

Oral Questions

show signs of continuing deterioration. In light of that fact and that 1980 was a disastrous year for the housing industry, and in light of the fact that capacity in the housing industry has been hovering at 70 per cent for well over a year and a half, I ask the minister does he not think it is now time to peg mortgage rates and provide affordable housing for Canadians, and to separate mortgage rates from other interest rates to make sure that the Canadian people can have housing at an affordable rate, and that construction workers will have work in this industry which is so vital to Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member talks about the housing industry being a disaster. That, of course, is quite untrue. Housing starts in Canada during the month of May totalled 208,000 at a seasonally adjusted annual rate. This does represent a decline from a record high level in April and is more a reaction from that April increase than it is to any weakness in the housing sector itself, because the performance is considerably better and has improved very substantially over the first five months of this year. I do not think the hon. member is entitled to describe the situation as a disaster.

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SMALL BUSINESS**REQUEST FOR EXTENSION OF DEVELOPMENT BOND PROGRAM**

Mr. Otto Jelinek (Halton): Madam Speaker, my question is also for the Minister of Finance who continues to demonstrate his insensitive attitude toward all Canadians suffering from record high interest and mortgage rates. In view of the fact that the government watered down and limited the Small Business Development Bond program from the original proposal in the Crosbie budget, by not including unincorporated small businesses or the majority of farmers and fishermen, and by not including venture and working capital, and in view of the continuing increases in interest rates which are crippling this small business community, will the minister assure this House and the small business community at large that he will expand and extend and, indeed, improve the SBDB program as originally planned, in order to include all these sectors which suffer most from the government's lax and insensitive attitude toward interest rates?

● (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is rather easy for hon. members opposite to specialize, in a sense, among themselves in their questions. One group of members which the hon. member has joined is asking us every day to launch further expenditure programs. Another group of members, led by the hon. member for York-Peel, is asking us every day and in every speech to restrain expenditures and to reduce the deficit. That obvious conflict is why the Conservative party has absolutely no credibility in the field of economic policy or financial management in the country.

Some hon. Members: Hear, hear!

Mr. MacEachen: The hon. member talks rather glibly about sensitivity. In my opinion the truly sensitive person is the one who is thinking of the long-term interests of the Canadian people, not short-term palliatives which are bound to worsen conditions in the long term.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

UNINCORPORATED BUSINESSES AND FARMERS

Mr. Otto Jelinek (Halton): Madam Speaker, it is curious that the minister is not aware of the study which I have before me on the economic impact of the Small Business Development Bond program, commissioned by the Canadian Federation of Independent Business, by Infometrica, a computer system. His department is the other department in the country which has it. I am sure if he took the care, he would find out that the study concludes:

—that the SBDB will produce a net revenue increase to the federal treasury of \$77 million in the first year of full operation.

Therefore his last answer is just hogwash. There is no sensitivity on the part of the government at all.

Some hon. Members: Hear, hear!

Madam Speaker: Does the hon. member have a question?

Mr. Jelinek: Madam Speaker, now that I have given the minister the facts of that program, I should like to ask him whether he thinks that the very survival of the small business community is more important than perhaps the purchase of Petrofina for \$1.5 billion, which is really where government spending is taking place.

Mr. Paproski: Answer it, Allan.

Mr. Jelinek: I am asking the minister now—and not the Minister of State for Small Businesses and Tourism—whether, in view of this conclusion on the program, he will take immediate steps to include sectors of the small business economy such as farmers, fishermen and unincorporated businesses, in the Small Business Development Bond program?

Some hon. Members: Hear, hear!

[*Translation*]

Hon. Charles Lapointe (Minister of State (Small Businesses and Tourism)): Madam Speaker, I cannot believe what I am hearing from the opposition. Last week, as was reported in all Canadian newspapers, the Royal Bank announced that it was earmarking \$500 million for the Small Business Development Bond program. RoyNat announced that it was setting aside \$180 million for the bond. Now, Madam Speaker, if all chartered banks and financial institutions in the country are included, over \$2 billion will be lent in the next 18 months