

Oral Questions

[English]

THE ECONOMY

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the Prime Minister continues his dance of the seven veils, gradually revealing his economic plans outside the House. However, some of these plans have already been rejected; for instance, the highways initiative which Ontario attacked this week as being far too narrow and unfair in its limited help for Ontario where most jobs have been lost in this recession.

Will the government agree to include a wider variety of infrastructure projects in its proposed program, and will it provide a larger share of federal resources to Ontario than the 15 per cent which is presently planned?

Hon. Gilles Loiseau (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, my colleague the Minister of Finance will make a statement early next month, on December 2, when the policies of the government to address the present situation will be made public.

On the highway initiative, we have said that we are prepared to develop with the provinces a fiscally responsible solution. We cannot do otherwise. If deficit spending and more borrowing were the answer to unemployment, Ontario would be booming, because the Ontario government has done that and the situation has gotten worse.

It is important to tell Canadians who are hurting that the solutions are not easy and that we can easily make them worse unless we manage our affairs properly. If we really want to help them, we have to get our house in order and be sure we are headed in the right direction and not down dead-end streets. More borrowing would lead to higher interest rates. A one per cent growth in interest rates would cost the government \$1.8 billion more, which would not be available for highways or anything else. This is the harsh reality we are dealing with.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, the reality is that this government has made the deficit at the federal level much worse, so much so that 35 cents out of every tax dollar is paid for debt servicing, whereas in the province of Ontario it is 14 cents out of every tax dollar, a major difference.

Environmental groups have also attacked the highways initiative as the wrong way to get people back to work.

Will the government also fund a new green jobs initiative to support improving energy efficiency, new recycling activities and upgrading municipal sewage and water treatment? This could give us thousands of new jobs and a much cleaner environment.

Hon. Gilles Loiseau (President of the Treasury Board and Minister of State (Finance)): Madam Speaker, the difference between our deficit and the deficit of the Government of Ontario is very important. Our deficit does not come from additional expenditures by this government. We have kept our expenditures under control. Our deficit comes from higher unemployment and lesser revenue and not higher spending, which is the case in Ontario. This is quite a difference.

Does the hon. member suggest we borrow more money? Canadians are extremely worried about our debt situation and the cost and the threat to our programs. If the hon. member is concerned about maintaining good social programs and a capacity to assist people who need it, he has to be very careful that we do not spend all the money on these kinds of projects.

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TRANSPORTATION

Mr. George S. Rideout (Moncton): Madam Speaker, my question is for the Minister of Transport.

There are no rail lines in Newfoundland or Prince Edward Island and the government has abandoned the line from Sydney to Truro. Now CP wants to abandon all the lines east of Sherbrooke. At this rate there will be no rail lines in Atlantic Canada.

The Trans-Canada Highway is a two-lane mess and the Royal Commission on Passenger Transportation has said: Pay as you go.

Will the minister explain to Atlantic Canadians how they can pay as you go when there is nothing to go on, even if they had the money to pay?

Hon. Jean Corbeil (Minister of Transport): Surely, Madam Speaker, the hon. member, whom I have known for many years to be a responsible person, would like to correct the record. The Government of Canada entered into an agreement with the Government of Newfoundland to remove the railways from Newfoundland and replace them by participating in road building in New-