

Small Businesses Loans Act (No. 2)

[English]

The Acting Speaker (Mr. Blaker): I take it that the point of order is settled. The hon. member for Mégantic-Compton-Stanstead seeks the unanimous consent of the House to put an amendment to deal with all stages of the bill today, in effect to move to Committee of the Whole rather than to refer the bill to a particular standing committee. Is there unanimous consent for the hon. member to put the motion?

Some hon. Members: Agreed.

Motion (Mr. Tessier) agreed to.

Mr. Jelinek: Mr. Speaker, I should like to raise a point for clarification. Does this mean that we will continue second reading debate until some time around 5.50 p.m., then go to Committee of the Whole and through all stages today?

The Acting Speaker (Mr. Blaker): The Chair must put it in a way that does not imply that hon. members must continue until 5.45 p.m. As I understand it, there is an agreement between parties that all stages of the bill will be disposed of today. Whatever time suits hon. members will be the time that it is disposed of, but there is no lessening of the hon. member's rights or anyone's rights by this motion.

Mr. Otto Jelinek (Halton): Mr. Speaker, now that we have heard the dissertation on the other side about the Quebec situation, which indeed is very important, the point I was attempting to make in my earlier point of order was that, according to the rules of the House, we were discussing the Small Businesses Loans Act which deals with small business and extends into the budget and other measures.

I should like to talk about Bill C-84 and the Small Businesses Loans Act. This amendment would increase the maximum of all loans which may be guaranteed during the two-year period ending June 30, 1982, from \$850 million to \$1.5 billion. Obviously this amendment is only keeping up with inflation. There is absolutely no new added advantage or incentive to small business. Previously this bill was amended every three years; now it will be amended every two years.

As Your Honour is aware, it was first introduced by a Conservative government in 1961. It was one of the first bills ever introduced for the benefit of small business. Naturally we all support the bill, but as I said, it merely keeps up with the inflationary situation which is plaguing the entire country.

Since the bill was first introduced in 1961, this party, which introduced the original Small Businesses Loans Act, has attempted month after month and year after year to bring forward incentives for the benefit of the small business sector that we all know is important to the economy of the country. Sometimes it was like pulling teeth to get those incentives out of the Liberal government, but over the years we managed to get them until finally the Minister of Finance (Mr. MacEachen) brought down the budget on November 12 and in one fell swoop decreed that those incentives would no longer be called incentives but would be called loopholes and would be plugged. Now we must start from scratch again unless and

until the budget is replaced, which the majority of Canadians hope will happen.

• (1650)

During debate on this bill yesterday nine Progressive Conservative members spoke but only two Liberal members participated. The reasons for this are quite simple. First of all, the Liberals are embarrassed by the budget and they do not have anything positive to say about it so they stay away from the House when economic matters are being discussed. Second, nothing new and positive is forthcoming from that side of the House. When introducing the bill yesterday the minister had the audacity to say that, besides extending the Small Businesses Loans Act provisions, the budget will also extend the Small Business Development Bond program. That is the program that was introduced in the Crosbie budget but was voted against by the Liberals and the New Democratic Party. Then the Liberals watered it down till it is now totally ineffective. In these times of high interest rates, it would have been helpful to many small enterprises but now the extension is only available to businesses that are in dire straits.

An hon. Member: Whatever that means!

Mr. Jelinek: That means someone who is in trouble and who is on the verge of bankruptcy. Would any lending institution advance capital to a business which is on the verge of bankruptcy under any circumstances? Under this program a chartered bank must consider the credit-worthiness of a customer, as it must under any other program, before a loan is granted.

I took the liberty of calling officials in the head offices of the Toronto-Dominion Bank, the Bank of Nova Scotia and the Royal Bank this week to find out what instructions were given to their managers across the country regarding this extension of the Small Business Development Bond. I was told that the same basic criteria will be applied for the SBDB program as for any other program. If a business is on the verge of bankruptcy, then obviously a chartered bank will not risk advancing funds to keep it going for two or three months until it goes into bankruptcy. I say shame to the Minister of State for Small Businesses and Tourism (Mr. Lapointe) for having the audacity to stand up in this House yesterday and brag about the phony extension of this program.

Why has this measure that would benefit small business virtually disappeared? Cost cannot be the reason. I should like to read into the record an extract from a study commissioned by the Canadian Federation of Independent Business on the economic impact of the Small Business Development Bond. This computer econo-model study was conducted by Infometrica. This new equipment is well respected and some departments of the federal government use it from time to time to find out what is going on. Perhaps it should have been used prior to the introduction of the budget! One of the findings was as follows:

There is no net cost to the federal treasury for the SBDB, but an actual gain of \$77 million in the first year of the program—