

Oral Questions

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, here again obviously the hon. member has either not read the budget or has not understood it. We have provided for interest assistance to small businesses, farmers and fishermen. We are providing a total of \$400 million under a special program to reduce interest rates by 4 per cent to all these groups in the community.

Mr. Blenkarn: On new purchases only.

Mr. MacEachen: That is a direct, immediate measure to relieve the burden of interest rates on small businesses, on farmers and on fishermen. That seems to me an element of the budget that escaped the hon. member's attention.

Miss Carney: Madam Speaker, in the past we have heard the Minister of Finance explain how our economic troubles are the fault of U.S. policy or are the fault of policies in Europe. Now I suppose he will say it is the stock market's fault for wiping \$2.5 billion from the value of stocks because of his budget.

TAXATION OF EMPLOYEE BENEFITS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also for the Minister of Finance. The November 12 budget slapped an additional tax increase on construction and resource industry workers by taxing their job-related expenses, such as health and dental plans, transportation, and room and board. In British Columbia these tax increases amount to about \$3 an hour for each worker. How can the minister expect these workers, who were hit with these tax increases only seven months ago, to limit their wage demands to 6 per cent? Why does the Minister of Finance not remove these unfair taxes if he really expects workers in the resource and construction industries to accept these kinds of limits?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I believe that the choice I stated last night is very clear. If Canadians generally want to live in a world of recession they will insist upon wage settlements and income demands of 11 and 12 per cent. If Canadians want to move into a world of recovery and an economy of growth, they will in their own self-interests—

Mr. Blenkarn: Demand your resignation.

Mr. MacEachen: —take steps to reduce these income demands. It seems totally inconsistent to me for the hon. member to be suggesting, in order to get Canadians to behave in their own best interests that I ought to make tax changes as a way of providing them, in a sense, with a bribe in order to take that course of action.

Mr. Baker (Nepean-Carleton): You are having as much trouble as you had in November.

Mr. Paproski: You could help by resigning.

AIR TRANSPORT

FUEL COMPENSATION RECOVERY CHARGE

Mr. Jack Burghardt (London West): Madam Speaker, my question is for the Minister of Finance. Can the minister tell us whether or not the government has further reviewed its decision concerning the transportation fuel compensation recovery charge? This charge was levied on exported aviation fuel between May, 1981, and January, 1982. Can the minister tell us whether or not any decision has been taken regarding a refund to the domestic air transportation industry?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, this matter has indeed been reviewed following representations from the Air Transport Association of Canada as well as many representations from members of the Liberal caucus.

Some hon. Members: Oh, oh!

Mr. Lalonde: Following those representations, the Minister of Finance and myself have agreed to ensure that the money be fully remitted to Canadian carriers as well as to foreign carriers.

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HOUSING

EFFECT OF BUDGET

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance. Prior to last evening the major problems that confronted Canadian families were high interest rates, high unemployment, the large deficit of the government, and inflation. As of last evening we will continue to have high unemployment, as witnessed by the official statement put out by officials of the minister's own department. The government has done nothing about the high interest rates that affect every single home owner across the country.

Some hon. Members: Right on.

Mr. Deans: We will not have as much money in the economy as a result of the government's determination to extract \$1.3 billion in additional tax revenue from Canadians. How can the government expect the economy of Canada to recover if Canadians will have less money to purchase the goods and if Canadians will not be able to buy the homes they are capable of building, or will not be able to keep the homes they now have?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am pleased the hon. member raised the question of housing. Last night I announced a five-point package in a new and expanded housing program. I would tell the hon. member, because he has raised the question of interest rates, that the government will provide grants of assistance not only to first-time purchasers of new