

*Oral Questions*

which we have already gained, at such a terrible cost to Canadians in terms of lost jobs and lost incomes, by reflating the economy. One of the reasons those projects are not going ahead is because of fears that the Government will take action to start interest rates rising again. If the Minister is so unconcerned about this matter, could he tell us why he has before this House a Bill to borrow \$19 billion, on which he has told us his Finance Department officials have done absolutely no impact studies? Why is he attempting to borrow \$19 billion without any study on the impact of that borrowing on interest rates in this country?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, first of all, the Bill is being debated in this House, and the Hon. Member knows that questions are not usual in terms of Bills which are currently being debated before the House. I have no hesitation in telling her, however, that the reasons which she alleges for some of those projects not proceeding at the present time are completely wrong. It is not a matter of fear that interest rates might rise again that some of those projects are not proceeding.

Some of those projects are being delayed because of lack of demand for the product, for instance, in the mineral field. Some other projects are being delayed because the promoters are not convinced that they are ready to proceed with them or the provincial Governments concerned have not yet decided that it is appropriate to proceed with them, such as the natural gas pipeline in British Columbia. And I can mention a number of other projects.

*[Translation]*

If the Hon. Member has some specific projects which she would like the Government to consider, and if she has in mind specific examples of undue delays caused by administrative setbacks, I will be pleased to look into them and discuss them with her. But unless she can provide me with solid evidence, I maintain that her allegations are unfounded.

● (1420)

*[English]*

## INVESTMENT IN CORPORATE SECTOR

**Mr. Don Blenkarn (Mississauga South):** Madam Speaker, my question is also for the Minister of Finance who will know that many companies in Canada are chronically short of capital and that, even if they were to get new orders, they would have a very difficult time employing more people and enlarging their facilities. Therefore, what action is the Minister intending to take or will he take to make it possible for people to invest in companies? What will he do to encourage new investment in the corporate sector?

**Mr. Deans:** How about the unused capacity?

**Mr. Blenkarn:** For example, will he abolish capital gains tax on new investment?

*[Translation]*

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, I would suggest that my colleague wait for the budget speech to know what action I intend to take. He will then be able to make up his own mind as to whether the measures advocated will be adequate to cope with the problems which seem to cause him some concern.

*[English]*

## REQUEST FOR MEASURES TO PROMOTE INVESTMENT

**Mr. Don Blenkarn (Mississauga South):** Madam Speaker, we have been waiting. For example, on December 13 the Minister said:

We will also be proceeding with draft legislation for a registered shareholder investment plan under which the taxation of capital gains will be limited to the real after inflation gain. The Lortie Committee, to which I have referred already ... endorsed such a plan—

He went on to say that he was going to adjust business taxation for inflation. How long do we have to wait for the Minister to carry on these explorations and studies? When will the Minister produce something which will make investment and growth possible again?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, it would help a lot if the Opposition, rather than filibuster the income tax amendments, would pass that Act and ensure that we can send \$6 billion worth of refunds to the Canadian people. It would also help very much if the Opposition would agree to pass the Small Businesses Loans Act and the Small Business Investments Grants Act, which again they are filibustering and refusing to pass. I think these are very important steps that would help small business and help the Canadian consumer. I invite my hon. friends on the other side among the Conservative Party to assume that responsibility, and support the passage of those pieces of legislation on an urgent basis, because Canadian businessmen and consumers are waiting for those measures.

**Some Hon. Members:** Hear, hear!

## ADVICE GIVEN BY PRESIDENT OF WORLD BANK

**Hon. Edward Broadbent (Oshawa):** Madam Speaker, my question is for the Minister of Finance. Yesterday the President of the World Bank acknowledged that Governments' battles against inflation have been extremely costly in terms of lost jobs. It also appears that he advised the Government not to stimulate the economy. Will the Minister tell the House what advice was given to the Government by the President of the World Bank, and what was the Government's response?

**Hon. Marc Lalonde (Minister of Finance):** Madam Speaker, I can confirm that I had an hour and a half meeting with the President of the World Bank and his associates. I can tell the Leader of the New Democratic Party that there was no request for advice from the President of the World Bank as to what policy the Government of Canada should adopt, and the