

textile, footwear and clothing industries, this is a time of disaster.

● (1620)

For the other retailers of Spadina, the retailers along Kensington, Bloor, College, Queen, Dupont, Yonge, King and the other commercial streets of Spadina, sales are down, credit is tight. If they ought to have any help, it is not primarily to expand at this time but to survive. This program excludes them from obtaining loans directed toward their survival.

It was very interesting on Monday to hear a similar note in the city of Montreal. Along with other members of the NDP caucus, I attended a hearing where a number of people from Montreal and Quebec told us their view of the economy as it relates to the government's budget. Le Conseil des Gens d'Affaires du Québec was one group which spoke to us. They had this to say:

[Translation]

Consequently, the Council would appreciate it if you would explain and defend its views on the economy in the House of Commons in Ottawa.

[English]

In other words, they asked the NDP to bring this message. The message in part as it relates to this bill is that they are being killed. The footwear industry is being killed by the dropping of the quotas on leather footwear, a decision made by this government a couple of weeks ago. Up until that point they still had 70 per cent of the Canadian manufacturing market in that field and still used 70 per cent of the product of Canadian tanners. Now they are afraid they will lose a great deal of that because of the dropping of the quota on leather footwear. At a time when the industry is in trouble, the government has made a decision that is disastrous to them. They will not be helped, unfortunately, even by this Small Businesses Loans Act. They will not be able to make use of it.

I am sure all members have received the brief of the Federation of Independent Businessmen commenting on the budget. They point out, for example, how family firms and farms that are being sold by instalment as retirement plans are being hit by the budget. They will not be helped by the Small Businesses Loans Act.

We heard comment on the Small Business Development Bond. There was the same problem last year, too much red tape and too few people who could make use of it. A comical incident occurred in Spadina this past summer. The Liberal candidate tried to ride on the SBDB program, claiming that the government was really helping small-business men. He used that at public meetings. He used it disastrously for himself. He is not here now.

The SBDB, as has been pointed out, is limited to bailing out businesses in dire straits, wherever that may be. I guess it is in the same place as the home owners the minister of housing was going to help. Apparently the banks are afraid to lend to people who, in order to be eligible under the new rules, must define themselves as being on the point of going broke. When they go to the bank at that stage, the banker looks elsewhere.

#### *Small Businesses Loans Act (No. 2)*

The Small Business Development Bond gives about the same amount of help as the famous cure for measles. The quacks advertise, "Send in your dollar, follow our directions and if you do not get rid of the measles, we will send your dollar back". The directions are, "Gather all spots together into one spot and step out of it". The SBDB is about as much use to the merchants of Spadina and elsewhere.

The biggest threat to small-business men are the high interest rates of this country. Last summer one of them said to me, "At 12 per cent interest rates, Trudeau was a winner; at 20 per cent, he is dead". That was referring to last summer's by-election in Spadina, and he was right. Bankruptcies are up over a year ago and the small businesses loans program will not make a noticeable difference.

The fact is this government has done something unusual. It has brought together this country's working people, home owners, farmers and small-business men around one major concern. A few weeks ago, 100,000 out on the Hill told the government to bring down interest rates. They wanted no more fooling around with picky little subsidy programs for this or that little group. They simply want the interest rate brought down. That is what the home owners and businessmen of Spadina said last summer, and that is what they are still saying.

Of course we have to support this program to increase the potential of the Small Businesses Loans Act. It will not rescue hundreds of small-business men and others who are going under because of this government's policies. It will not stop them from going under. They will not remember with any gratitude an increase in a program they were not able to use. We have to adopt this bill, but it is irrelevant to the needs of the country at this time.

[Translation]

**Mr. Claude Tessier (Parliamentary Secretary to Minister of National Revenue):** First of all, Mr. Speaker, I am under no illusion—I think that all hon. members are in perfect agreement on the principle and objectives of Bill C-84 because of the proposed increase in the lending ceiling for small business loans from \$850 million to \$1.5 billion. In fact, the increase has become necessary because of the program's popularity and its usefulness, and since the demand is there, our government is prepared to meet it and it will.

As do other members of the House who take advantage of a debate to discuss other subjects, I ask the House's leniency, but I shall be very brief. I wish to take this opportunity to suggest to the government of Quebec that it be more co-operative, because I feel Quebecers and especially the government of Quebec, should understand that when the federal government takes various measures to help businesses, it is not particularly helpful or efficient if the government of Quebec, with its counter-strategies, manages to cancel or wipe out completely any measures that the federal government wants to take. I think the House should also be made aware of this. The opposite side is often all too eager to defend the interests of