

Borrowing Authority

Staying the course has not really changed the direction taken by previous administrations. Expenditure are still up and they are rising more rapidly than inflation. In fact, last year the forecasted percentage increase in expenditures was 7.7 per cent while inflation was at about 4.7 per cent or 4.8 per cent. This Minister who was so critical of previous expenditure programs is continuing to follow the same route as the much-maligned Liberals who preceded him.

I would like to comment on some of the Government's expenditure policies which affect western Canadians and farmers across Canada. Other speakers have noted the job-creation plans of the Government. I wonder if there were plans. How can there be plans for job creation by a Government that claims to be opting out of all economic activity and leaving it to the private sector? I do not understand that, but perhaps the argument that is being made is that the private sector, thanks to being unleashed through less onerous taxes, has created jobs. I suppose that is the rationale the Minister is proposing to use for the job creation of which he boasts.

I note that most of the jobs that have been created have in fact been created in the Province of Ontario and most of those in the vicinity of Toronto, a very hot market at the moment. Those in the regions where most of the farmers for whom I speak live have not noticed that things have improved greatly.

Those who incurred debts during the time when interest rates were very high have not seen interest rates drop markedly under this Government. In fact, over the last six or eight months they have risen. This past year they were 1 per cent to 1.25 per cent higher than they were before. The farmers and small business people who make up most of the population of my riding are finding things actually worse than they were a year ago at Budget time.

A great many of the producers in my riding are in the export business. They export grain, beef, pork and light farm machinery. They find that the amount of money they receive for their product is down as well. At the same time as the Government has allegedly been fighting high interest rates by allowing them to rise another 1.25 per cent, it has also permitted the dollar to float higher.

Last year at Budget time the dollar was worth 72 or 73 cents. It is now floating at around 78 or 79 cents. This is bad news for the export industries in my riding. It means that they receive about 10 to 12 per cent less from their exports, in American dollars which are now bringing in fewer Canadian dollars. The Government's policies on interest rates and the dollar have not been good for the farmers and small businessmen of my riding.

Those people who have had problems carrying old debts have been attempting to refinance through the Farm Credit Corporation. They have found that it is even more difficult to get an FCC loan than ever before. The amount of business FCC has generated over the past year is down considerably. The Government has instructed the corporation to limit loans

to the amount of repayments. In other words, it is not proposing to give the FCC any new money. The only money it has to loan out is money from recycled loans that were paid off.

The interest rates that the Government has insisted the FCC use have been so high that very few people have used the services of the corporation. It has actually built up a small surplus of repayments over new loans. FCC interest rates rose a few months ago from 11.75 per cent on long-term loans to 12.25 per cent at this time. This was in the face of a policy goal presented to the corporation at a federal-provincial conference some time ago of having long-term credit rates to farmers at 9 per cent. After setting that goal, interest rates went from 11.75 per cent up to 12.25, not exactly a move toward the goal.

I note that the rail line rehabilitation program is away behind schedule. The program is due to end at the end of this year. Hon. Members know that some \$125 million should have been expended in previous years on that program but that money is still left uncommitted. In fact, the Minister of Transport (Mr. Crosbie) apparently has no intention of committing those funds to comply with the agreement that was supposed to exist between the people in my part of the country and the Government of Canada to bring branch lines up to permanent standards so farmers could move their products to market.

There seems to be a real distaste on the part of the Government to complete its commitment. There are a number of lines in my own riding which very clearly meet the criteria. Lines are ranked on the basis of cost-to-benefit, and the ones that would provide the most benefit to the whole economy, not just locally, at the least cost are the ones that meet the criteria. However, some of those lines which meet the criteria are having difficulty getting funds. Civil servants have clearly stated that those are priority lines and have ranked them accordingly, but the final decision which is made at the ministerial level has been delayed, and why there should be disputes from the Ministers, I do not know.

We find these decisions delayed because the Ministers involved apparently have some plans for the funds to go to other lines which happen to be in ridings held by very prominent members of the Government side. However, the return ratio of these lines is less than half of that of the lines that have been designated priority by the civil servants, some of which are in my riding.

I find it very strange that the Government would not move to improve the high-priority lines. If the lines were improved, costs to the producers in the area would be reduced. It would reduce costs by freeing up more than 500 hopper cars annually. That is the extra number of cars that will be available to the whole system if these lines are upgraded. Yet the Government has been dragging its feet on the matter. Instead of putting in the funds it talks about freedom to move and all the benefits that can accrue to a local community and economy if there is freedom of choice, to use the Government's words.