

*Oral Questions*

The hon. member has asked me to give an assurance that there would be an equivalent drop in Canada. I cannot give him a precise assurance of that kind. What I can say is that we have been making representations to the American authorities since the Summit of last August—most recently in Paris and Helsinki—urging them to reduce their deficit so that there can be a drop in interest rates. I have every expectation that the American administration is attempting to work out an arrangement with Congress in order to reduce the deficit and make lower rates possible in that country.

## GOVERNMENT POSITION

**Hon. Michael Wilson (Etobicoke Centre):** Madam Speaker, for about 18 months now we have had the minister blaming everything on the United States, saying our interest rate problems are caused by the U.S., and our unemployment problems are caused by the United States. He cannot have it both ways. He either gives a clear commitment to get the confidence level in Canada moving up again, or he gets off this bandwagon of blaming everything on the United States which he has been on for the last 18 months.

Again the question is: will he give that clear commitment to Canadians of an equivalent drop in our interest rates when the U.S. rates come down? If not, will he admit that the problems in Canada are made-in-Canada problems resulting from his budget and his economic policies?

• (1420)

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, I find the hon. member's line of reasoning rather distorted. It was not myself who raised the question of the United States; it was not myself in question period today who attributed the high interest rates to the United States; it was the hon. member.

**Mr. Wilson:** Every other day you have, Allan. You cannot get off like that.

**Mr. MacEachen:** It is a fact that is acknowledged by every finance minister in the industrialized world. I recently met with 22 finance ministers. Every one of them signed an agreed to communicate, making the very point which the hon. member is making, namely, that very high interest rates in the United States are a block to recovery. No one wants lower rates in the United States more than myself. Now the hon. member talks about confidence. I think that the quickest way to create a greater lack of confidence in the country would be to accept the hon. member's suggestion and make a commitment today that, regardless of what happens or what the market forces are, there would be an equivalent drop in interest rates in Canada as in the United States.

**Mr. Wilson:** You cannot have it both ways.

**Mr. MacEachen:** The hon. member's suggestion is not the kind of confidence-building upon which I would like to embark.

## SMALL BUSINESS AND FARMING SECTORS

**Mr. Otto Jelinek (Halton):** Madam Speaker, my question is for the Minister of Finance. Since it is very obvious that the minister is not prepared to take any action to ease his high interest rate policy generally, could the minister tell us now what he intends to do to ease the burden which he and his government created, specifically for the small-business man and farmer, or is the minister prepared to sit back on his bankrupt policies and watch the demise of these vital sectors of our economy which, as he knows, are responsible for over 60 per cent of the labour force in Canada? What action is he prepared to take specifically to aid those two very important sectors of our economy?

**Mr. Paproski:** He could resign. That would be a start.

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the hon. member's question was largely rhetorical. It was not a request for information of any kind.

**Mr. Munro (Esquimalt-Saanich):** What's the matter with your hearing?

**Mr. MacEachen:** I would tell the hon. member that I am very conscious of the problems of the small-business sector and of the farming sector. We have taken special steps already to assist both sectors. When and if there are new measures to be taken, I will announce them in the House at the appropriate time.

**Mr. Jelinek:** Madam Speaker, if the minister is suggesting that the small business bond is the answer to this question, I can tell him that, according to the director of marketing for Canada for the Bank of Nova Scotia, that applications for the Small Business Development Bond are down 94 per cent compared to the number of applications made in the original Small Business Development Bond program. In fact, a poll taken of 20 banks in my own riding of Halton indicates that no loans have been written as a result of the ineffective bond that was created as a result of the minister's budget in November. However, if the minister wants a specific question, I will ask it now.

## SMALL BUSINESS BOND PROGRAM

**Mr. Otto Jelinek (Halton):** Madam Speaker, is the minister prepared to ease the restrictions on the current small business bond program and return it to its original state so that small businessmen and farmers can take advantage of that bond now when they need it, and before it is too late? Let us have some action from the minister.

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the change in the Small Business Development Bond made at budget time was intended to ensure that the available funds would flow to the most needy groups in the country.

**Mr. Wilson:** No one is getting it, though.