

### *Improvement Loans*

game of "can you top this" played in every major metropolis of this nation as the banks' towers have risen time after time. They are distinguished only by their size, height and the total sterility of the architectural design of almost every one of them.

**Mr. Brisco:** That includes the Bank of Canada.

**Mr. Goodale:** Touché!

**Mr. Johnston:** The freeing of the interest rate has caused foreign investment to grow in Canada at a rate that was not dreamed of ten years ago—foreign investment from a country beleaguered by the threat of communist takeover or beleaguered by the end of colonial status. It is the kind of money that flees and finds its way into major Canadian metropolises. I hope the government finally stops postponing the decennial re-examination of the Bank Act and we reach a point where we do not pass and re-pass that little bill extending the terms of the existing act.

● (1430)

When members of the banking fraternity appear before the finance committee of this House, I hope people will ask questions about the policy of the banks. They have advertised excessively their profitability in metropolises, but at the same time have had the nerve to deny loans to small business. Bankers know that employees in smaller branches have not even told small businessmen applying for loans of the existence of the Small Businesses Loans Act.

I hope the tourist industry will benefit from the higher small business loans ceiling. I understand that the industry is starved of capital, especially, in British Columbia. Time and again the programs we have put in place for providing financing to industry have failed to be of benefit to the tourist industry. One finds in British Columbia small and aging hotels and motels, badly in need of reorganization, refinancing and repair. They have been taxed at levels far greater than those appropriate to their revenues, at levels which bear more relationship to possibilities of speculative sale than to operational capabilities. I know the Minister of State for Small Business (Mr. Marchand) has promised to co-ordinate government services available to small business, and to turn around the government's attitude with respect to small business; for in the past it has seen small business as a source of revenue, as something to be bled and drained for the purposes of increasingly large government.

I know the government recognizes the initiative the Leader of the Opposition (Mr. Clark) took in appointing a small business critic, for it appointed a minister of small business. And that is not the only initiative borrowed from the Leader of the Opposition. The government has brought borrowing down to a fine art. We saw the Prime Minister (Mr. Trudeau) on the prairies quoting Wallace Stegner because the Leader of the Opposition had quoted Wallace Stegner. We now have a minister of small business, because the Leader of the Opposition thought of it first. We have a minister of sport, as well, because the Leader of the Opposition thought of that first, too.

[Mr. Johnston.]

The day will come when this country's people will realize that our forward thrusts, ideas and initiatives come from the Conservative party, through its leader in this House.

**An hon. Member:** Which leader?

**Some hon. Members:** Hear, hear!

**Mr. Paproski:** The government also resurrected multiculturalism because it will call an election in one year.

**Mr. Johnston:** Hon. members opposite may be confused about leadership. I gather that their latest acquisition does not sit well on that side of the House. I know there is confusion in the ranks opposite. We hear a great deal about the possibility of the former minister of finance returning, and I am therefore pleased to hear hon. members opposite asking rhetorical questions. I suggest this will not be the last time hon. members opposite will ask such questions.

Our businesses in British Columbia need capital, as the minister is aware. I hope he will confer on this matter with the Minister of Regional Economic Expansion (Mr. Lessard), for DREE money has not been available to small business in British Columbia for some time. It was not available to any significant extent even when there were two areas designated, the Okanagan and, eventually, the Kootenays. Even then it was next to impossible to wring money out of that department for business in British Columbia.

I do not place all blame on the federal government, but it must assume some of the blame for establishing the criteria under which money is made available to small business. Because of those criteria, significant amounts of money have failed to reach businesses in British Columbia. Mr. Speaker, small businessmen in British Columbia were forced to go to the market to borrow, whereas businesses in every other province could go to the Department of Regional Economic Expansion for grants. There is a world of difference in today's business climate between a grant and a loan, even a loan secured under the rate of interest permitted by the Small Businesses Loans Act. If many small businesses in British Columbia had been able to secure a grant of even \$50,000, as opposed to a loan of similar size under the Small Businesses Loans Act, they would not have faced the difficulties they experienced in the last few years.

I notice, too, that the bill increases gross revenue to \$1.5 million. That may seem a large amount, but I suggest in today's business climate, with present day inflation, that amount is not overly significant. After all, the government has not succeeded in bringing inflation under control, let alone wrestling it to the ground. In its approach to the anti-inflation program, the government has been clumsy. In its attempts to control inflation, it has been hesitant.

There are too many exceptions to the program. Therefore, how can the government's attempts to fight inflation do anything worth-while? So, despite all the controls, inflation goes on, inflation continues. Probably controls have only been effective in limiting profits of some small businesses and remunera-