

Faced with such an irresponsible piece of legislation as this Small Businesses Loans Act, it might be appropriate to remind to Conservatives of the measures which a competent Government responsive to the needs of small- and medium-sized businesses has introduced in the past years. From 1980 to the 1983 budget, the Liberal Government has taken many steps to help the small business sector:

Program to promote subcontracting with Canadian companies (August 1980): The purpose of this program is to provide greater opportunities for small Canadian businesses to bid on subcontracts for major projects awarded to the federal Government's main suppliers.

Lower tax rate for small businesses: Small businesses are taxed at a rate lower than the rate applicable to major companies.

Small businesses investment grants: This measure was announced in the June 1982 budget. Grants were made to cover 4 percentage points over a two-year period and paid to the financial institutions by the federal Government on behalf of the borrower.

To promote even further the expansion of small- and medium-sized businesses, the Liberal Government gave them priority in the budgets of April 1983 and February 1984.

In April 1983: Investment Tax Credit: The budget provided a special refundable tax credit for small businesses investment recovery. In addition, companies that made investments and issued new equity shares were authorized to transfer to the purchasers any investment tax credit earned after April 19, 1983.

Research and Development Tax Incentives: The budget provided for the replacement of the 50 per cent tax deduction for increased research and development by an additional tax credit of 10 percentage points for all research and development expenditures, up to 30 per cent for the Gaspé area and the Atlantic provinces, 35 per cent for small businesses and 20 per cent for other businesses.

Carry over of losses to past or future years: The budget allowed for an extension of the period for carrying back or forward losses other than capital losses so as to reduce taxable income for past and future years.

Recovery Export Fund: The budget established a \$180 million special recovery fund and an additional \$20 million to be administered by the Export Development Corporation to help small- and medium-sized businesses win larger export contracts.

Shared wage costs: According to the budget, the new NEED program and the Youth Internship program of wage subsidies were to enable businesses to hire the required staff and share the cost with the Government.

Then, Mr. Speaker, we find the following in February 1984: **Simplifying taxes for small businesses:** the Budget contained

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proposals to simplify and shorten the tax form for businesses, to reduce the costs of applying the tax rules, to increase tax savings and to cut the small business tax legislation by two thirds.

Improving the fairness of tax administration: The Budget proposed a number of immediate initiatives to lighten the administrative burden of taxpayers and make the tax system fairer.

Employee profit-participation plan: The Budget proposed a maximum credit of 10 per cent of profits as an incentive for employee profit-participation plans.

Aid-Trade Fund: The budget proposed the creation of a fund to ensure closer coordination of development assistance and export financing policies.

● (1140)

While, throughout the years, we were able to propose measures to promote the development of small businesses, the Conservative Government, after all its promises, can only introduce in this House a bill which, according to small business representatives themselves, will, in effect, simply sabotage the Small Businesses Loans Act. The irresponsibility of this Government is such that it jeopardizes the development of many small businesses. Ladies and gentlemen on the other side, we suggest that you do your job, that you examine all these Liberal initiatives which were able to meet the needs of small businesses and that you come back to the House with a realistic bill which will truly meet the needs of Canadian small businesses. As we say, Mr. Speaker: "Do your homework." The Canadian people have a right to expect their representatives to show a modicum of ability. You have no alternative but to withdraw an irresponsible and harmful bill. The Liberal Party will never agree to legislation which would harm the economic development of our country.

Mr. Speaker, in the few minutes which I have left and I should like to mention the confusion created by this Government. We now have before the House a bill which, in practice, could slow down the activities and the development of small businesses because of the two provisions dealing with the 10 per cent share which the banks or lending institutions must guarantee, and the fact that these institutions must pay a fee of 1 per cent of the loan when the loan is registered.

Mr. Speaker, I read with surprise the following excerpt from the speech which the Hon. Minister of Finance (Mr. Wilson) delivered on January 28 before the Canadian Club in Toronto. I quote from page 7:

Nobody can contribute more than the small business to the recovery of the economy and the creation of new opportunities. It has created most of the new jobs in Canada over the past few years. What is more, it has the greatest potential for creating new jobs over the next few years. If we really want to entrust the private sector with the economic growth of our country, we must see to it that entrepreneurs are rewarded for their spirit of enterprise and risk-taking. We must also take every possible step to eliminate all obstacles to the development of the small business.