

*The Budget—Mr. Mayer*

producing Budgets is concerned. We did not hear anybody mention that or give any credit as far as that is concerned.

The Hon. Member talked about the great social cost of the Budget. We will say it and say it again—we need to keep saying it—the best social program anybody in the country can have is a job. Of course 9.8 per cent unemployment is still high. No one finds that figure totally acceptable. But it is a lot better than it was eighteen and a half months ago. We think we should be given a little bit of credit for that.

● (1230)

What I would like to do now is speak about some of the agricultural measures in the Budget, and there were several. Overriding all of these measures, of course, is the extent to which we can manage the affairs of this country properly and get interest rates down. That is a major factor as far as farmers are concerned. Farmers are major users of capital, therefore, they are major borrowers of money and interest rates impact very directly on farmers and on their operations. To the extent that the Minister of Finance can continue along these lines in terms of how he manages the financial affairs of the country, and we see a reduction in interest rates, that will be a major factor as far as the whole farm economy is concerned, from one end of the country to the other.

There is in the Budget what I believe is a new innovation as far as the Farm Credit Corporation is concerned, that is the provision whereby it will be able to vary the amount of payment the farmer will make on a loan relative to the price of the product or commodity he produces on his farm. I certainly think that is a very worth-while innovation. It takes into consideration some of the wide fluctuations with which farmers have to deal in their commodity prices.

I have heard some concern and criticism expressed that it is too complicated and people cannot understand it. It is true that when we take into account the fluctuation of commodity prices with which farmers deal on a day-to-day basis, by definition it becomes a little more involved than a straightforward mortgage which has fixed payments for the life of the mortgage.

Essentially, what the provision will do is allow the farmer to pick two commodities and have his payment relate, on a 10-year average, to the prices of those two commodities. If the prices go up, he will pay a little more. If the prices go down, he will pay a little less.

There is concern that if prices go up dramatically, a farmer could end up paying substantially more than he would pay if in fact he had not participated in this program. That is a legitimate concern. On the other hand, if the prices go down and the farmer ends up paying a smaller amount as a result of a reduction in commodity prices, then that is something which flows through as a benefit directly to the farmer. To lay it out as best I understand it, there is a cap put in place if commodity prices go up dramatically, which we all hope, they do and that our main problem in the years ahead will be paying income tax. Unfortunately, that is not usually the case with farmers. The cap would mean that the farmer would be limited to

paying a maximum of 2 per cent more than he would pay if in fact he had not participated in the program.

There are other things in the Budget which I think are very useful. It extends the fuel tax rebate. There is a system in place which, hopefully, when it is announced, will be widely accepted by the farmers. It will reduce the amount of paper work associated with the farm tax rebate, which is extending the value to farmers and fishermen of something like \$120 million. There will be a setting up of some debt review panels. There is also a provision to assist farmers who, for one reason or another, get forced off the land or decide to go elsewhere. It will help to train them to find jobs in other places in the economy.

There is a lot of concern about the plight of the tobacco farmer in southern Ontario. Those farmers have been there a good number of years and the demand for their product is falling. I have had a chance to visit them a couple of times. It is a very serious situation. There are not a large number of farmers involved but, certainly, it is a major crop in that area of Ontario and is certainly extremely important to the farmers involved. So I am very happy to see that some consideration has been given to the tobacco farmers.

In closing, I would like to say that I am very happy to stand in my place today and support the Minister of Finance on what I think is a very well done Budget. I have heard all kinds of words like courageous, predictable, hopeful, reasonable and even-handed from my constituents. I think all of us should congratulate the Minister of Finance for all of the work he has done, and for the proper financial direction in which he is heading this country. Hopefully, we can look forward to at least some grudging support from the Opposition on the Budget, because it certainly deserves the support of every Canadian.

**Mr. Langdon:** Mr. Speaker, first, I would like to say to the Minister that I appreciate the seriousness with which he entered into this debate. I must also say that of all the Budgets and Economic Statements that have come down, this is the one for which the Minister is least likely to receive from me even grudging support. This is a Budget which has yet again raised the tax burden on the ordinary person and has done so in a particularly unfair way.

Let me ask some specific questions of the Minister which I think will demonstrate just how poor this Budget is. He has talked about how important it is to see this clear and steady direction. But when we have a 10-ton truck riding straight toward the cliffs, the most constructive role is to say: "Hey, stop. You're heading in the wrong direction". If we do not turn it around, the cost for a lot of people are going to be pretty tragic.

If there is such a commitment to get interest rates down, why has the Government been prepared to push rates up so that the spread between us and the United States is over 3 percentage points, higher than it has ever been historically? Second, if job creation has been of such a concern to this Government, why is it that support for the jobs strategy—and