

Oral Questions

EXTENSION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Hon. Bill Jarvis (Perth): Madam Speaker, no one could interpret that letter as other than a clear government proposal, or at least a proposal by the Minister of Agriculture. The Minister of Finance will know that, in addition, the Minister of Agriculture proposed in that letter an extension of the small business development bond to unincorporated farms. I want to know whether the Minister of Finance agrees in principle with that proposal, particularly because in Toronto last Thursday the Minister of Agriculture said in a speech:

So we really have a market problem, not only an interest rate problem.

My concern is that if the Minister of Agriculture cannot convince himself of the devastation caused by interest rates, how can he ever convince the Minister of Finance, let alone the whole cabinet?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I answered that very precise question last week.

Some hon. Members: Oh, oh!

[Translation]

REQUEST THAT BANKS ISSUE LOANS AT LOWER INTEREST RATES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is for the Minister of Finance. Interest rates have just reached a record high in Canadian history because the government's economic policy only aims at artificially supporting the value of the dollar. Those hardest hit, such as farmers and small businessmen, must borrow at rates of 20 per cent or higher. Because of this, many of them will be tempted to sell their assets or to declare bankruptcy.

Under the present circumstances, is the minister ready to ask the banks, which are now making windfall profits, to grant loans at lower rates to small businessmen and farmers?

● (1420)

[English]

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the Minister of State for Small Businesses and Tourism and myself have a meeting slated this week with representatives of the banks, to raise the relationship of banking practices with the plight of small business at the present time.

Mr. Kilgour: Madam Speaker, it all sounds really so simple to the minister, but I submit to the House that the same policies he is practising led to 35 per cent inflation and unemployment in Jamaica at the time the Manley government was defeated in that country.

[Translation]

SMALL BUSINESS

INQUIRY WHETHER GOVERNMENT WILL APPLY SPECIAL INTEREST RATES POLICY

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my supplementary is for the Right Hon. Prime Minister.

In Quebec, these interest rates have a stranglehold on hundreds of farmers. A new economic policy must be developed if we are to avoid disaster. Once again, is the government finally willing to implement a special interest rates policy for small businessmen and farmers?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think that the hon. member will have heard the Minister of Finance state in reply to similar questions that he was discussing and had already discussed with the Minister of Agriculture certain of his suggestions concerning farmers. As for small and medium-sized businesses, Madam Speaker, the Minister of Finance has just indicated that, jointly with the minister responsible for small businesses, he would meet with banking officials this week.

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[English]

SOCIAL SECURITY

MINISTER'S STANCE ON INTRODUCTION OF NEW PROGRAMS

Hon. Stanley Knowles (Winnipeg North Centre): Madam Speaker, my question is for the Minister of Finance. During the weekend the minister made a speech to some of his fellow and sister Liberals in which he stated that it is now government policy not to initiate any new social development programs for the next three years. Apart from the fact that that is a cynical way of saying to the country, "Nothing now, but watch for the goodies just before an election in 1984", how does the minister square that statement with those made by some of his ministers who advocate improved child tax credit arrangements, help for low-income people in terms of housing, and so on? Why does the minister continue to reject assistance to people who need it, especially when in the Speech from the Throne at the start of this session the government indicated that it would remember those who need help?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I am glad the hon. member referred to the Speech from the Throne, because it was in that speech we committed ourselves to making a substantial increase in the guaranteed income supplement which, on an annual basis, represents an increased expenditure of one half a billion dollars. I believe that was very substantial testimony to the interest of the government in carrying out its pledge of helping those who need help most, because we took action to help those who really needed assistance.