

The Budget

Again I raised another concern just prior to the budget, on February 25, and that had to do with the question of the financing of small businesses.

In my statement that day I said that since the beginning of 1991 the Bank of Canada and the chartered banks have been steadily lowering their interest rates, but the banks still have the credit squeeze on. No loans for inventory, no lines of credit. It is asset based, fully secured loans only.

Again in the budget speech the Minister of Finance responded to that and said that the government was announcing two measures to help small business.

The small business financing program will help small business in financial difficulty, including farmers, to obtain loans at lower rates. In addition, the ceiling for loans to individual small businesses under the Small Businesses Loans Act will be doubled from \$100,000 to \$200,000.

Clearly the Minister of Finance and the government have acted on the suggestions that I have made and on the suggestions that many others have made with respect to how to get the economy moving again.

Understandably the opposition wants more. It wants the government to do more. That, of course, is a job of the opposition. It is its job to oppose.

As I understand it, the Leader of the Official Opposition, when asked what his policy is, has said: "Well, if the government is for it, I am against it". That, of course, is the nature of our system, regrettable as I personally believe that to be and as I think more and more Canadians believe it to be.

I hope members of Parliament from all parties will start to work together in the days ahead for the good of Canada and for the good of Canadians.

The government has taken a number of initiatives. It has taken those on the assumption that recovery is either under way already or all it needs is a modest nudge.

• (1340)

Hopefully that advice has been the right advice. If it is not, I hope that the government will be prepared to take further action and take it rather quickly. But the proof is not in what we say here; the proof is whether this budget gets the economy moving again and whether or not we get jobs, jobs, jobs.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke):
Mr. Speaker, I would like to pose a couple of questions to the hon. member.

He has talked about the banks and financing for small businesses, which are of extreme importance. I am sure he agrees that today our chartered banks are pretty tough on small businesses. Cash is very tight. Small businesses are finding it very difficult not only because taxes are high but also because they are trying to wade through the recession with all the difficulties it presents to them.

I wonder if the hon. member could tell us whether there should be more measures taken. What additional measures could be taken to loosen up some finances for small business?

Surely the government could have done more than it did without actually costing the taxpayers of Canada more money. Of course, in times of recession the secret is to loosen up the money and get it flowing into productive areas. We know that small business has been one of the most productive parts of our economy over the years.

I would also like to ask him if he felt that the government should have taken a serious look at the Federal Business Development Bank. It was initiated to be the bank of last resort for businesses and entrepreneurs. Is there not something that could be done there that the government did not do?

Finally, in the area of research and development, I must remind him and the government that in 1984 they travelled across this country campaigning in that election. They were going to do wondrous things for research and development.

They did not campaign on the basis that it was going to be private enterprise money. They campaigned on the basis that there was going to be 3 per cent real input into research and development from a Conservative government.

This has never been the case. Right now research and development is at one of the lowest ebbs of public funding in our history. We all know as we talk about competitiveness in the world that research and development are key. They are almost the motor that drives the whole organization. If you do not have that, you are not going to keep pace today.