

and significant threat to the ability of people to buy and sell property, if the budgetary measures of the government we are considering now are carried through. Perhaps for government members this is a philosophical question, but it is a very serious concern to people who want to transfer their property, whether it be businesses or farms. The property of individuals is now very seriously in jeopardy.

We see also that research and development and venture capital will be markedly restricted.

I see my time is rapidly drawing to a close. I suggest the question of the entire free enterprise system needs to be considered very carefully. If hon. members opposite feel that the budget, for which they voted, supports free enterprise, they either have a perceptual problem—which is possible—or an honest, philosophical bent, with which we disagree. If they really believe in free enterprise and if their party wants to support free enterprise, I think they have an obligation—and it will be identified for them by individual Canadians and groups of Canadians represented by organizations—to respond now and to give the Minister of Finance direction so that many of the budgetary measures which seriously affect the future of free enterprise in Canada can be changed.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, if this bill had been brought before the House by the government prior to the budget, we would probably have looked at it as a housekeeping measure and as something necessary to increase spending under the Small Businesses Loans Act from \$850 million to the level indicated, namely, \$1.5 billion. However, we are now in the post budget period, and this is the first measure affecting small business after the death blow delivered to small business by the budget. It is almost an insult to think that the Minister of Finance (Mr. MacEachen) could be, first, so incredibly ruthless with the small business sector and then could bring in a measure like this under the guise of helping small business.

I called a banker the other day on behalf of one of my constituents. My constituent had difficulty obtaining an interpretation from his banker or a commitment from him as to whether my constituent would or would not be eligible for a small business bond. I asked the bank manager if he had not heard what the Minister of Finance had said. The Minister of Finance had said he received the assurance from the banks that they would respond and make money available. That was the agreement, and that was in the budget. I told the bank manager that the minister appeared confident that the banks would be responding positively. I know this banker; he is a good bank manager with one of the major banks. He said, "Frank, if I had the Minister of Finance as my client, I would have pulled the rug from under him long before this". He said, "What are you guys doing? This man should not get a loan. His business was not solvent before interest rates went up, and it is not solvent now". The banker said he would not take any direction from a minister of finance who has to borrow money this year to pay interest on loans he did not retire last year. That is the reaction we get from banks.

What is the Small Businesses Loans Act? It is one of the tools, instruments or measures the government has to bring in

Small Businesses Loans Act (No. 2)

from time to time to apply a band-aid here and a band-aid there to correct some of the negative effects on small business of other government measures and interventions in the marketplace. The Small Businesses Loans Act, the Small Business Development Bank, the Farm Credit Corporation and the Federal Business Development Bank were all put in place as instruments to react to certain situations in the marketplace not regulated by the invincible hand of Adam Smith. The government knows full well it cannot intervene in the economy just a little because whenever it does intervene, it creates certain imbalances in other areas. For that reason the federal government needs these instruments to regulate from time to time sectors which are negatively affected by government intervention.

Why do we need these measures? I have already stated that we need them because the government intends to take—and has taken in the last 12 years particularly—a very active part in the economy. The public sector does not play by the same rules as the private sector, so the private sector must be controlled. Somebody once said that the private sector is controlled by the government and the public sector is controlled by no one. The government tells us to restrain our demands on the economy, yet it increases its own budgetary expectations and spends money as if there were no tomorrow. That is the reason, when from time to time certain sectors of the economy go under, are in default or become insolvent, the government has to intervene and help them keep their heads above water.

What the small-business man really needs is less government intervention and less competition from government because he can no longer compete with Big Brother in a number of important areas. The federal government itself competes with the small-business man in the marketplace. It is now an active player in the energy sector, and certain small-business men have to compete with the neighborhood service station which is government owned and controlled. The government competes very effectively and rigorously in the labour market, which causes the small-business man a great deal of concern. For instance, what skilled person in his right mind would work for a small-business man today, particularly in the service industry, when he can work for the federal government or any of the provincial governments under the umbrella or the protection of what I call the social hammock where there are all the social benefits anyone could dream of? There are indexed pensions, tenure, 17 weeks' maternity leave and so on. The small-business man cannot afford this. A small-business man may have five or 15 employees, one-third of them women, all performing an important function. If a businessman has only five or six employees and were to grant maternity leave benefits for example, he could have one third of his work force off for 17 weeks. Obviously he would have to hire someone to take over and reserve their place for when they return. The small-business man cannot afford to compete with governments and the large corporate sector in some of these areas.