

government programs which in one way or another affect business and should be eliminated?

● (1230)

Mr. Weiner: There are a lot of Crown agencies in this country and there are a lot of businesses which the Government is now running and administering. Parts of those businesses were previously in the hands of private entrepreneurs. I know that we have now reached the point where the whole situation should be discussed and looked at carefully. I do not want to simplify it. I will just say that it should be the object of a more careful examination, just to make sure that those areas where private and small-businessmen have flourished and have given adequate and proper service remain their exclusive domain. I believe care should be taken before those areas are removed from them.

In terms of the small-businessman, I was also referring to the amount of red tape with which we are involved. The forms and paperwork are really on top of us. I know that the Minister of National Revenue (Mr. Beatty) has already taken some steps to put small businesses in a position where, even if there is going to be an audit, it can be construed that they are innocent until proven guilty.

I can tell the Hon. Member that a few years ago when our family business had an audit, a team of people came in in September and stayed with us until Christmas. They were with us from 9 a.m. to 4 p.m. daily except for the hour and a half or two hours when they went to lunch. During the four-month exercise they found absolutely nothing. I am not saying that the Income Tax Department was wrong to request the information, but I think it was abusive. With the type of requests it made and information it wanted it just sat on top of the situation. I think we have to find ways of putting across the idea that small business is innocent until proven guilty with respect to tax situations. Small businesses are ready to give us all the information we require but I think we have to be less oppressive in the way we handle their tax matters.

Mr. Orlikow: My colleague, the Hon. Member for Thunder Bay-Atikokan (Mr. Angus), has already indicated that we support the major principles of this Bill. I would like to ask the Hon. Member a question with regard to what seems to me to be the main problem of small business.

In recent years, because of the recession and because of the high interest rates charged by the banks, when small-businessmen want to borrow money either for operating expenses or for expansion the banks have dealt in a very tough way with them. If we look at the large number of bankruptcies in recent years, we find that it is the small-businessman who has been forced into that situation. I compare that with the very generous treatment given to large businesses, some of which have borrowed hundreds of millions of dollars from our banks and have not been able to pay either the interest on their loans or the principal. We have over \$8 billion in non-performing loans, mostly to the large corporations. I wonder if the Hon. Member would tell us whether the Government is giving some consideration to this problem, not in the sense of passing legislation but

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in discussing with the banks the idea that they should be much fairer and easier on the small-business person and treat him in the same way as they treat the large corporations?

Mr. Weiner: Mr. Speaker, I thank the Hon. Member for the question because it is certainly an issue which is very real and alive in my thoughts. The feeling I have is that there is a different kind of pressure and regulation exerted on the small-businessman. We are almost on our knees with our hats in our hands in discussions with our bankers. We do not have the same familiarity with the boardrooms and the first-hand contact which has been developed because, as the Hon. Member knows, very often loans are made on the tip of a hat or a nod. We can have a document as thick as our hand but if we don't get the right nod, we don't get the right approval.

I recognize the kind of pressure which is put on the small-businessman because he has no other option. He has no other method of financing his operation. On the other hand, the big-businessman has other means of raising capital and cannot be blackmailed in the same way. I am concerned with that attitude. I do not know how to answer it.

As recently as last Tuesday morning, I had the pleasure of visiting the head office of one of our banks. It was a very friendly meeting. I have been less than actively involved in a business since September because the electors of Dollard have given me another job and, happily, the Government has also asked me to be the Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Clark). However, my brother still runs the family business. The meeting at the bank was frank and open but I felt that the bank was exerting a pressure which was not as applicable to big business. It still went along with most of our suggestions. We asked for a little more time to provide the documentation, and so on, which big business would have at its fingertips. It is a real problem and I don't know how we are ever going to solve it.

With respect to the usury kind of interest rates, I can remember the day when, if we wanted to buy equipment, the bank would not finance it so we would do it through the company which was selling the equipment. Of course, we ended up paying at least double the interest rate, which meant that at the end of a three-year or five-year period we probably paid three times the price of the equipment.

What is done now with the Small Businesses Loans Act is that small business can buy the equipment at a rate which is even better than the regular rate that it is paying the bank because normally the small-businessman is paying prime lending rate plus two. He does not get the prime rate plus one-quarter as does the big guy. So we are making it easy and giving the businessman a rate at prime plus one with a five-year to ten-year pay-back. That makes it very easy for him to expand or modernize his business. It makes him better able to handle the market-place and to become more successful in what he is doing.

Ms. Mitchell: Mr. Speaker, I notice the Hon. Member and other Hon. Members of this House are referring to business people as "businessmen" very consistently. I would like to ask