

Oral Questions

took office this Government has added very significantly to the financing of the Farm Credit Corporation so that it can help the farmers. A number of measures were announced by the previous Minister of Finance—

Mr. Nielsen: Name one.

Mr. Lalonde:—in support of the farmers. The Minister of Agriculture also has been proceeding with legislation in this regard. As a matter of fact there is a Bill before this House called Canagrex, which I hope will be passed by this House, which will be helpful to the farmers and which is supported very strongly by the Canadian Federation of Agriculture. I would like to point out to my hon. friend that there has been no shortage of measures in this House to help farmers. As far as speculation on the contents of the budget is concerned, speculation will have to remain until the budget is read in this House.

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[Translation]

TRANSPORT**BUSINESS RELATIONSHIPS BETWEEN CANADIAN NATIONAL AND CAST**

Mr. Pierre Deniger (La Prairie): Madam Speaker, my question is directed to the Minister of Transport and concerns the hearings that the Canadian Transport Commission was supposed to hold tomorrow in Halifax regarding the dispute between CN and CAST. Could the Minister inform the House why he supported CN's motion to adjourn the hearing, thus depriving the Canadian people of an opportunity to find out about the business relationship between CN and CAST?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the decision was made with the consent of the Premier of Nova Scotia on my own, and it was made because a number of discussions and negotiations are taking place at the present time which might bring about some substantial changes in this case.

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[English]

FINANCE**USE OF GOVERNMENT BORROWED FUNDS**

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance who is going to ask the House of Commons to approve additional borrowing for the Government. In the last 22 months the Government has sought and received approval to borrow \$31.6 billion. Given that we have a rate of unemployment almost double what it was two years ago, and given that we have the highest rate of bankruptcy we have ever had in the history of the country outside the Great Depression, for what precisely does the Minister propose

to use the additional borrowing? Is it simply to offset the high cost to the Government that has been brought about as a result of its mismanagement?

Mr. Siddon: You have just noticed it?

[Translation]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I shall be delighted to answer the Hon. Member's question in detail when I give my speech tomorrow. Meanwhile, I would like to remind him that 72 per cent of the increase in the Government's borrowing requirements is due to a reduction in Government revenue in terms of taxes collected from individuals and also from corporations which today are not making the same profits they were making before. The remainder of this amount will be used to help unemployed Canadians, in the form of unemployment insurance benefits or through the Federal Government's contribution to welfare payments paid by the provinces but 50 per cent funded by the Government of Canada.

So it is fairly simple—72 per cent of our increased requirement is due to the fact that the Government's revenue has decreased, and the rest is needed for benefits paid to Canadians in financial difficulty. I can hardly believe that my hon. colleague should think that is a waste of money.

[English]

STIMULATION OF ECONOMY

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the Minister has borne out exactly what I said. The money he needs is because of decreased revenue which resulted from a downturn in the economy which has caused record high levels of unemployment, which again results in higher payouts and lower revenues. Would it not make more sense to use some of the billions of dollars that we have borrowed to stimulate the economy and get ahead with rail redevelopment, port redevelopment, or the building of homes, the end result being that we would have some immediate benefit in job creation and long-term benefit in meeting our future needs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I wonder where the Hon. Member has been the last few months.

Mr. Deans: I have been here.

• (1440)

Mr. Lalonde: As he well knows, thanks to the measures that have been announced in the last few weeks by the Minister of Transport and myself, the railways will invest \$800 million this year alone in railway improvement in the West. Total expenditures by the railways will be well over \$10 billion over this decade. Those are expenditures that will have been undertaken thanks to steps initiated by this Government.

The Hon. Member talked about housing. He must also realize that the starts in January rose to an annually adjusted