

*Income Tax Act*

I underline the arguments of the Minister of State for Small Businesses. At this particular time of very high interest rates, this measure is appropriate. It extends to small businesses the ability to borrow money at interest rates considerably less than would normally be the case for certain investments. Indeed it is a very welcome measure.

Today small business, as it has been for a number of years, is the number one generator of new jobs in the country. Too often we concentrate on the Chryslers and Massey-Fergusons of the world because of their size, and forget that in fact it is the many hundreds and thousands of small businesses which generate jobs, not the glamour operations.

If we are concerned about the unemployed and creating opportunities for them, clearly we must be interested in the welfare of small business in the country and, therefore, interested in promoting this particular feature.

Our first preference would have been for unlimited application of this particular measure. I do not know what the revenue implications are, but I doubt they are very profound. When the government examines the ramifications of this particular provision, I ask it to consider looking at the possibility of entirely eliminating the termination date at some future date. Certainly this provision is very helpful. Perhaps it is not as profound in terms of revenue implications as some other measures, but it is quite profound in terms of the jobs it can create.

In terms of future opportunities for enhancing the small business sector of the economy, the government might look at opening up its application. For example, this provision deals with incorporated small businesses, but I am sure we as members have all received very valid representations on opening it up to unincorporated businesses such as ranches and farms.

Finally I should like to deal with the provision regarding how this money might be spent. At present there are limitations on the types of expenditures for which these funds might be used. I ask the government to examine the possibility of opening up that provision somewhat. I have some confidence in the private sector, especially when it is competing. One thing we know about small business is that there is intense competition. So, the necessity of government to act as a policeman by providing direction is less important when we talk about small business, than perhaps in the large business sector where there is less competition and there is the possibility of size being used to abuse or to take unfair advantage of the marketplace. Then the government has a role to play. But competition is fierce in small business, and the marketplace works where there is fierce competition. Adams Smith's invisible hand is present, therefore there is less necessity for big brother in the form of the government acting as a policeman.

With my suggestions as to possible future improvements, I congratulate the government for the amendment to extend this provision for at least this year; certainly I am in favour of it, as is my party.

**Mr. Riis:** Mr. Chairman, I am pleased to see that the government has agreed to extending the date respecting the Small Business Development Bond. I recognize the role, as did the previous speaker, of small business. Not only does small business provide a great deal of new employment in Canada, but perhaps more important there is a great deal of activity in this sector. If one considers the directions the Canadian economy must take in coming years, one realizes that the creativity, innovation and willingness to try new ideas must be encouraged and nurtured at every opportunity.

I recognize the amendment to extend the provision for the rest of this year is a small step in that direction. Albeit a very small step, it is a positive one. I would be somewhat hesitant to make it open-ended into the future, because I would like to think it is not the appropriate way in which to support small business. Under the circumstances, until the final review is completed by the Minister of State for Small Businesses, it is very much an interim measure, a temporary step. Hopefully we can expect considerable improvements in the ways and means of encouraging, nurturing and supporting the small business sector of Canada in its innovative efforts.

Am I correct in understanding that we are debating only the amendment and that we will have an opportunity to ask other questions regarding the Small Business Development Bond later?

**The Assistant Deputy Chairman:** Yes.

**Mr. Taylor:** Mr. Chairman, I should like to add to one or two of the points raised by the hon. member for Calgary Centre. I find it difficult to understand why the regulations would confine this to incorporated companies. Many of our small businesses are doing exactly the same thing. They are hiring people and serving the public. It seems to me there is a very strong argument with respect to legitimate businesses, incorporated or otherwise, receiving the same benefit. This is something which will benefit the entire country. Every one of these businesses which stays in business is good for the country. If they expand then they hire more people, which in a way alleviates some of the unemployment problem and serves business in helping its expansion.

● (1550)

I would also like to say that I attended the Western Stockgrowers' Association convention in Banff for one day last week. A number of cattlemen asked me about the Small Business Development Bond program. Some people have the notion that all ranchers and farmers are rich. This is not so. Many of our ranchers and farmers, particularly the younger ones, are having a hard job making ends meet. They, too, deserve every encouragement, since they are in business adding to the buoyancy of the economy. If they do well, the economy benefits.

I would again like to emphasize the point made by the hon. member for Calgary Centre that for farming and ranching businesses, many of which are not incorporated, there should be a definite provision made so that these businesses could