

*Small Businesses Loans Act*

not have the clout that is necessary for the constituency—the statistics I put on the record—really demands and needs. I am sure my colleagues on this side of the House would assist and probably push for a vehicle such as a standing committee on industry and small business which would be able to assist that department and the outside community in co-ordinating the programs and improving the communication between ourselves as elected representatives, members of the business community and the various associations and lobby groups and the bureaucracy, because if there was one thing I found frustrating in the short period in which I had the privilege of serving my country as minister of state, it was the difficulty I had in moving between departments.

I could get an understanding and a working arrangement going within my area of responsibility, but it was extremely difficult to move that progress through the other departments within the bureaucratic structure, and I think a standing committee of the House would aid immeasurably in the efficient delivery of programs to the business community.

In addition, I am troubled about the ability of the political process, or this process, to communicate the needs and the feelings and the studies from organizations like chambers of commerce, boards of trade, and the various groups which study and gather up the inputs, feelings, wants and wishes of the community. I think the struggle that we, as elected representatives, are facing, is the will of the wealth-creating community outside—those people who are engaged in wealth-creating activity and in adding to the value of goods which, after all, create all the payrolls, cash flow and taxes upon which the consolidated revenue fund can finance programs—that the decision-making base be spread more widely where that community can have an incentive to direct its capital and its energies into certain directions.

To me, research and development crystalize the struggle which is going on. I believe the bureaucrats—and I speak respectfully when I use that term—within two or three departments of government naturally want to keep control unto themselves in terms of research and development, in terms of incentive programs and in terms of venture capital programs, rather than deliver tax points to the community whereby there is an incentive to make a decision to spend a particular block of money in a particular area of risk. That is the debate I would like to see enhanced, and I do not know of what forum it can be developed in other than the standing committee on industry and small business which I am proposing here as a result of the opportunity I had to spend some time studying this area of activity.

Basically the bureaucrat feels that there is more efficiency in delivering research and development incentives through programs than through tax points. I come from that industrial sector out there, and I can tell hon. members that I have not time to come through the paper work and the screening process for those programs, but if I had 125 per cent, I could have a board of directors' meeting and we could decide that the risk of doing something new that would add to the payrolls and wealth of this country was compensated in that 25 per

cent factor. Then those decisions could be made across the land by the decision makers who, after all, are gambling their own working capital and their own savings, and to me that is an issue which I think we have to address, and perhaps we could challenge the desire for programs which many of our friends within the bureaucracy have.

I think what I have just mentioned is one of the causes of frustration within that industrial community, and I think again—I am sorry to repeat myself—that such a committee could do much to diffuse that level of frustration and improve the feeling and the spirit of communication between the three forces.

One of the other things that I found, I suppose while in office and particularly since being in office, is the lack of awareness that the small business community and the medium-sized enterprise sector have in terms of the government programs which are available, and I was going to bring into the House a stack of literature, the ABCs, all of the beautiful literature of the Federal Business Development Bank and the case counselling service, and all of the programs which have to do with each aspect of accounting or procurement in the small business sector.

All of this magnificent material has been put together in very well designed presentations, and yet there is a major lack of awareness within the community. I know that the Federal Business Development Bank has small business seminars. One can see university after university and institution after institution now putting on small business seminars, but the lack of awareness of what is available is another matter I would like to see addressed, and I use the opportunity in this debate on the amendments to the Small Businesses Loans Act to make the minister aware that we should again perhaps be in a committee addressing this awareness problem and seeing what can be done to make a more efficient and effective use of the material that is available.

One of the emerging needs in the review on finance that I have seen is the need for risk capital. It is a case now of moving any liquidity over into safer instruments and investments, or giving out some kind of an incentive which protects the high after-tax dollar cost of that type of capital in areas of risk.

I have mentioned working capital, and the province of Quebec and the province of Ontario—and I believe B.C. and one of the other provinces; not yet, the minister says—are moving in this area of vehicles for venture capital. There is potential for some abuse there, but I think anything that can move our conservative after tax savings dollars into risk areas of business, with tax shelter protection, would be an initiative that the minister of state could take, and it would have wide and great support from the community at large in Canada.

I have mentioned research and development policies and programs. We debated extensively through the Thirtieth Parliament, and if the minister cares to look into the files, he will find extensive studies on research and development programs and policies which really have to be delivered to that industrial community if we are going to keep the Canadian industrial