

The government should pay heed to this finding but instead it virtually eliminated the program in the budget.

I do not know why the incentives are deemed to have become loopholes. Either Liberal members do not understand the budget or they are two-faced hypocrites who say that good measures for small business are included when they know damn well that they are not. It is either that or they are a bunch of gutless wonders who support what the Minister of Finance says and then automatically follow suit. How can they go back to their constituencies and talk to the small business people, the farmers and the fishermen there after the introduction of this disastrous budget and then come here and vote in favour of it? When they do that, then I say they are two-faced hypocrites.

An hon. Member: Oh, come on!

Mr. Jelinek: The hon. member says "Oh, come on". I should like him to stand up and tell us what positive reaction there has been from small business. I should like him to come to my riding and tell the small business people there what positive measures this government has taken in the last several years, and specifically what positive measures there are in the November 12 budget.

Mr. Kelly: Set a date and I will be there.

Mr. Jelinek: It is no wonder that the trend of this government has been a negative one as far as it affects free enterprise, and specifically the small business sector which is the backbone of our economic way of life. Not too long ago the Prime Minister (Mr. Trudeau) said:

We haven't been able to make it work . . . the free enterprise system. The government is going to have to take a larger role in running institutions . . . It means that there is going to be not less authority in our lives . . . but more.

Is it any wonder that the Prime Minister says that the free enterprise system will no longer work? The trouble is not that the free enterprise system no longer works, Mr. Speaker, but that the government will not allow it to work. It is strangled with regulations, directives, controls, the paper burden and must overcome all sorts of other hurdles. The government should leave the small business sector alone, and let it prosper in a free market system. It should replace the directives and controls with incentives, not loopholes. But that will not happen because of who wrote the budget.

● (1700)

It will not happen, because by whom is the budget really written and devised?

Mr. McDermid: A good question.

Mr. Jelinek: A colleague asks who wrote it. The budget is devised by academics; the budget was supported by academics; the budget is endorsed by academics and it is put into operation by academics. I submit that the academics who supported, endorsed and wrote this budget do not have a clue as to what is going on in the real business world outside of their ivory tower here in Ottawa. That is obvious from the state of the budget.

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Those academics should and must be replaced with people who have some inner knowledge of what goes on in the business world, whether in a small business sector, in a medium-sized sector, or even in large businesses. Surely the time has come when this country, this government and this Parliament should not just depend on academics telling us how the country should be run; there should be some input from businessmen.

I see that some Liberal backbenchers are smiling. They should smile, because every—

An hon. Member: Because it is Christmas!

An hon. Member: You'd never know it by this budget.

Mr. Jelinek: The hon. Liberal member says it is Christmas. It is certainly not Christmas for the unemployed or for the record number of businesses which are going bankrupt, and certainly not for the people who cannot afford to house themselves or to buy cars, food or refrigerators as a result of Liberal mismanagement of the economy.

Some hon. Members: Hear, hear!

An hon. Member: What do you suggest?

Mr. Jelinek: What we suggest is that we follow many of the recommendations this party has submitted over the years, many of which were accepted by the Liberal government as incentives. These same recommendations have now been changed to loopholes by the Minister of Finance. That is what we recommend, and hon. members are laughing. However, every business organization in Canada, be it the Canadian Federation of Independent Business, be it the Canadian Chamber of Commerce, be it the Canadian Manufacturers' Association, the Retail Council of Canada or the Federation of Agriculture—and the list goes on—is totally and absolutely opposed to the bill which was presented by the Minister of Finance on November 12. I will just read what one of these organizations states. Moss, Lawson and Company Ltd., a member of the Investment Dealers Association of Canada, states:

The budget released Thursday, November 12, 1981 by the Federal Government raises great concern over its ability to perceive reality. We hesitate to call it a budget because it does not address this country's economic needs nor does it recognize the possibility of a severe recession over the next 12 months—indeed the impact of the document has every chance of deepening the recession now underway. The Finance Minister set out to make the tax system more equitable, to capture in the tax net those high income individuals who, through mostly government approved tax deferral methods, sheltered this income from taxes.

Instead of using a 'surgeon's scalpel' on this minority, the Minister chose to use a 'meat axe', gutting a whole host of long established procedures. The impact of this approach fell most heavily, not on the rich, but on the productive and aspiring middle class, removing much of their incentive and removing the corporate means of attracting and retaining competent managers and executives. This policy strategy was probably initiated after the last budget, and put together by the civil service bureaucracy who, with indexed pension plans and the security of tenure, do not have to assume market risk and the pressures of the real business world. In other places and in other times it would be sufficient cause for revolt.

And revolt there is, by all sectors of Canadians and not only the business sector. There is revolt by the Canadian Labour Congress and by others. The budget introduced by the finance