

Borrowing Authority

[English]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am pleased to have the opportunity to participate in this debate concerning Bill C-10. My comments will be fairly brief this afternoon, but I do wish to express my concern about the proposal of the Minister of Finance (Mr. Crosbie) within this bill in attempting to obtain a blank cheque for \$7 billion from the people of Canada.

I reflect back to things said during the election, and to a commitment made by the Conservative government. As its members travelled from one end of this country to the other, they complained about the high interest rates encouraged by the previous government. Bitter complaints were made about the deficits run up, what these things were doing to small businesses, how this country had a lack of direction and how throughout the country people lacked confidence in the government.

I would suggest today that these things apply in spades, that as typified by the \$7 billion attempt to borrow, we now have the highest interest rates this country has ever seen. These high interest rates, instead of preventing inflation, will be a main factor in the rise of inflation in Canada. These interest rates could in all probability, in an attempt to cure, bring about a far worse disease, the recession that everyone predicts and expects as a result of them. The impact of this borrowing and its complications in the country will be felt in every industry in Canada. I am very concerned about this kind of interest rate and the borrowing that is advocated. It will cause a very serious situation.

● (1230)

The government opposite has often professed to be the friend of small business. I have a very large number of small businesses in my riding, a number of large industries, single industries in the community. When they are cut back, the only opportunity for employment and economic well-being is the base of small business that we have.

The present government's economic policy, reflected by the borrowing bill and a number of other gestures, particularly their move to drive up energy costs, will be felt directly in my riding. Small business must be able to transport its goods. Anything produced there has to be transported to market. The price of the cost of goods in my riding will be driven up, as well as competitiveness, as a result of driving up the price of energy.

I have received numerous letters, phone calls and items of concern from small businessmen in my riding who feel that their friends in government have abandoned them completely. I am very serious about this. Many of these businesses are not large, employing only five, six or seven people. In order to keep an inventory over the winter, they have to borrow. The bank on a daily basis is switching interest rates, driving them up. In some cases the banks are concerned about whether, with the interest rate and economic confidence that exists, some of these businesses can continue. In fact, it is calling in loans.

[Mr. Deputy Speaker.]

This is not based on the viability of businesses in my riding but on a lack of confidence in the moves of this government.

Energy costs and interest rates are causing havoc. I believe the term Mr. Bullock of the Federation of Independent Businessmen mentioned the other day was that it was creating a horror show for small businessmen. This is typified in my riding. It will be interesting to see how they react at the time of the next election to the kind of confidence the Tory government has inspired.

Apart from interest rates and their effect on small businesses as well as the energy problem, the government is requesting a \$7 billion blank cheque. That is interesting in view of their claims during the election campaign. Corporate tax deferrals far exceed this \$7 billion and future sums the government will have to borrow. In spite of bank profits, they continue to increase interest rates. The banks have been given a licence to shovel money. There is profiteering. There is no attempt to rectify the situation and place fair taxation upon the profits of these banks. We are literally giving away money that properly belongs to the people of Canada and which would remove the necessity of borrowing this money.

The same kind of tax policies prevail with regard to the oil companies. Reports of windfall profits have recently been expressed in the paper with regard to multinational corporations. We have forfeited our obligations to tax these companies which are earning enormous amounts of money. Fair taxation of these companies would remove the necessity to continue borrowing sums such as the \$7 billion the Minister of Finance is currently after.

The banks, oil companies and large corporations in this country have been allowed to get away with a tremendous avoidance of taxation. However, knuckle busters from the Department of National Revenue have been visiting households in my riding, people trying to raise children between jobs, and attempts are being made to impose a 90 to 100 per cent garnishee on their incomes.

I recently heard of a family on a dairy farm in my riding with a modest income who have been trying to pay back at a very reasonable amount per month. National revenue officials visited them and stated they would be required to pay 90 per cent of their income. With our tax policies, we do not mind letting off the corporations. However, a taxpayer trying to meet his obligations and look after his family is visited by the equivalent of the Mafia.

This same gang visited a business in my riding which employs 100 people, a major industry in a small coastal community in Comox-Powell River. They decided it was time to collect the overdue tax. They went to the business and said they would garnishee the business accounts. The bank justifiably became panicky and decided to close down the company. One hundred jobs were placed on the line because of the kind of tax policies this government is adopting. They were quite prepared to get rid of a small business even though it would have a terrible impact on the surrounding community. If the tax policies of this government or the previous government were in any way equitable, we would not be requiring moves