

expansion of businesses. However, during these present circumstances the high bank profits of today should be channelled into loans at preferential rates for small businesses guaranteed by the government. This could be done through the existing Small Loans Act under which the government is already guaranteeing chartered bank loans at prime plus one, I believe it is. The minister of state boasts about the number of loans the government is guaranteeing under this act, but does the guaranteeing of loans at 21 per cent or perhaps 22 per cent help small business? I do not think it does and nor do small businessmen. This preferential rate should be tied to the cost of living or the inflation rate. These are some of the things that should be considered.

Unless immediate action is taken to bring down interest rates in this country, particularly in the small business sector, we will lose this sector as we now know it. It will no longer exist. This country was built through incentives, initiatives and the well-being of small businessmen. This is what we can grow from and build in the future, but what is this government doing? It is reducing small business to a small portion of our economic productivity, because small businesses are now dependent on the government's actions which cause them to suffer 20 per cent interest rates and more on their borrowings.

I do not care if we have to sit here for months on end, but if this Parliament does nothing else it should lower interest rates. The only way to do so is to start by providing preferential interest rates to the small business sector.

In closing, let me say that my colleagues have talked about regulations, directives and controls. These things still exist and they must be replaced by incentives. We must give tax rebates and other incentives to those small businesses which invest in research and development. We should provide an incentive tax credit to any Canadian citizen who makes a direct investment in the equity of a Canadian-owned business. Incentives must replace the many stringent regulations and controls that have been established during the Liberal reign in the last ten years. It is time the Minister of Finance and the Prime Minister put small business where it belongs, and that is at the top of their list of priorities.

● (1650)

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Mr. Speaker, this is the third almost consecutive day—

Small Business

PROCEEDINGS ON ADJOURNMENT MOTION

[Translation]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Esquimalt-Saanich (Mr. Munro)—National Security—Missing Taschereau Commission papers and Mackenzie King diary; the hon. member for Edmonton-Strathcona (Mr. Kilgour)—Supply and Services—Enquiry whether fire engine contract has been awarded to Walter Truck Canada; the hon. member for Cowichan-Malahat-The Islands (Mr. Manly)—Human rights and Indian Affairs.

I apologize for interrupting the hon. minister, but the list of questions had to be read before five o'clock. The hon. Minister of State (Finance).

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—CONDEMNATION OF FAILURE TO ASSIST SMALL BUSINESS

The House resumed consideration of the motion of Mr. Kempling:

That this House condemns the government for ignoring the consequences of its high interest policy and for its failure to assist the small business sector in Canada

- (1) by increasing and extending the small business development bond program;
- (2) by encouraging venture capital investment by means of appropriate tax adjustments;
- (3) by relieving the small business sector from the massive weight of government regulation; and
- (4) by fostering the research and development necessary to preserve the vitality of Canadian businesses of all sizes.

Mr. Bussières: Mr. Speaker, this is the third almost consecutive day that the business of the House has given us the opportunity to discuss the issue of high interest rates, and it is unfortunate that some forget to look at the problem in its general context. The opposition condemns the government for ignoring the consequences of high interest rates, as though short-term high interest rates did not result in the long run into a decrease in inflation and consequently in interest rates.