

Oral Questions

Mr. Broadbent: It is at the wellhead next Thursday.

Mr. MacEachen: I wish the hon. member would listen to the answer. I want him to understand the economic situation here in Canada.

Some hon. Members: Hear, hear!

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FINANCE

QUERY RESPECTING PROVISIONS IN 1981 BUDGET

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of Finance. I would tell him that after six retreats from the previous budget, and some 28 changes, we on this side welcome the budget the minister will be bringing forward on Monday night. Will the minister be withdrawing any more of the provisions of the last budget?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member will have to wait and see.

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THE ECONOMY

LEVEL OF INTEREST RATES

Mr. Doug Lewis (Simcoe North): Madam Speaker, the minister will know that the government has been fighting inflation, which is what we have heard about today, with high unemployment and high interest rates. The 1982 deficit in the United States is \$100 billion. The 1982 deficit in Canada is \$17 billion. Our deficit per capita is 60 per cent higher than the deficit per capita in the United States. How does the minister expect to get interest rates down to a reasonable rate for Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think I attempted to explain in some detail my attitude and view as to the cause of very high interest rates in Canada. I believe that it is commonly understood and accepted that short-term interest rates in many countries of the world are higher than they would otherwise be in the absence of the current very high interest rates in the United States. But I also went on to say in my statement, and the hon. member will readily understand this, that we must make further progress in bringing down the rate of inflation in this country. I hope to be able to address these problems in more detail and possibly convince and satisfy the hon. member next Monday night. I recommend that he come in early and have a good seat.

● (1430)

Some hon. Members: Oh, oh!

HOUSING

MORTGAGE INTEREST RATES

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the minister responsible for housing. The minister will know, of course, that as a result of the increase in the prime rate last week, mortgages are now hovering around 20 per cent. Does the minister have any new advice or proposals to submit to his colleague, the Minister of Finance, which will provide some measure of relief to the half million Canadians who are facing mortgage renewals between June and October of this year?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I do not think the hon. member was present last evening when I spoke on the motion moved by the opposition party. I indicated that the initiatives taken in the last budget by the Minister of Finance, such as the Canada Rental Supply Plan and the Canada Mortgage Renewal Plan, set \$350 million aside. Those programs have received only modest response from the public, but it is my feeling that the public may well not be aware of the provisions under those plans. I encourage the hon. member asking the question to assist the government, himself and his constituents, by making those plans readily known and available to his own constituents.

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VETERANS AFFAIRS

APPLICATION OF INTEREST DEDUCTIBILITY FOR TAXATION PURPOSES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Minister of Finance. Veterans are not receiving the same financial benefits as average Canadians. They may only claim \$100 for eligible interest deductibility, whereas other Canadians may claim \$1,000. Will the Minister of Finance make the necessary changes to the tax laws to allow veterans the extra \$900 worth of deductibility to which they are entitled, and remedy this obvious inequity?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I will certainly consider the hon. member's representations. Following the budget of November 12 there was some misunderstanding that certain groups might be adversely affected on the \$1,000 deductible provision. At that time the veterans were mentioned. I had assured concerned persons at the time that they would not be affected, but I will further consider the hon. member's representations to see whether there is any continuing confusion at this point.

QUERY RESPECTING LEGISLATIVE CHANGES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my supplementary question is directed to the Minister of Veterans Affairs. The minister knows that most legisla-