

The Budget—Mr. Maltais

still waiting for it in my area, but, thanks to Government support, we shall now be able to achieve our purposes.

The Acting Speaker (Mr. Herbert): There will now be a 10 minute period for questions, answers and comments.

● (1630)

[English]

Mr. Blenkarn: Mr. Speaker, the fact is that on the basis of the Bank of Canada rates, interest rates are higher now than at any time since December, 1982 and are rising. There is every indication that, with the squeeze on the availability of money, interest rates will rise dramatically for the balance of this year and into next year.

Could the Hon. Member tell me how he thinks that deficit financing, which will have to be financed by borrowing at higher and higher rates, will be helpful? How was that helpful to his constituents who perhaps want to finance a home or a business? Does he not perhaps believe, when he talks of the free enterprise mode, that if Government got out of some of the things it is doing, perhaps there might be more money so that his constituents can expand and do things on their own?

[Translation]

Mr. Maltais: Mr. Speaker, first of all, I believe that this is hypothetical since interest rates could go back to what they were in 1981-82. On the other hand, I want to point out to the Hon. Member that, concerning mortgage rates, in Mr. Lalonde's Budget a ceiling is proposed that will give us a mortgage guarantee, which means that we shall not be faced in the future with the same mortgage rates as were experienced during the last two or three years. That is my first point.

Second, when the Hon. Member asks which Government programs we could scrap in order to support smaller businesses, I would like him to tell me which program he would personally like to see removed. Would it be the Federal Business Development Bank? Many businesses regularly use the services of the FBDB because, while it admittedly has a relatively high lending rate, that is somewhat higher than the average rate of other banks, it may be the bank which incurs the largest risks. It should be said that when the FBDB loans money to a small business, it is because most of the time such a business was refused a loan by regular banking institutions. Then there are other programs. Does the Hon. Member mean the programs administered by the Department of Industry, Trade and Commerce?

Mr. Speaker, Quebec and also Ontario have greatly benefited from these programs these last few years. To my knowledge, very few small businesses have asked us to scrap DREE programs, now called IRDP's or Industrial Regional Development Programs. These programs should perhaps be strengthened, but more importantly, Mr. Speaker, we should perhaps have a single dispensing agency. I would be in favour of having a single service through which businessmen could deal directly with the various Government programs. This is a first point.

Secondly, Mr. Speaker, if the Hon. Member wants to suggest that certain programs should be abolished, he can say so and perhaps make the suggestion to the appropriate committees of the House.

[English]

Mr. Blenkarn: Mr. Speaker, the Hon. Member is clearly familiar with the Budget and the spending Estimates of the Government and will appreciate that as a result of Supplementary Estimates (C) the Government will be putting \$550 million into Canadair in this fiscal year alone and \$300 million de Havilland in this fiscal year alone, to build airplanes. There is no provision in this Budget for money to these corporations for next year. I was wondering if the Hon. Member feels then that the Budget was a fair presentation of what is anticipated as being the costs of running the Government when this year it is necessary to put into those two rather defunct corporations over \$850 million, yet no provision is made for them in this Budget? On that basis, how can the Hon. Member support this Budget as it does not clearly indicate all the liabilities of the Government?

[Translation]

Mr. Maltais: Mr. Speaker, the Hon. Member can certainly refer to de Havilland or Canadair when he speaks about deficits. However, I would like to remind him that the difference between the Canadian Government and the American Government in the area of research is that we often act through Crown corporations while, in the United States, research is carried out through the Defence Department. If the Hon. Member is well informed, he will know that, in Canada, we have often used Crown corporations to carry out technological research. Certainly, Canadair is having problems and so is de Havilland. However, how many people work for these companies? Second, the research activities they carry out will be used to reinvest in products which could become profitable in years to come. Every company will experience problems sooner or later, Mr. Speaker. The Hon. Member has referred to de Havilland and Canadair. In my area, I could mention mining companies which are exclusively of the private sector. The difference is that, when they have a deficit, they lay off workers. This may be one way of solving many problems, but the role of Government is two-fold: first, it must make sure that private companies, and yes, I did say private companies can operate in Canada within the free market system, and, second, it must allow Crown corporations to be set up to carry out research. We are now facing hard economic times and the Hon. Member will have to admit that. Even during the nine months when the Progressive Conservatives were in power, abolishing these corporations was out of the question. And even during the Progressive Conservative Party Leadership Campaign, the most serious candidates had to agree that selling or closing down these corporations was out of the question. I suggest that this is like saying that de Havilland and Canadair do not have the means to operate and that the budget does not provide anything in this respect . . . That is not