

Income Tax Act

I have another question regarding the Small Business Development Bond. The minister adopted the Crosbie small business development bond, which is very commendable, but then proceeded to make it inoperable by shortening its time limit and restricting it to certain kinds of business ventures. The Crosbie budget was not passed. The finance minister reintroduced it in his so-called mini-budget of April. He said he would reintroduce the bond, but would not extend the deadline. On October 28, in his real budget, he extended the Small Business Development Bond for three months, to March, 1981.

March, 1981, is drawing near quite rapidly. Will the minister consider extending the time at least one full year? We would like to see it extended for at least a year. Several of my constituents are anxiously awaiting approval of applications for the Small Business Development Bond. Some fear they will not have the approval before the deadline which this government arbitrarily set. If it is really the government's belief that this bond will assist small businessmen in Canada, it is its responsibility to extend the deadline for at least one additional year so that people can benefit from it.

I wish to reiterate a few points which I hope the minister will not forget to answer. When campaigning for re-election, his party made a commitment to update V-day from 1971 to 1974 on farm land in Canada. If that is not changed, it will place a hardship on those who own farm land and want to transfer it from generation to generation. We recognize that if it stays within the immediate family now, it is not necessary to pay capital gains tax. But if it is sold after two or three generations, the capital gains tax will eliminate any benefit these people worked for. I hope the minister will comment on that.

I would also like to know what happened to the tax on Canadian wines which the Minister of Agriculture talked about during the election. Also, the Minister of Agriculture made a commitment to enlarge the Farm Credit Corporation. The only enlargement I have seen is the highest interest rates in the history of the Farm Credit Corporation which we have under this government. Will the Farm Credit Corporation have access to new funds? In its short term, the Clark government found an additional \$50 million for the Farm Credit Corporation. Anyone who checks will see that is fact. That shows the difference in commitment to the Farm Credit Corporation between our government and this government.

I hope the minister can advise us that they will be enlarging the Farm Credit Corporation and not just interest rates. There are hundreds of applications in Farm Credit Corporation offices waiting to be funded. I hope this will be looked after so that young men and women wanting to farm will have access to Farm Credit Corporation money. I look forward to the minister's answers at a later date.

[Translation]

Mr. Bussières: Mr. Chairman, with leave of the House I would ask for a brief interruption in the debate to seek unanimous consent with a view to tabling strictly technical amendments to this bill. It will be understood that after

introduction of the bill the drafting was closely scrutinized so there would be no confusion. Some purely technical amendments mostly of an editorial nature were made and, should the House agree, I will table these technical amendments along with short explanatory notes. We have copies for distribution to the spokesmen for the various parties, if leave is granted.

The Chairman: Is there unanimous consent?

Some hon. Members: Agreed.

[English]

Mr. Blenkarn: Mr. Chairman, the most serious problem we face in the country at the present time is the extraordinarily high interest rates which seem to be part of the government's policy. For at least the past seven weeks the Bank of Canada rate has been at a level around 17 per cent. That rate affects the borrowing costs of every business and every citizen of this country.

The effect of these extraordinarily high rates is unprecedented. The interest rate of treasury bills indicates what will likely be the Bank of Canada rate, looking down the road. As of Thursday, the sale price of six month or 180-day bills was approximately 16 per cent. When you look into the after market and the sale of like services for the balance of the year, it is not likely we will have an interest rate in this country at any time during this year determined by the Bank of Canada of less than 15 per cent. That does not bode well for the progress of business in this country. For example, in today's paper, Bob White, Canadian leader of the United Auto Workers, blames the nation's economic sickness on high interest rates and a lack of any stimulus by government. White said only the big speculators win when the government fosters high interest rates to protect the weak Canadian dollar, while working people lose jobs.

When we look at Bill C-54 we see there are only two or possibly three clauses which do anything for the business community with regard to creating jobs and getting our economy rolling again. The most important clause in the bill in this regard is clause 8 dealing with the Small Business Development Bond. To refresh the minds of hon. members, this measure was first introduced in the Crosbie budget of December 9, 1979, reintroduced in April, and reintroduced again in October. However, under this bill it is scheduled to expire on April 1, 1981. Even more disastrous is the provision which provides that unless the work that is authorized under the bond is completed by April 1, the bond provisions are of no effect. I have said on another occasion in this House in respect of this clause that it has been and still is virtually impossible for a small businessman to use the provisions, or to have been able to use them since it was first introduced.

● (1530)

On Friday a small businessman, Doug Flowers, principal shareholder and director of Glen Erin Skate Limited and Gold Line Curling Supplies, spoke to me about this matter in my constituency office and told me how his negotiations were going with the Toronto-Dominion Bank and the Royal Bank.