

*Small Businesses Loans Act*

to us to provide the necessary start-up incentives and appropriate support for the development of business.

[*Translation*]

Madam Speaker, the small business sector is essential to the Canadian economy. It is a fact that small businesses create 70 per cent of the new jobs in this country, and in certain regions even 100 per cent, while according to the latest estimates, small businesses employ more than three million Canadian workers.

Canada has over 760,000 small businesses, which are responsible for most of the creativity, innovation and entrepreneurship that exist in this country. Much of our advanced technology is developed by these same small businesses.

The Government wants to promote this spirit of entrepreneurship and innovation and help new or existing small businesses to prosper. The Government has made a commitment to Canadian entrepreneurs and it intends to keep it.

[*English*]

The promotion of entrepreneurship requires first and foremost a favourable economic climate. We have delivered on that with lower interest rates, greater employment and a continuing low rate of inflation. In addition, the two budgets presented by my colleague, the Minister of Finance (Mr. Wilson), contain many incentives for the small business sector and created a better environment for business. Increased investment in small and medium-sized businesses has been encouraged through specific initiatives.

[*Translation*]

Last month, we implemented an action plan to reduce the red tape burden imposed by the federal Government on small businesses. In addition, the Minister of Finance tabled a White Paper on Tax Reform on June 18 which will be of great benefit to Canadian small businesses.

The new taxation system provides incentives for all Canadians since it will be fairer and will include lower rates, but the rate for small businesses on the first \$200,000 of income has been lowered to 12 per cent and is 16 points lower than the rate for general corporations, which has been brought down to 28 per cent. The tax reform proposals provide even greater incentives for small businesses, whose contribution is essential for job creation and economic growth.

[*English*]

The amendments proposed in this Bill are changes designed to streamline the regulations, make the Act more flexible for entrepreneurs and, in the long run, encourage banks and other lending institutions to make wider use of the program in order to help more small businesses grow.

[*Translation*]

The other major change will extend to fishermen the benefits of the Small Businesses Loans Act. From now on, Madam Speaker, Canadian fishermen will have access to a sounder program of guaranteed loans which will establish a

better balance between their credit needs and the requirements of commercial loan institutions.

Thanks to the Small Businesses Loans Act, our fishermen will be able to obtain loans at the same low interest rates which were available to them under the Fisheries Improvement Loans Act, that is to say, the prime rate plus 1 per cent. They will be able to use them not only to purchase boats and equipment, but also to purchase pieces of land, something they were not authorized to do under the Fisheries Improvement Loans Act.

This Bill recognizes the important role fishermen play as an integral part of the small business industry in Canada:

Clearly the Federal Government did not make this decision without previously seeking the advice of the provinces it is likely to affect most, namely the Atlantic provinces, Quebec and British Columbia. Of course, it has also held consultations with commercial credit loan establishments.

The various parties have welcomed this Bill. At its meeting held in St. John's on April the 12th, the Atlantic Regional Council raised no objection to the option it had been presented with, nor did the Pacific Advisory Regional Council, at its meeting of June 15, 1987.

Madam Speaker, the purpose of these amendments is to increase the amounts made available to fishermen. Under the Fisheries Improvement Loans Act, the Loan Guarantee Program had a budget of some \$30 million, while the relevant program under the Small Businesses Loans Act has a budget of \$2.5 billion. This amount will be shared among a larger number of potential borrowers, but it is nevertheless much greater than the one made available to fishermen before.

[*English*]

The amendments contained in Bill C-63 will benefit all small businesses when it comes time for them to borrow money. They will be helpful to fishermen just as they will be beneficial to the store-owner, the fabric maker or someone involved in a service business. For all these people, the program will continue to provide a dependable and stable source of guaranteed credit. It will give them the financing they need to make the most of their opportunities.

[*Translation*]

That is, therefore, the reason why I recommend this Bill to all my hon. colleagues in the House.

[*English*]

**Mr. George Henderson (Egmont):** Madam Speaker, I want to make some comments on Bill C-63, an Act to amend the Small Businesses Loans Act, at second reading.

Of course, this Bill weighs very heavily on what happens to fishermen. Most of the Bill pertains to removing fishermen from the Fishermen's Loans Improvement Act and putting them under small business. I believe it is another installment of the Government's strategy to squeeze every last dollar out of the fishermen of this country.