

Small Business

can tell you what they are going to do: they are going to persist until they can no longer finance the wells and then they will be taken over by the governments. That is what this government wants to do. It will buy up these shut-in gas wells for 25 per cent of their real value, which is the value put on them right now by the banks. They are prepared to give credit for 25 per cent of the real value because they will be shut in for up to five years.

● (2130)

My last suggestion to the Liberals is that the government bring in a program related to mortgage interest and property tax credits. I was not here when the Conservative government brought in this policy, but of all the things I have seen this seemed to make the most sense because it has the immediate effect of reducing the financing costs of the average home owner by at least 3 to 4 per cent. My calculations suggest at least that, but it could perhaps be higher depending on the tax bracket. However, surely this government can bend a little on policy and recognize a few of the excellent programs the Conservative government brought in. There are 500,000 home owners renewing their mortgages this year. They just cannot go on with this.

The Minister of Finance was, for lack of a better term, sucked in by the Minister of Energy, Mines and Resources (Mr. Lalonde) on a program to nationalize the oil industry. There is no other word for it. You can talk to the staff in his department and they will tell you that they have a policy to nationalize the oil industry. If you want to read some of the books of our Prime Minister (Mr. Trudeau), it says right there that the way to socialize or nationalize this country is to make sure that private industry does not work.

Some hon. Members: That is right.

Mr. Wright: It says that in those words. You have to make sure private enterprise in this country does not work. And who operates 66 per cent of the business in Canada but small businessmen?

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

Mr. Jim Schroder (Guelph): Mr. Speaker, I am pleased to add my voice to this debate. My constituency has a large number of small businesses, and we value them very highly. I am sure that everyone realizes the answers to our economic problems are not simple ones. They are complex problems and we do not want to be like that great knight Sir Ronald, the hero in Stephen Leacock's novel, who jumped upon his horse and rode off in all directions.

The question of who invented the small business development bond reminds me of the story about who invented the telephone. They finally came to the conclusion that the answer to this problem had to be that it was conceived in Brantford, Ontario and born in Boston. So I suppose that the small business development bond, we have to agree, was conceived

by the opposition when they were in power and was delivered by the Liberal government.

Now, I am somewhat disturbed when our Prime Minister (Mr. Trudeau) is criticized for his leadership in the North-South dialogue, and recently the Minister of Finance (Mr. MacEachen) was criticized for his activities in the World Bank, and I would just like to draw to your attention the fact there is a very close relationship and dependency between the economy of the rich and poor countries of the world.

I would just like to read to you for the record from a supplement to the report of the Parliamentary Task Force on North-South Relations. North-South, what is it? Why should Canadians care? Here are some examples of the consequences which might befall us if the governments of north and south do not curtail and reverse the growth of world poverty. If there is a loan default by only one or two of the ten countries which account for 70 per cent of the \$300 billion debt owed mainly to northern banks, the industrialized countries face the possibility of a full-fledged depression. Political instability, fed by massive poverty increases the likelihood one of those isolated skirmishes in the Third World will escalate into super power confrontation, causing us to spend more and more tax dollars fortifying our security systems. Let there be no doubt that there is a relationship.

I would now like to talk for a moment about the small business development bond. The opposition contends that this government has been insensitive to the plight of the small businessman who today faces a record high interest burden. However, these critics choose to belittle an extremely significant interest subsidy that was implemented by this government for small businesses. I am speaking of the small business development bond.

The measure was designed primarily to assist small businesses to expand their operations by enabling them to obtain loans at reduced interest rates to carry out such expansions. However, its scope is much broader than that. It is also designed to assist small businesses that are unable to meet their financial commitments by enabling them to reduce their interest burden.

This latter aspect of the program is often overlooked but can be an extremely important one. For example, let us assume that a small incorporated hardware store owes \$100,000 to a bank in respect of the mortgage on the property in which the store carries on its business. The mortgage has come up for renewal and the applicable rate has increased from 10 per cent to 18 per cent. Unfortunately, the actual and expected profits of the business are inadequate to cover this increased expense. The result would be a mortgage foreclosure.

The hardware store in this instance can likely reduce its interest costs to the 10 per cent level on the old mortgage by using the SBDB measure. The paperwork involved is minimal. The store and its bank need only complete a single page election form in respect of the new mortgage and mail it to the Revenue Canada district taxation office to which the store normally mails its annual tax return.