

Small Business

● (1732)

We do have the Small Businesses Loans Act, but this legislation is ineffective because of the criteria which make it nearly useless. I am in complete agreement with today's motion which urges the government to give tax rebates to small businesses which invest in research and development. If we were to compare them once again with large businesses, we would be amazed to see how the latter are favoured.

I especially want to draw the attention of the government to the tertiary industries which are the most neglected in my opinion. I do not know if this is because the criteria are too strict or because the civil servants are given orders to refuse all requests for help from those small businesses, but of all the applications made in my area, only two per cent are accepted.

We ask the government today to end the delay in formulating a small business policy, and I would even urge the government to take concrete action through our present legislation by accepting the applications made by small businessmen. The government may claim that it is prepared to help the development of new small businesses, but if it refuses 98 per cent of the applications or else, which amounts to the same thing, if it imposes unacceptable conditions to those small businesses, the offers of the government will certainly remain only empty promises. There is the matter of financial help in which case the government offers a 10 per cent or 15 per cent participation in total investments. This does not even cover the interests nor the legal costs the owner has to pay during the first year.

As for guaranteed loans, the interests the owners of small businesses will have to pay outweigh by far the net income of the business during the first year when economic efficiency cannot be stabilized like in subsequent years. As to tax exemptions, unlike large companies, small businesses are subject to tax from the very first years of operation, which is the cause of 90 per cent of the bankruptcies I have just mentioned. The government should give priority to small businesses which often start with the means at their disposal and where the owners risk their whole future because they have limitless confidence in the survival of their business.

After their initial efforts they turn to the government, which is quite normal since it is there to support the efforts made by citizens and not to create an industry by spending millions of dollars at a time to advantage a select group of its supporters. It happened in the past and unfortunately it still happens regularly today. We deplore it and denounce it vigorously.

If we really want to help our small businesses, the government must further encourage those who are anxious to invest in such enterprises, particularly through the Income Tax Act which now stands in the way of transfers of small businesses to members of the family or employees. It is another weakness of the legislation that strikes a deadly blow to any small business operated by the family head. When he dies the Income Tax Act strikes it lethal blow. When the family head transfers his

[Mr. Gauthier (Roberval).]

business to his children or his employees, he should declare bankruptcy because it would be cheaper for his heirs to purchase the bankrupt business than having to pay succession duties. This is a sad situation I have witnessed many times and experienced myself with the result that the business is crushed under the tax burden.

Another way for the government to help small businesses efficiently consists in buying in Canada. Obviously small businesses cannot assure the money support offered to the old parties by big corporations but it would be compensated by the social effects that would benefit all Canadians. If only the government were concerned about the well-being of the people instead of profitability, I think that many acts would be amended and that many false criteria would disappear.

Last, the motion says that the government should create a small business secretariat independent of the Department of Industry, Trade and Commerce. Mr. Speaker, I am afraid that those secretariats created by the government are nothing but a group of civil servants who want to impose their will on small businessmen. If that secretariat supported by the government were made exclusively of small businessmen I would agree, but please do not impose on us a group of civil servants delegated by the parties in power and who will play into the hands of politicians.

I think that the only persons who can really work in the interest of small businesses are businessmen with no political ties and whose only interest would be the success of small business. Mr. Speaker, I think that the only way to fight against monopolies at the production level as well as the distribution and consumer level is to encourage the development and multiplication of small businesses that can really benefit all people.

Today we are almost passive witness to a war without quarter against the financial monopolies of production, distribution and consumption on the one hand, and the labour monopoly and big unions on the other. And who is the victim of that macabre spectacle? Always the consumer. That is why we are asking the government to take the necessary means to introduce legislation clearly favouring small business to enable it to play its true role in the Canadian economy by living on parallel lines with the monopolies without falling prey to them. That is why, Mr. Speaker, we approve and support this motion before use today on small business.

[English]

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is certainly a privilege to take part in the debate this afternoon. I wish to commend very highly my colleague and spokesman for small business, the hon. member for High Park-Humber Valley (Mr. Jelinek) for the content of the motion. He has spelled things out very correctly. Even the Minister of State (Small Business) (Mr. Abbott) said that while he did not agree 100 per cent with everything that was said—which we would hardly expect—he certainly agrees with