

*Oral Questions***THE CANADIAN ECONOMY****INCREASE IN INTEREST RATE—ACTION TO AVOID SMALL BUSINESSES DECLARING BANKRUPTCY**

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, I would like to address my question to the Prime Minister. It might normally go to the Minister of Finance, but he looks rather unhappy today so I will direct it to the Prime Minister.

The latest increase in interest rates means that small businesses in Canada will have to pay somewhere between 16 per cent and 20 per cent in order to carry on business. In view of the current astronomical—some might prefer not to exaggerate the situation and say “increasing”—level of bankruptcies in small businesses, can the Prime Minister indicate any special measures his government is planning to assist thousands of small businesses from going under due to the government's current high interest rate policy?

Hon. John C. Crosbie (Minister of Finance): Mr. Speaker, the lot of the Minister of Finance is not a happy one when he succeeds a Liberal government.

Some hon. Members: Hear, hear!

Mr. Crosbie: I have had the unhappy experience twice. I am very unhappy with the present high interest rates and their effect on small businesses, because we are the party which represents and cherishes small business in this country.

Some hon. Members: Hear, hear!

● (1450)

Mr. Crosbie: But, Mr. Speaker, we say to the small businessmen of this country that the action we take now is action calculated to help them in the longer term, and that we will have thousands more flourishing small businesses when we get over this period of temporary high interest rates.

Mr. Rose: Mr. Speaker, I agree with the Minister of Finance that his party enjoys the support of small businesses, and many of them. Also, I would like him to realize that his particular tax policies are well accepted, the give-aways of about \$20 billion a year, by the big businesses in this country. I do not know how long he will have the support of small businesses, if this sort of thing is allowed to continue.

INCREASE IN INTEREST RATE—EFFECT ON EMPLOYMENT

Mr. Mark Rose (Mission-Port Moody): I should like to switch my questioning to the Minister of Regional Economic Expansion. Since small business is a traditional source of employment, especially in regions of underdevelopment, can the minister say what his department will do to ensure that further economic stagnation will not continue in the have-not areas of the country?

Further, will he urge his cabinet colleagues to bring in a special winter works program to help the thousands of unem-

[Mr. Mazankowski.]

ployed and the increasing unemployment we will experience undoubtedly this winter due to this high interest rate policy?

Hon. Elmer M. MacKay (Minister of Regional Economic Expansion): Mr. Speaker, the hon. member knows that high interest rates are not in the best interests of regional economic expansion either. But it is something we have to live with.

Some hon. Members: Oh, oh!

Mr. MacKay: To the extent of the resources available, we have tried to compensate for them in various fields. I will take what the hon. member said as a representation, and I can assure him that we will be trying to maximize the resources of regional economic expansion. One way we can do this more efficiently than in the past, hopefully, is to get greater co-operation with line departments and to focus economic development themes in a more unified way.

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AIRPORTS**POSSIBLE DEVELOPMENT OF AIRPORT AT PICKERING—EXPANSION OF TORONTO INTERNATIONAL**

Mr. Alex Jupp (Mississauga North): Mr. Speaker, my question is for the Minister of Transport. The Minister of Transport and the Ontario minister of transportation and communications recently released a joint discussion paper on major intercity passenger transportation issues in southern Ontario.

Would the minister give his assurance that no expansion of the Toronto international airport will proceed without consultation with the municipal authorities and, further, would the minister assure us that the lands at Pickering and the adjoining lands will be maintained to protect the long-range option for the development of a major airport at Pickering?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer to the first part of the question is that I can assure the hon. member that there will be no decision taken on any airport expansion without full consultation with the municipalities involved. At the present time I am considering the best vehicle through which that consultation can take place.

In answer to the second part of the question, that matter is still under consideration. I hope to be in a position to make a statement relative to the Pickering airport within the next 15 to 20 days.