a new direct expenditure program which will supplement the financing available under the Small Business Bond Program to firms in financial difficulty. As I heard the hon. member describe the firms which he has in mind, they are in financial difficulty and will be eligible for this type of assistance.

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HOUSING

EFFECT OF PURCHASE GRANTS ON MORTGAGE PAYMENTS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Finance. In his