

*Small Business*

First of all he talks about tax credits for investment in small business. Technically I think he is right; there is no tax credit system for such purpose at present. I think hon. members should realize, however, that in terms of incentive to small business through the tax structure there is a special small business tax rate of 25 per cent, excluding the manufacturing sector, and 20 per cent for small manufacturing industries, as opposed to 40 per cent for large manufacturing industries. This in itself is a significant tax advantage to the small businessmen of this country, and it is inappropriate to leave the impression that those kinds of steps have not already been taken.

● (1750)

Second, he asks us to provide assistance in the formulation of small business export consortia. May I draw to his attention and to that of all members the fact that the Department of Industry, Trade and Commerce, under certain of its programs, supports trade missions all over the world? Through those programs the department helps small businessmen to make arrangements with other small businesses in other countries, so that they may mutually handle each other's products, to the advantage of businessmen in both countries. I think that is moving precisely in the direction the hon. member for High Park-Humber Valley has in mind. I would not want to leave the impression there is no room for improvement in this area. I think there is and the government is moving in that direction, to the considerable benefit of the business community of this country.

Third, he talked about changing the government's tendering practices for small business. I do not know the hon. member's experience with the Department of Supply and Services, but I can tell him that there is no question in my mind, from my dealings with the Department of Supply and Services, that the department already provides considerable assistance to small business people. True, no special segment or percentage of total government business is earmarked for small business, as implied in the motion. I think that the question must be examined. The simple fact is that the Department of Supply and Services is already moving in that direction. It is decentralizing its operations across Canada to make sure that local business, mostly small, has a better opportunity to do business with the Government of Canada.

Fourth, the hon. member suggests that we should reduce the amount of government paper work being imposed on small business. That is an important suggestion. I have been making it since 1968. I say that we should arrange for a federal-provincial conference, in order to rationalize the paper work which emanates from federal, provincial and municipal governments. In other words, we should rationalize this entire process so that the small businessman need not hire an accountant to do the paper work the government requires him to do. That point is important. I understand that the minister of state responsible for small business will address his attention to this question in a federal-provincial conference, in order to minimize the amount of paper work we require small businessmen to perform. I note that Statistics Canada has already

moved in that direction by eliminating the requirement for small business people to submit statistical reports. The agency has removed one of the great irritants.

It is also necessary for those in the House who want to assist small business to do more than speak about assistance. We must do practical things in our areas and ridings to help small business. I, for one, have done a great deal, in my view. Back in 1968 I pioneered what became the first industry seminar in this country. Finally, after we had worked on this matter for one year, the government agreed to send officials to my riding and expose the business community to what I call the other side of the coin. Many people think that government plays a negative role in our lives, but big business realizes it also plays a positive role. Because the small businessman does not have the necessary expertise and staff, and does not know of federal and provincial government programs designed to help small business, he is often left holding the bag, as it were.

There are many programs available for helping the business community and it is our responsibility, as members of parliament, to make sure they are aware of these programs. For example, do small businessmen know of the existence of the Federal Business Development Bank, which can give much help? Not many small businessmen know about it, and it is our responsibility to see that they do. The list of programs we should draw to their attention is long. How many small businessmen know about the Small Businesses Loans Act, the alphabet soup programs of the Department of Industry, Trade and Commerce for providing assistance for research and development, programs for assisting with exports abroad and the financing of exports abroad, and other programs to do with research? The range of such programs is broad indeed. By this I do not mean to imply that all is well with the business community or with federal programs.

I, for one, take exception to a point raised by the hon. member for Capilano (Mr. Huntington). I enjoyed his remarks. He said that he would prefer it if the Small Businesses Loans Act would allow the banks to charge higher interest rates. That may make sense at first, but does not make sense when one examines the idea in depth. I think there is a better way to provide assistance than that suggested by the hon. member. The government assumes the risk of those loans; therefore I do not see why a bank should be entitled to as much interest as when it assumes the risk itself. It makes no sense. Perhaps we need an increase in the interest rate, but we need a hooker in the legislation—

**Mr. Huntington:** No.

**Mr. Cafik:** —which requires banks—

**An hon. Member:** We already have plenty of hookers.

**Mr. Cafik:** Just one moment. You be quiet. I am speaking at the moment and I did not interrupt you.

As I say, the law should require the banks to devote a minimum percentage of loans to the small business commu-