

**Mr. MacEachen:** I would make a clarifying observation, namely, that the former minister of finance was projecting a decrease of the existing deficit, over the time-frame, of about \$2 billion, and that is exactly what I am doing, effective at the end of 1984. The hon. member for York-Peel said the deficit went up this year, which is absolutely right. It increased because of increased payments on the debt as a result of higher interest payments, interest rates which had run up even more explosively under the former government than under the present government.

**Some hon. Members:** Hear, hear!

**Mr. MacEachen:** It went up because of increased payments on oil compensation, which hon. members opposite would have had to pay in any event. I accepted those increased expenditures because of weak economic performance.

**Madam Speaker:** Order, please.

● (1450)

#### INQUIRY RESPECTING MEASURES TO ASSIST AGRICULTURE

**Mr. Jack Murta (Lisgar):** Madam Speaker, I should also like to direct a question to the Minister of Finance. Since the largest group of energy users in our society is those engaged in agriculture, and more specifically farmers, and in order to stop farm costs from absolutely skyrocketing under the added burden of the energy price increases that the minister announced on Tuesday night, there will have to be either a tax credit or some other kind of assistance given to agriculture or we will see absolutely skyrocketing farm prices. There was no indication of agricultural measures in the budget at all. What is the government considering doing for agriculture?

**Mr. Baker (Nepean-Carleton):** Sending Whelan to the Senate.

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, we took action in the budget on Tuesday night to assist the agricultural industry by not proceeding with an 18-cent tax on gasoline and by bringing in a much lower cost structure for the agricultural industry.

**Mr. Murta:** Madam Speaker, a supplementary question. The increased costs vary but there are some estimates that grain farmers, for example, will experience as much as a 15 or 20 cents per bushel increase because of additional energy requirements, since agriculture is such a high component in the use of energy. May I ask if any special consideration is going to be given to the agricultural sector? I would remind the minister that the answer he just gave me is not satisfactory.

**Mr. MacEachen:** Madam Speaker, I cannot understand why the answer should be unsatisfactory when the budget on Tuesday night provided a lower cost structure for the agricultural industry than the budget of last December, which the hon. member supported.

#### Oral Questions

[Translation]

#### HOUSING

##### ASSISTANCE TO HOME OWNERS TO MEET MORTGAGE INTEREST RATES

**Hon. Roch La Salle (Joliette):** My question is also for the Minister of Finance. Surely the minister is aware of hardships in the construction industry, not only in the province I represent but throughout the country as well. The Minister of Finance also knows about the difficulties facing small home owners and other prospective buyers. Given these circumstances, having failed to provide anything in the budget to cope with staggering interest costs, would the Minister of Finance, despite all his pious arguments about the budget, be prepared to reassure those thousands of Canadians and promise very special assistance to small home owners to help them face interest costs?

[English]

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** No, Madam Speaker, I cannot give the assurance that there will be a special program. I could not give the assurance earlier in the year, when interest rates were higher than they are at present, that the treasury could support an additional program of that size and expenditure magnitude. We made clear during the election campaign that we would not proceed with the mortgage interest deductibility program that had been part of the policy of the last government, and we do not propose to proceed with that program or any other program at the present time.

[Translation]

**Mr. La Salle:** A supplementary, Madam Speaker. If I heard correctly, the Minister of Finance has no intention of helping small home owners who are facing enormous difficulties and who are not yet at the end of their rope if we keep in mind that the minister did say the inflation spiral would continue at roughly 10 per cent. That being so, would the minister not show a little more sympathy for those small owners and tell us that in the near future he will introduce a measure, first to save those who already have homes and then to enable other Canadians to become home owners?

[English]

**Mr. MacEachen:** Madam Speaker, I recall that earlier in the year I examined this question very carefully in the light of the considerable interest rate increases that had occurred in relation to home owners who had undertaken the obligation of paying increased mortgage rates. After an examination of that problem I concluded, based upon the objective facts, that a very, very high proportion of those home owners, because of their increased incomes since mortgages had been taken out, and taking into account the normal relationship between income and payments for housing, could manage on their own resources.

We did undertake at that time to consider a program, not a financial program but a rearrangement of mortgages that