

indication of the problems facing the banks today. As I understand the legislation, it has created a moratorium on foreclosures in Saskatchewan for one year. Home owners in that province can continue their mortgage at the same interest rate. I suggest that should scare the banks of Canada. Let me give an example of how the banks get money to lend. An elderly person sells his home and realizes \$50,000 on the sale. Let us say he did that in 1978. He went to a bank and obtained a three year deposit certificate at, let us say, 10.5 per cent. If he had gone to a trust company, he might have obtained a guaranteed investment certificate. In any event, the bank holds this deposit certificate for three years until January 1, 1982, when this legislation comes into effect. He goes to his bank in Saskatchewan and says he would like his \$50,000 back because he wants to put it into Canada Savings Bonds at 18.5 per cent. The bank in Saskatchewan would have to say, "We do not have the money; we will continue to lend it to you at 10.5 per cent". That is what will happen to the banking system. There will be unhappy depositors and a breakdown in the system if that kind of legislation is in effect right across the land. That is what the banks fail to realize, and that is why our party called upon the government to do as we did, that is to have the Standing Committee on Finance, Trade and Economic Affairs review bank profits and interest rates. We have asked for it but have been turned down by the government.

● (2100)

This amendment is really necessary because the small business sector of Canada is in serious trouble. The Progressive Conservative Party introduced the Small Business Development Bond. Our original concept was exciting and innovative. We brought it in in the December 1979 budget. We gave small business a way to translate long-term capital requirements into long-term financing at a preferred interest rate. Small business, the backbone of Canadian industry, which was in difficulty at that time, would have had a chance. All right, we lost, but in April, 1980, the Liberal government adopted the idea of the Small Business Development Bond. It adopted the wording but not the philosophy. New ventures were eligible but not ongoing ones. We were pleased nonetheless because at least new ventures could be financed. A brochure put out by the Minister of State for Small Businesses and Tourism (Mr. Lapointe) says that the Small Business Development Bond measure:

—is a tax initiative designed to reduce the interest costs of qualifying small business corporations . . . in recognition of the important contribution small businesses make to Canada's economy and in support of their continued growth and development.

What could it be used for? It could be used for acquiring land, for financing Canadian scientific research and development expenditures, for refinancing a loan to the extent that a qualified expenditure had been made or for assisting a small business in financial difficulty. That was what the government designed it to do.

What did the Canadian Federation of Independent Business say about what it would have done? The federation says that even in its semi-emasculated state, the Small Business De-

velopment Bond would have given help to between 5,000 and 10,000 small corporations; it would have provided about 36,000 direct jobs; the gross tax expenditure during 1980-84 per job created would have been \$5,000 in 1980; and there would have been no net costs to the federal treasury and an actual gain of \$77 million in the first year of the program. That is what it would have done. Now there are problems with it. I do not want to dwell at length on the problems, but let us look at what the government did with the Small Business Development Bond. In that "equitable" budget of November 12, 1981, the bond was extended for firms in financial difficulty.

An hon. Member: Ian Deans is in the chair now.

Mr. Lewis: Mr. Speaker, I can only comment at this point that you have aged considerably. However, you do have more hair for the job than the last Speaker.

An hon. Member: Be serious now.

Mr. Lewis: Those are not my instructions.

I suggest that what I am about to say will really curl your hair, Mr. Speaker. I am sorry. I am trying to give you all the dignity I feel you deserve, Sir.

What we are really doing to the Small Business Development Bond in this budget is saying to small business—

Mr. Riis: We are gutting it.

Mr. Lewis: My colleague from the NDP is correct. I note a shift in emphasis on the part of the NDP. My colleague is absolutely correct that the government has absolutely gutted the Small Business Development Bond and emasculated it completely. In order to get a Small Business Development Bond now a business has to be going broke. Is that not a great advertisement? The next brochure from the Minister of State for Small Businesses and Tourism will say: "Terrific! You can get yourself a Small Business Development Bond as long as you are broke". That is a lot a nonsense. It is absolutely no way to treat small business to say that in order to get help from the government and in order to get a guarantee from the government a business has to be going broke or be in financial difficulty. Is that something for the Liberal government to be proud of? "Yes sirree, if you are going broke, we are there," and the reason businesses are going broke is that the government put them there. I suggest that the banks saw through these Small Business Development Bonds immediately. There is absolutely no way any branch manager of a bank in Canada will telephone his head office and say: "Guess what, Mr. Vice-President? A customer just walked across the street from one of our competitors, and he looks really good because he is going broke". No bank will steal that customer from the bank across the way if he is going broke, but that is the criterion of the Liberal government's Small Business Development Bond program. No branch manager in the world would lend money to a customer because he is going broke; he could not be bothered with the paperwork.