

*Small Businesses Loans Act*

I cannot help but make this point. In the campaign of 1972, the NDP campaigned on a theme of the "corporate welfare bums". Because of that campaign they in essence attacked all business, whether it was small, large, foreign or domestic. They tarred all sectors of business with the same brush. Business enterprise throughout the country is still suffering from that harsh attack. We do not need that kind of attitude and environment.

**Mr. Riis:** That is sleazy politics.

**Mr. Mazankowski:** The truth hurts, but it has to be recognized.

**Mr. Riis:** The truth is you do not have anything to say other than sleazy two-bit politics.

**Mr. Mazankowski:** I will put my business credentials up against that gentleman who is speaking from his seat any day. I will compare my credentials with him any day. I will talk about small business. The reason I mentioned the NDP is that I as a businessman was tarred and feathered with the same devastating brush they used during that election campaign. It is unfortunate for small business and for the Canadian economy.

**Mr. Riis:** It is unfortunate we took over the Government of Manitoba. It is unfortunate that we are going to take over the Government of B.C. next month.

**The Acting Speaker (Mr. Blaker):** The Hon. Member and all Hon. Members are aware that heckling, if I may use that term, is normal practice.

**Mr. Riis:** Some can take it, some can't.

**The Acting Speaker (Mr. Blaker):** The Hon. Member who has been speaking from his seat may want to consider rising in his turn and perhaps having his remarks recorded in *Hansard*.

**Mr. Mazankowski:** It is important to develop the kind of attitude and environment that is conducive toward not only the promotion, but the encouragement and, indeed, the health of the small business sector because it is the leading edge of the economy. It is efficient, innovative and flexible. It involves a high amount of risk-taking and a great deal of work. When one is engaged in this high risk and the long hours of work it involves, there has to be some reward.

It is important as well to support the kind of enterprises that are stable, such as the firm of Geo. C. Webb and Sons (1980) Ltd., which has served the community for 50 years. There are always the fly-by-nighters, but when you look at an enterprise like this, you find that it has not only provided a good standard of living and welfare for the families, but an excellent service to that community.

Small business gives individuals the opportunity to be creative, innovative, productive and to generate new wealth for the Canadian economy. This was summed up very well by Jim Gray, Executive Vice-President, Canadian Hunter Exploration Ltd., on March 4, 1982 when speaking to the Calgary Women's Canadian Club. He had this to say:

Let me repeat, we won't mend the economic health of this nation by building megaprojects. Little companies are the sinews of a nation. They are a medicine with which we should be treating the Canadian economy today. All that is needed is that we unshackle our entrepreneurs, free creative ideas, encourage individual initiative, constrain the political bureaucrats and limit the take of the national tax gatherer.

That summarizes it very well. If we look at our number one priority today, the generation of new jobs, we clearly see the small business sector as a very promising area in which to generate those new jobs. This is confirmed by someone who started out as a small business entrepreneur and still has a tremendous amount of respect for the small business sector. Over 60 per cent of the jobs created in North America today are created by the small business sector. In fact, David Birch, of the Massachusetts Institute of Technology found that approximately two-thirds of all new jobs created in North America are in firms with fewer than 50 employees. Establishments with more than 100 employees accounted for less than 20 per cent of the new jobs. In addition, the firms which created jobs are dominantly young firms. Eighty per cent of the new jobs were created by establishments less than five years old. We have the initiative there and we have the spirit. What we need now is some kind of positive climate to allow that to happen.

● (1430)

I believe, Mr. Speaker, that in large part, the policies of this Government have tended to frustrate the efforts of small business. In some areas they have held back vital development, which has resulted in lost opportunities. I believe that rather than facilitating the development, growth and health of the small business sector, in many cases Government has tended to frustrate them. The Government has destroyed the environment in which small businesses flourish. It has overwhelmed them with an excessive paper burden and regulations. We are now faced with a tax act that, in the words of the President of the Institute of Chartered Accountants of Ontario, "... is an unmitigated mess because it is incomprehensible". Many small businesses cannot afford the luxury of accountants, tax lawyers and experts, so it is important that we develop a tax system which is comprehensible and understandable by Canadians and Canadian entrepreneurs.

The budget of the former Minister of Finance of November, 1981 included two measures which really inflicted a desperate blow to the small business sector, the reduction in the capital cost allowance and the 12.5 per cent corporate distribution tax. What small business needs is some stability, some assurance that the rules of the game are not going to change in the middle of the night. They want to be sure that they live in a certain climate, and that has not been the case. Very closely associated with that is the lack of trust in the efforts of the Government in bringing in the kinds of budgetary provisions which were contained in the budget of the former Minister of Finance.