

*Small Businesses Loans Act (No. 2)*

● (1750)

In answer to my friends in the NDP who like to gaggle and yak when I raise these matters, I have always said that social benefits of that kind should not be selectively dispensed. It is fair and just for a woman to receive 17 weeks maternity leave. I think that is fair. It is an important aspect for the maintenance of the family and survival of our society. If the economy can afford that kind of benefit, it should be available to all workers, not just those who use the NDP as their spokesman in the House, the public sector and corporate sector unions. They are the ones this group speaks for. I speak for all Canadians. I speak for the two thirds of the work force that does not sleep in the social hammock and have the protection of the large powerful unions.

If it is fair for the family of a steel worker to have a dental plan, it should be fair for every worker in our society. However, these social services are dispensed selectively. The small-business man cannot compete. Therefore, he has a difficult time attracting workers to his plant.

The large unions should certainly set themselves social goals and discuss, as they have in other modern industrial societies, with the government and employers the virtues of such benefits. Once having decided and agreed that the general economy, the GNP, can afford such benefits, they should be equally, equitably and fairly dispensed to all workers, not just a select few.

Here is where the government is at fault. It is beginning a very dangerous trend. It is leading instead of following the marketplace. It is creating serious tensions in the marketplace and difficulties for small-business men. In most cases, a small-business man would be better off with some kind of public service job rather than, as my friend, the hon. member for Burlington (Mr. Kempling) said earlier, working 18 hours a day in the hope that some day he will make a profit from his business.

I have started four businesses. They are all still going. Two remain small businesses, one got larger. I know precisely what the hon. member for Burlington was talking about. I worked hard seven days a week. There is no Sunday or holiday when you are in small business, particularly the service sector. You are there seven days a week. If you only have five or ten employees and one does not show up for some reason or another, it is you who must replace that individual.

These are some of the problems the small-business man faces and some of the encumbrances the government, particularly the public sector, places on small business enterprise. The federal government competes in other areas as well, and this is more to the point. It competes in the capital market.

The question was asked where venture capital goes and why the banks are not investing in small businesses. One reason is that the risks are higher. Small business loans are much harder to service and control. If you start a small business away from the metropolitan areas, in the north or in a rural area, the banks are almost completely useless. They like to invest where they can see their investment and control it. I do not begrudge

them for that. They are in the business of making money and have to show a profit to their shareholders.

The cost of servicing small business loans is much higher than that of servicing a large loan to the Power Corporation or any of the large conglomerates. It takes one person no longer to administer the large loan than to administer a \$60,000 loan to a small-business man.

The government has been very active in the marketplace, particularly in the last couple of years, competing for money. It would be silly for an individual to put money into a small business when he can buy a Canada Savings Bond at 19½ per cent interest. Why put your money into a business when you can get that much interest by lending it to the government and having it fully guaranteed and flexible?

Between now and 1990 the government will have to raise between \$400 billion and \$600 billion in the marketplace for the energy sector. As a result of Bill C-48, we have what is known in the business world as a contingent liability. We will end up owning 50 per cent of the energy sector. It will take about \$600 billion to become energy self-sufficient by 1990. That is the goal of the government and I applaud them for it. However, it will place an incredible demand on the financial market, virtually ruling out any opportunity for the private sector to compete. As a result, there will be no money available from the banks for the small business sector.

As I said, the government competes in the marketplace. May I say also that it competes unfairly. That is one of the main problems the small-business man faces today.

Survival in the small-business world today requires exceptional skills. My friend, the hon. member for Burlington compared the small-business man to an eccentric artist. That is stretching it a bit. I do not consider myself an eccentric. However, I have often said that my dealings with the bankers in my business and professional careers over the past 20 years have developed my political skills. I had to convince them that I had a much better mousetrap and that even though I would lose money for a year, eventually I would make a profit, create employment and serve my country in the best way I knew how. I pointed out that I would help the bank's position. When a banker told me he might or might not be able to help me, I always reminded him that I wanted to help him and would be doing so since I always retired my loans and paid my interest. I want to expound on this a little further, but I see that it is now six o'clock and I know it is Your Honour's duty to interrupt the proceedings. May I call it six o'clock, Mr. Speaker?

**The Acting Speaker (Mr. Blaker):** I will interrupt the proceedings at this point. I do now leave the Chair until eight o'clock this evening.

At six o'clock the House took recess.

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**AFTER RECESS**

The House resumed at 8 p.m.