

Small Businesses Loans Act

problem and continue to take steps to reduce the paper burden of the small businessmen.

A bill which died in the last Parliament under the filibustering and blocking of the NDP and the Liberal party was Bill C-12. I hope that this new Liberal government will reintroduce this bill, or a similar one, because it will greatly assist businesses, large and small, in Canada. This particular bill would save Canadian businessmen a considerable amount of time by reducing the paper burden.

As I have said, we had only begun in the area of reducing the paper burden. Bill C-12 was intended to streamline reporting systems and improve the sharing of information within the federal government. That bill would have also resulted in a better perception of labour union activity, particularly with regard to finances. I hope that the appropriate minister will be dealing with those issues in the future.

All members of Parliament receive copies of *Mandate* from the small businessmen. I read them with great interest, particularly the column which is headed, "Our members speak up". I would like to read a couple of comments from that section into the record tonight. One comment reads:

High interest rates are killing business. Governments should drastically reduce interest rates to business by having two prime rates—with interest charged to businesses being about 50 per cent of the personal rate.

The Small Business Development Bonds introduced by the Conservative government, and now being implemented by the Liberal government, will help to some extent in this area.

One of the major problems facing this country is high interest rates. I would like to talk about high interest rates and what causes them. The size of the government deficit is one of the major contributing factors in causing high interest rates. This involves the financing of the deficit through the sale of securities to the public and absorbs a good part of the savings in the economy. The savings thus absorbed would tend to reduce interest rates if public borrowing requirements were less.

The reason we have such high interest rates is because we must attract investors to pay off the huge deficit which was run up by the NDP-Liberal coalition of the Twenty-ninth Parliament when all stops were removed. During that Parliament the lid was taken off, and federal spending increased by 50 per cent. This is what happened when the NDP were running the country for 20 months during the Twenty-ninth Parliament. Thank God it only lasted for 20 months. During the 20-month period of the Twenty-ninth Parliament, the period 1972-1974, Liberal government spending increased by approximately 50 per cent, when the little group down here to my left were controlling the country.

Mr. Benjamin: Hear, hear!

Mr. McKenzie: They are clapping, Mr. Speaker. They love bribing the people with their own money and getting this country deeper and deeper into debt. In dollar terms, during the fiscal year 1971-72 budgetary spending was \$17,046,000,000. By the fiscal year 1974-75, budgetary spending reached

\$29,717,000,000; an increase of \$12 billion in a 12-month period. That is why we have high interest rates today, to pay off the debt and the uncontrolled spending of that Parliament which was run by the NDP party, because the Liberals would sell their very souls to stay in power. They did not only sell their souls to stay in power during that Parliament, but they took the country into complete bankruptcy.

Some hon. Members: Oh, oh!

Mr. McKenzie: We hear laughs and jokes from the Liberals and the NDP because it is a great big joke to them. Canadians saw their performance in the Liberal television commercials during the last election which said, night after night, that interest rates should not have gone up, that it was a terrible thing for the Conservatives to let interest rates go up. If interest rates should not have gone up, then why has the government not reduced interest rates? It has been back in power since February 19, and why has it not reduced interest rates? Instead this government has played one of the cruellest hoaxes on the Canadian people that I have ever seen. Look at the smirks and laughs on these new NDP members.

Some hon. Members: Oh, oh!

Mr. McKenzie: These new Liberal members—what is the difference between NDP and Liberal?

An hon. Member: It's the same thing.

Mr. Huntington: It's a coalition.

Mr. McKenzie: That is right, it is a coalition. The Liberals spent 20 months in bed with the NDP.

It has been suggested that the Progressive Conservative minority government made Parliament unworkable because it refused to make deals to keep Parliament alive. It is the heavy spending of the Twenty-ninth Parliament which caused so much trouble in the business community, not the Conservative government. The Liberals claim that their ability to survive 20 months with a minority government, 1972-74, is ample proof of their inherent ability to govern. What the Liberals fail to understand is that the art of governing involves more than the craft of political survival. The Liberals survived their minority period by continually making deals with the NDP or by selling out one's principles for the sake of power, and it has not benefited Canadians. That is why there is a high interest rate problem which is not only affecting businessmen but also home owners across this country.

In 1979 the Conservative government, faced with a need to make decisive economic decisions following the prolonged period when economic decision-making was virtually non-existent, the Clark government made those decisions and stood by them. We were not going to make any under-the-counter deals with the NDP. If we had entered into any such agreement with them, spending would have skyrocketed out of control, and the interest rate would be much higher than 16 per cent, 17 per cent or 18 per cent.