

plant modern and effective and at highly optimal levels of production efficiency. Too many of the government programs I saw when in office—and which I am sure the minister will see—are running after industries which, because of obsolescence, old plant, or emerging technologies in other countries, really cannot compete in the global marketplace.

● (1430)

Tied in with this is the General Agreement on Trades and Tariffs and the phasing out of tariff protection for industries. I suggest that part of that review must be a change in attitude, a change in the use of the government resource from a protective attitude toward industries that are now obsolete in the global market place to delivering programs of front-end benefit and incentive which will allow us to put the highest technology of the world in place within Canada, within the Canadian industrial community, so that we can compete against global efficiency and labour in other parts of the world where there is a lower standard of living and perhaps not the burden of environmental protection that we demand of ourselves.

These are all areas which I do not think this community, through its elected representatives, is debating, and that is one of the reasons why I urge all members of the House to support the call for the establishment of a standing committee on industry and small business where these studies could get wider recognition and more input. Perhaps the combination of programs and tax points could reduce the frustration level which exists, and we could start delivering and creating an awareness of those industrial sectors that need assistance, because that is where the future is and where the payrolls will be tomorrow.

I am seriously concerned at the extent of the resource that we are delivering in protecting what is obviously obsolete. A classic example, I think, is the auto pact crisis which we in this country face today. We knew a decade ago that there had to be product design and product change and that environmental legislation would be coming soon, that we were going to be an energy short continent and that we could not carry on wasting in the way we were. Yet we allowed ourselves to continue blindly building cars with V8 engines, the high horsepower gas burner, while the United States was quietly putting in place the energy-efficient car. Now we have reversed the flow and caused a trade inversion in this country that is of crisis proportion.

If we are going to provide aid to these industrial areas, I think we should provide aid, programs and tax points only in those areas where the product fits the need of the people and of the continent for the decade ahead, where it fits into an energy efficient demand, where we are not protecting that which deserves to be flushed out by the market system, but rather where we are delivering something that can have a market mandate in the global market at large, particularly on the North American continent.

These are some of the problems that I have seen, and now I would like to close with one other in the financial area of the SME sector. Much of the Canadian dollar, through our Regis-

Small Businesses Loans Act

tered Retirement Savings Plans, ends up in pension funds in RRSPs, and in the financial institutions which require a secure covenant of safety. There is a financial vehicle that we have been trying to get through three departments of the government, the Department of Industry, Trade and Commerce, the insurance branch, and the Department of Finance. There is a vehicle which would allow a covenant to be given to lending institutions which would permit money from those institutions to be fully secured to the lender and yet made available to the business community in amounts of \$500,000 to \$5 million, in 15 to 30-year terms at interest rates below prime.

As I close my remarks here today, I make a plea that the bureaucracy really hear the message because there is a source of funding for the industrial community which lies dormant in these funds and in their security, and which could be made available to the industrial community, relieving the financial pressures which exist if a co-insured first-class covenant could be given to the lending institutions.

One thing that shocks me in the hold up of that vehicle is the fact that the federal government, or its advisers, fails, in its narrow definition of qualified lenders, to take into account such funds as workmen's compensation funds in the provinces, the Alberta Heritage fund, and pension funds from Crown corporations. I think there should be an open mind with regard to them so that that financial resource can be delivered to the industrial community and so that we can get on with building a first-class industrial plant, industries that can compete on an efficient, optimal basis in the global marketplace so that we can truly be ready as a country for the era ahead that the GATT agreement is bringing on us.

Some hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise today to speak on the proposed amendments to the Small Businesses Loans Act which would raise the ceiling on the amount of money a small business may have outstanding under the act from \$75,000 to \$100,000, that would increase the amount that may be guaranteed under the act to \$850 million, and extend the act for a two-year period until June 30, 1982.

I support this bill with reservations since the benefits accruing to small business under this act have been more than eroded through the government's monetary policy of maintaining high interest rates in Canada.

Bill C-17 is indeed an insult, not only to the Canadian small businessmen but to Canadians as a whole. It creates the impression that this government is prepared to act and do something for the small business community when, in fact, it is doing very little for Canada's small entrepreneurs. This was misused opportunity, for with this bill the government could have initiated measures which guaranteed to resurrect and build confidence throughout our business community at a time when economic expansion and entrepreneurship are at a very low level indeed. Now we have lost this opportunity to build faith and confidence in our country since the business commu-