

initiative and entrepreneurship of Canadians to build their own businesses and, in the process, to build a stronger Canada. We stand ready to help.

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, I have two copies of a background statement, which I would like to table, in both English and French.

Hon. Paul Hellyer (Trinity): Mr. Speaker, the minister's suggestion that we should rely on others only by relying more on ourselves is certainly the best advice, and probably the most practical advice ever given Canadian small business by the government. We are pleased that the government has finally recognized the existence of small business in Canada. The extent of the recognition and of the existence, however, is about as small as it is belated. It is like a small relief plane en route to a parched Sahara.

Some Hon. Members: Hear, hear!

Mr. Hellyer: The proposal itself is a step forward. The fact that the agency will report to parliament through the Minister of Industry, Trade and Commerce I believe is a step in the right direction. The minister has a direct responsibility for the welfare of Canadian small business and this agency should assist him in fulfilling his responsibility.

This agency is very similar in approach to the small business administration unit proposed by the Progressive Conservative Party during the last election. It will only meet the needs of Canadian small business, however, if it is capable of fulfilling the following functions: First, to give financial assistance in the form of loans or equity, directly or in co-operation with other lending and investment institutions, to enable small business enterprises to expand their production capacity, such financial aid to be offered only on reasonable terms. Second, to facilitate the procurement of government contracts for the supply of goods and services by small business concerns so that the latter will receive a fair proportion of such government contracts. Third, to provide managerial and technical services in co-operation with other government and private agencies, and to disseminate information concerning the management and financing of small business and other material relevant and useful to small business. Fourth, to subsidize and encourage study and research concerning the managing, financing and operation of small business. Fifth, to identify and analyse small business problems and make recommendations that would widen the opportunities of small businesses to get started and enhance their ability to compete. Sixth, to advise the government on the effect on small business of government laws, regulations and policies and to suggest adjustments that would harmonize government policies with the needs of small business.

● (1420)

This latter criterion is included because our concern that the agency will be able to meet these criteria is not assuaged by the statement that "the backbone and heart of the IBDA will be the Industrial Development Bank". Our experience with the Industrial Development Bank, as

many businessmen will attest, has been less than satisfactory.

Some hon. Members: Hear, hear!

Mr. Hellyer: The theme of the minister's announcement, Mr. Speaker, also emphasized the increase in federal bureaucracy that would take place. At the same time, there was no mention of the capitalization of the agency, no indication that it would have more money available for small business than it had previously. How much capital, in fact, will be available to small business? Surely this is the cardinal question that must be asked. In addition, I think a proper objective assessment of this announcement today would indicate that it will not do 10 per cent as much good as the damage that has been done to small business in the last five years by the present government.

Some hon. Members: Hear, hear!

Mr. Nowlan: Even Joe Tucker could not help that.

Mr. Hellyer: First of all, there was the tight money policy of 1969 and 1970 and the consequent unavailability of credit for Canadian small business. Mr. Speaker, the tight money policy of 1969 and 1970 put thousands of Canadian small businesses into bankruptcy unnecessarily.

Some hon. Members: Hear, hear!

Mr. Guay (St. Boniface): Why didn't you say so in 1970?

Mr. Hellyer: You would think that a good government would learn from its mistakes. The fact that the present government has not learned is an indication that it is not a good government.

Some hon. Members: Hear, hear!

Mr. Hellyer: The obstinacy of the government and its failure and refusal to put into effect now an incomes policy for Canada means that the process is repeating itself.

Some hon. Members: Hear, hear!

Mr. Hellyer: The availability of credit is drying up and the cost of money is rising. Once again, high interest rates are contributing to the costs of small business already pressed by low profit margins. So, Mr. Speaker, the government has learned nothing and continues with policies which are far more detrimental to Canadian small business than can be offset by anything like this agency, welcome as it may be in the circumstances. In addition, there are the high costs due to the high cost of money; there are the increases in taxes which the government has levied on a large proportion of small business in this country. It is a long list, and the government should not be surprised if small business is less than joyously enthusiastic about this crumb from the king's table. It will not be enough. The government must control inflation, it must get interest rates down and it must reduce taxes to reasonable levels.

Finally, in view of the demonstrated flexibility of the Minister of Finance (Mr. Turner) to incorporate and adopt as his own excellent suggestions put forward by the