

wish to pass Bill C-84 quickly, do so because we do not have any other alternative. Bill C-84 that we are speaking to almost doubles the amount of money available for small business loans in this country. We are talking of approximately \$700 million. On November 12, there was a budget introduced by the Minister of Finance (Mr. MacEachen) that will take one hundredfold out of the business community over the next year. I am not referring to the large business community, I am referring to the backbone of the Canadian business community, the small businesses that enable this country to prosper, that employ 45 per cent of the people who are employed in business in this country and who have assisted in building this country.

● (1650)

I do not feel proud as a member of the House of Commons to speak in support of a bill which will make far less money available, perhaps 100 times less, to the business community of the country. I do not feel proud about what the government opposite will take away with the proposals in the budget presented on November 12. I cannot understand why we were presented with this bill. At the same time we see provisions in the budget which will take incentive out of the country. These proposals will make small businesses suffer, cry out and disappear in many areas of the country.

The inequities in the income tax legislation have been around for a long time. I recall the election which took place in February, 1980. I should like to refer to a statement of the Minister of Agriculture (Mr. Whelan), as reported in the London *Free Press* on January 31, 1980:

Inequities in income tax legislation regarding farmer capital gains taxes will be removed, Whelan said, by using as the base date for computing the capital gain December 31, 1971, or December 31, 1974, whichever is greater. He said 1974 values in most cases are more realistic than the 1971 base now used. His party would also give farmers a once in a lifetime capital gains exemption. Whelan said Liberals will prevent "privatization" of the Crown Farm Credit Corporation which provides farmers with low interest capital loans and would expand preferred loan rate availability to the agri-business sector and consumers.

This statement was made during the election campaign. Many people say that if the statement was made during an election campaign, the Minister of Agriculture should not be held to anything he said. But those of us who have watched the performance of the government have noticed that it has not been held to anything, that it has not honoured any of its commitments during election campaigns, either the last one or preceding ones.

I should like to review the statement of the Minister of Agriculture by referring to one segment of small business, that is the farm community. I should like to review the results. So far we have not had presented any change in valuation day. There has not been one statement. The minister was asked several times in the House when he would implement the promise of his government, made by himself personally. So far he has not answered. We have seen no selective adjustments in the tax system to ensure that incentives for economic development are maintained. As a matter of fact we have seen just the opposite. Under this government, especially since November 12, we have seen removed the incentive of someone with the

ability to take a risk, someone who desires to expand, grow or contribute to Canada.

I certainly hope that the budget does not become law; I hope some of the provisions will be thrown out. In the past I have had some respect for the Minister of Finance, thinking he was a man who came from a region of Canada wherein people worked hard. The people in his part of the country work hard and save hard so that they have something, so that they contribute and are not a burden upon society. I hope some of his constituents will be able to communicate their feelings to him, in not too harsh a form but in a form he will be able to understand.

Young men and women who wish to start home businesses are drawing salaries from other jobs because it takes four or five years to establish their businesses and to gain livelihoods strictly from their businesses. If they borrow \$100,000 to start these home businesses at 18 per cent or 20 per cent, it amounts to \$20,000 per year, but their cash flow is only about five or six. Their profitability as they build and expand their businesses is less than their interest costs, but they cannot deduct those costs as an expense. Their cash flow must be greater than or as great as their interest. If that law had been in existence when many small businesses in the country were first established, they would never have expanded or got off the ground. I certainly hope that the Minister of Finance and the Minister of State for Small Businesses and Tourism (Mr. Lapointe) do not feel that this paltry addition of money to small business loans will solve the problems of Canadian small-business men.

The budget has done many things, but one of its most damaging effects on people involved in business is the change in the Small Business Development Bond. The bond was established under the budget of the hon. member for St. John's West (Mr. Crosbie). It was carried on by the Liberal government. Up to November 12, with the exception that one had to be incorporated, it served the small business community well. It served the farming community, small-business men involved in farming, and small-business men in communities around the country. What happened on November 12? From November 12 to the end of this year, strong and viable businesses which can open up their books and say, "Here is my picture; here is where I am going; here is what I have done over the years" will not be eligible for Small Business Development Bonds. I just cannot understand the stupidity of this. Any government, person or individual who is involved in the real world—those who have ever picked up bank books, filled out invoices and attempted to build and expand operations—cannot understand the Liberal government saying that the only people who will be helped are those in financial difficulty. If a company is breaking even or advancing a little, it is told, "Hey, Charlie, you do not get it." What is the problem? I cannot understand it.

I know there are hon. members in the party across the way who have spent a lot of time in the business community. Many of them were farmers, small-business men and contractors who spent time figuring tenders or bids in an attempt to make them work properly. If a viable company needs an extra \$100,000 or