

senior members of the banking establishment in Canada knew that those practice were going on, they would stop them immediately.

● (1140)

As I have travelled across the country and spoken to people about their banking problems, I would say that two very insidious types of behaviour have come to my attention. The first is that many small businesses end up paying an extra amount for the money that they are borrowing today. This does not relate to excessive interest rate charges, which are beyond their control since they are unable to obtain any assistance under the Small Business Development Bond. I am talking about the small business person who, in order to obtain a loan for \$100,000, for example, will have to borrow \$110,000 and pay back to the bank the equivalent of borrowing \$110,000 for the \$100,000. In other words, there is a bonus clause for the bank built into the loan which is, in a sense, a rake-off from the top of the amount the small business person is attempting to borrow.

An even more disturbing fact I have learned from the people I have talked to in the last two or three months is that in order to have a loans officer consider their application, they have had to provide that individual with a ticket to Las Vegas or a two-week holiday for the individual and his or her spouse to Hawaii or the Caribbean. In other words, some Canadians are beginning to behave in a way for which we have criticized people in other countries for taking a bribe or a rake-off. This has become a way of life for many small businesses in Canada and I think it must be exposed. We must expose incidents when small businesses are asked not only to provide a gift to the loans officers but to pay for a bonus clause on their loan above and beyond what they requested. As I said in my example, if many small businesses in this country today want to borrow \$100,000 they have to borrow \$110,000 while receiving only \$100,000 for that \$110,000 loan. This situation is becoming relatively frequent in the borrowing practices in our country.

There are many examples that could be cited today of the Government's lack of direction or policy, such as in agriculture, tourism, the small business sector, fishing, manufacturing and even in the high-tech industries. What is the Government's policy in terms of high technology? What industries is it particularly interested in encouraging in the high-tech areas? There are many unanswered questions and they are the result of a lack of direction on the part of the Government. They are the result of a Government providing no leadership to a country that is desperately in search of strong leadership to show where the country is headed.

When one travels across Canada today and asks people in rural villages, in cities and metropolitan areas where the Government is taking the country and what path it is following in terms of our economy, they cannot respond intelligently because no direction is being provided. The Government of Canada has set aside its responsibility of providing leadership and has decided instead simply to buy off Canadians. While I

Borrowing Authority

hesitate to use that particular term, one can see how money is being spent today where certain regions of Canada are being catered to and certain parts of our country are receiving support and encouragement simply in a shoring up effort for their economy while there is no direction or leadership for the country as a whole.

In closing, perhaps it is time to say that in the pre-election period, as the Government recognizes that it has to pull off a miracle if it is not to be replaced, perhaps it will start providing some leadership to the country. If it does not, the people of Canada will ask the Government to step aside and permit a Party that has a vision of this country and an idea of what this country could be to be given that opportunity.

The Acting Speaker (Mr. Corbin): Questions and comments? Debate.

Mr. Joe Reid (St. Catharines): Mr. Speaker, for the seventh time this session we are debating a borrowing Bill. That fact, along with the budget mania that we have experienced over the last 18 months, speaks volumes for how inept and incompetent this Government really has become. There is no longer any purpose, as the previous Hon. Member just said, to be found on the Government benches; nor is there any direction or leadership. The Members across the floor simply show up and vote, as we just witnessed today, without ever wondering or questioning the inertia in their own Government's front benches.

Today the Minister of Finance (Mr. Lalonde) is looking for an additional \$14.7 billion. The Minister claims that this is a reasonable request. Let us look at the record. Eleven months ago the Minister wanted \$6.6 billion; nine months ago he wanted \$11 billion; six months ago he only wanted \$4 billion and just two months ago he wanted \$19 billion. In less than 12 months, including today's request, the Minister of Finance will have asked this Parliament to approve \$55.3 billion in borrowing authority.

This is only one side of the story. The other side is made up of four budgets that have created the uncertainty and demonstrated the Government's lack of leadership, direction and clearly its incompetence.

The June, 1982 budget tore up the foundations of the November, 1981 budget; the October, 1982 budget did the same with respect to that June budget; and the budget in April, 1983 threw away the October, 1982 budget. The only consistent theme that ran through all of those budgets was the one item, "Borrow, borrow and continue to borrow".

We in the Opposition do not have the numbers to prevent the Government from borrowing that additional sum of money or to prevent it from taking us down the road to a debtor's prison. What we can do and what becomes obligatory for us to do as Members of Parliament is to point out to Canadians the impact that these borrowing bills will have on Canadians across the country and the reasons they have come about. Canadians will certainly have the numbers in the next election to put a halt to this fiscal irresponsibility and disaster.