

Summer Recess

Some hon. Members: Hear, hear!

Mr. Fennell: But, Mr. Speaker, we do want Parliament to work. This Parliament has a duty to the people of this country, a duty to the people whose businesses and firms are either in bankruptcy or almost bankrupt, a duty to people who are being forced to lose their homes.

During this period that we are sitting here in Ottawa there are many issues we can debate. The first one I would like to talk about has to do with high interest rates and the effect they are having on this country. High interest rates are not solving the problem of inflation. They merely provide greater revenue to the government from taxation. However, that really does not solve the problem because the government can spend it faster than it can collect it.

During this period of high interest rates I want to ask the government if it will consider this proposal. It is not only a proposal to protect those with mortgages coming up for renewal at this time but a proposal to protect new home owners, to give them the right to buy, to encourage the construction industry and construction workers back to work.

I would request the government to steal our mortgage deductibility program. It was a sound program. That program would have covered this period of time so well had we remained in office. I request the government to take this concept and use it, if only to implement it during this time of high interest rates. It was a sound program, one which has been used in every other country in the world. Canada is the exception. If the government were to put it in place for six months to a year it would assist home owners renewing their mortgages and it would assist new home buyers in buying their homes. In turn, that would assist the economy of our country.

The next point I would like to bring up is the small business development bond program. As we all appreciate, this was one of our proposals. Unfortunately, the government stole only part of it. Why would it not steal the rest of the program? Why will it not include unincorporated businesses and farms in the program? This is a time when these people are going out of business. Why should they not be included in the program?

Mr. Evans: For the same reason the hon. member for St. John's West did not include it.

Mr. Fennell: Perhaps he had a reason then. I am saying at a time when interest rates are 22 per cent that these people are going out of business and they need assistance now.

The small businessman is the lifeblood of our country. Small businessmen employ two-thirds of the work force in this country. The government must adapt the small business development bond program for unincorporated businesses. This group will solve the productivity and unemployment problems of our country. Regrettably, it cannot solve the inflationary problems of Canada since that responsibility falls squarely on the shoulders of this government. Small businessmen are the modern-day heroes of Canada. They have the guts to stand up and try to make this a better country and a great country. They are the people who create jobs. They are the ones taking

the risk. Government never takes any risks, it just takes the money. These are the people, the great segment of Canadians, who are keeping the economy on track. These are the people whom we should discuss in this House.

I presented a program before which received some acknowledgement but I have not seen the results of it yet. It would have dealt with this situation. As I said before, the small businessmen cannot solve the inflationary spiral which has created chaos for all Canadians. This has really been a blood-letting situation for all Canadians. Senior citizens are losing their assets which are being eroded by inflation.

It is interesting that we continue to blame high interest rates on inflation. That is not the case. In the United States Americans have mortgage deductibility. They also have the same prime rate as us, within a point or so. In the United States, since high interest rates have come about inflation has been reduced to 8.5 per cent while our inflation has increased to 12.5 per cent. Again, the only one to blame for this situation is the government which is placing on the citizens of this country the cruellest handicap. It is hitting the poor and the middle class. It does not hurt the rich or the government, but it is the guts of Canada which is tearing apart.

Yesterday in a press interview the Prime Minister stated that each of the seven members of the OECD countries are trying different economic measures to solve their inflation problems. Before the summit takes place all I can say is that obviously Italy and Canada are trying two economic systems which are not working. These systems should be abandoned. We should stay here all summer and listen to measures which the opposition will put forward to improve the situation in this country.

This is a very serious time. Once government members received their pay raise it was interesting to see how rapidly they were prepared to pack it up and get out of the House. Now that they have their pay raise they have that much more responsibility to the citizens of this country. They have a responsibility to be here to do a job for their constituents. I have noticed that in many other countries there are Congresses and Parliaments still sitting.

What is the bottom line as a result of the National Energy Program? There is a very serious bottom line which is starting to surface. I was south of the border on Monday trying to find out what was happening. It is a very subtle course that the Americans will be following. They have been hurt by Canada and the National Energy Program. In one respect they have been helped since many of our drilling rigs have crossed the border. In another respect they have been hurt. American oil companies are suffering losses which enables the government to buy them up at distress prices.

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The subtlety which will come through has nothing to do with oil or petroleum. It is another subtle trade embargo; not an announced one, and not an open one, but a very subtle one. They are not going to sit down and take it laughing. They look at Dome and how they got Hudson's Bay Oil and Gas away