

\$530 million this year, even above and beyond our most conservative expectations.

Mr. Murta: I have a supplementary, Mr. Speaker. Unless the minister can give me a more definite answer I would assume from his reply that he does not intend to do anything about ensuring that money is available for the Farm Credit Corporation up to 1975.

Mr. Whelan: Mr. Speaker, I think there is an old saying that by your actions you shall be known. We have more than doubled the amount of money loaned to the corporation. You can be sure we will do everything we can to make it possible that any purchases of farms are allowed to be finalized before next spring, because in respect of any applications we are receiving now the money will not be needed before next spring.

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[Translation]

FINANCE

GOVERNMENT POSITION ON POSSIBLE BORROWING FROM ARAB COUNTRIES

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Minister of Finance, I have a question for the right hon. Prime Minister.

Since artificial scarcity of oil supply has been allowing Arab countries to accumulate billions for the last 15 months, is the Prime Minister ready to meet financial representatives from these countries, who now have upwards of two billion to lend Canada, at cheaper rates than the American ones, thanks to last year's oil transactions and the money we gave them during the regrettable oil crisis?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would not refuse such a meeting were it proposed, if it should serve a purpose. But as the hon. member knows, the Minister of Finance is chairing an international committee which precisely is tackling the problem, and this country is doing all it can to help bring about a fair and balanced solution.

[Translation]

Mr. Rondeau: Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister.

Is he opposed to the possibility of Canada borrowing from Arab countries at lower rates?

Mr. Trudeau: Could the hon. member repeat his question?

Mr. Rondeau: I shall repeat my question, Mr. Speaker. Is the right hon. Prime Minister opposed to the possibility of Canada borrowing from Arab countries at rates which are lower than the international or U.S. preferential rates?

Mr. Trudeau: Definitely not, Mr. Speaker. If the Arabs are willing to grant us interest-free loans, as the policy of the hon. member's party would have it, we should be willing to borrow.

Oral Questions

Mr. Rondeau: Mr. Speaker, I have a further supplementary.

There is a difference between the preferential rate of the Arabs and the interest-free loan we have been recommending for a long time in this House.

Since the Prime Minister does not want either to accept this solution and since the Arabs have money to lend to Canada at preferential rates, which is unlike the Americans, is the right hon. Prime Minister prepared to consider this question? We can even provide him with the names of the financial representatives of the Arab countries.

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[English]

FARM CREDIT CORPORATION

REASON FOR REDUCTION IN AMOUNT ALLOTTED TO CORPORATION IN ESTIMATES

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is addressed to the Minister of Agriculture and is supplementary to the question put to him by the hon. member for Lisgar in respect of the Farm Credit Corporation. In light of the minister's optimism about the farm industry and its effect logically upon the Farm Credit Corporation, which optimism existed in the minister's mind a year and a half ago, could the minister tell the House why, in his estimates which are now under discussion in the standing committee, he is asking for the Farm Credit Corporation some 20 to 30 per cent less than was asked for in respect of the previous fiscal year?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I think the hon. member has to understand the whole lending procedure of the Farm Credit Corporation. You use your revolving capital and borrow what you think you will need for the year. We estimated the needs for the year, but the farmers have shown more optimism even than the Minister of Agriculture.

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FINANCE

ALLEGED ADOPTION OF TIGHT MONEY POLICY—POSSIBILITY OF COMMISSION STUDY OF ECONOMIC ACTIVITIES

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, in the absence of the Minister of Finance I should like to direct a question to the Prime Minister. Would he kindly indicate if in fact we have had a tight money policy for the past three or four months in Canada as indicated by Dr. Raynald, Chairman of the Economic Council of Canada last Friday and in any event does he agree that there has been a reduction of 12 per cent in our basic money supply in the last three months.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the monetary policy has been that stated by the Minister of Finance on several occasions and I believe it would be incorrect to describe it as a tight money policy.

Mr. Stevens: Mr. Speaker, I have a supplementary for the Prime Minister. In view of the fact that it is now ten