

the regulations and the forms would make it easier for small businesses to handle their own affairs, to save on accounting costs, and it would provide them with more time to devote to research, thus increasing profits.

The Government should stop emphasizing its interest in big business and devote more of its attention to the concerns of the small business person. Small businesses create jobs and employ people, but unless new incentives are introduced, small businesses will continue to close their doors in frustration at a system that continually beats them down rather than builds them up.

Canada needs sound concrete policies to stimulate investor and consumer confidence, programs that encourage the purchase of Canadian manufactured goods, less Government control and tax laws. These do not have to be so complicated that they can only be interpreted through an accountant.

Free enterprise must be allowed to flourish. Small businesses provide a great constituency of job creation. The Government has time and time again initiated job creation programs. Yet I believe that if the Government were to concentrate its efforts into providing more incentive for small businesses, this would result in greater job creation and would provide a healthier atmosphere in which free enterprise could grow.

A self-employed person creates employment for himself and others and as a result we see a greater contribution to the public purse through income taxes. The small business community has to be provided with a means to stay viable and productive so it can continue to contribute to the health of this country. The more bankruptcies, the greater the federal deficit, because people begin to draw from the public purse. The Government loses the means to collect the revenues it would otherwise receive. What does it take before the Government realizes that Canadians today are getting away from being the pioneers they once were, that the initiative for Canadians to realize their dream of starting their own business is fast becoming a thing of the past?

There is an urgency in our country to stimulate growth of small businesses which are made up of people who are industrious self-starters, ambitious, full of energy and motivation. We should be very careful that we do not lose their ability to produce, and in fact we should help them to continue their high level of productivity. Everything possible should be done to stimulate and encourage the motivation of the small entrepreneur.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, it is a pleasure for me to have an opportunity to address the House on the Small Businesses Loans Act. I have a great many small businesses in the riding of Simcoe North and I have spent all of my business life working for small business people.

Bill C-144 extends the life of the Small Businesses Loans Act to March 31, 1985. As the House is aware, the legislation was due to expire on March 31, 1983. This legislation increases the total guaranteed business improvement loans that may be outstanding to \$1.5 billion from \$850 million.

Small Businesses Loans Act

In acting for clients, one of the difficulties we found in dealing with banks and small business loans was that bankers were not too fond of processing these loans because of the vast amount of paperwork involved in obtaining them. This practice applied to all chartered banks and I do not single out any one particular bank with this criticism. Often I have been in a bank manager's office with a client asking about the Small Businesses Loans Act and about the other financial instruments available. The bank manager usually reaches under the desk and with both hands lifts up a thick set of regulations, and somewhere in the middle he finds the regulations with respect to the Small Businesses Loans Act. There will be an indication from the bank manager that he is not too keen to go through this red tape with the customer, and usually asks: "Why do you not have one of our conventional loans at the going interest rate plus 2 per cent?"

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I say from a very practical standpoint that the Government would be well advised to consider very seriously the red tape which is involved in getting these loans in the bank branches to the small business people. They can afford to hire accounts and lawyers, but I am not sure that the essence of small business loans should be to employ accountants and lawyers, although both professions are very honourable. That should not be the purpose for which the Government of Canada becomes involved in the assistance to small business.

The small business sector is hurting today mainly because of the mismanagement of the economy by the Liberal Government. There is no question about that. Interest rates were kept at an artificially high level by the Liberal Government for the last three and one-half years. This has caused severe hardship in the small business community and has caused many to go broke. It has caused a reshaping of business practices which, in itself, is not totally wrong but has caused a great deal of hardship.

Small business people entered into the Government-created depression of 1981 with fixed bank loans. That practice was honourable and not unusual. At that time, business people knew where they stood when they had reasonable interest rates of 10 per cent and 11 per cent. When the recession that was induced by the Liberal Government began and interest rates were raised in an effort to cut down on inflation, the small business community started to hurt. Not only did the Government do nothing to assist the small business community, but the Government took steps in the November, 1981 budget which seemed to be designed to finally eliminate the small business community.

During those days, the popular joke which emerged was that if one wanted to run a small business, one simply bought a large business and waited. Many of these problems facing small business which I will elaborate on are familiar to the Government because it created them.

I have mentioned the budget. The budget created an element of uncertainty for small business. Small businesses could not plan because the budget that was brought in in November