

Federal Business Development Bank

● (2110)

I suggest also that in the dealings the federal government has with small entrepreneurs, the bureaucracy and the complexity of the many forms the entrepreneurs have to fill out, are obvious stumbling blocks. The Income Tax Act requires a lawyer to take advantage of all the loopholes and all the corners in that particular act, and only large corporations with corporate lawyers are able to take advantage fully of the act. Most small business people are not able to take advantage of all the sections of that act. Even with the bank itself, the application forms and the requirements are often so cumbersome that it is very hard to get loans through in a fast, efficient, and easy manner.

In addition, I urge another step that the federal government could take in encouraging small business people, and that is that the Department of Supply and Services accept as a policy that it will buy its needed goods and services from small operators, small business people and people from local communities, rather than taking a very narrow point of view in terms of what is economic. I suggest that, when the government defines what is economic, it use a larger measuring stick and determine what is economic and good for the community as a whole. I think if the government, in view of the amount of buying the government does, would use that economic power it has to help small business operators in this country, it would do much to strengthen that sector of the economy.

Contrary to what members of the two old-line parties repeatedly say, members of the New Democratic Party are not opposed to the small businessman. In fact in many ways we are indeed the champions of the small businessman. We realize that when working people have decent wages, it is the small business people who benefit. We realize that when farmers have a decent return on their investment and their labour, it is the small business people who benefit. We realize that when income falls back and does not keep up with the cost of living, it is the small business people who get mowed down first. In order to have a strong economy we need a strong small business sector. We need decent incomes, decent wages, and a decent return to farmers.

An hon. Member: We will never get it with a high interest rate.

Mr. de Jong: Of course, as my hon. colleague has mentioned, all these things are not possible with a program of high interest rates.

An hon. Member: Just spend more.

Mr. de Jong: An hon. member suggests we should spend more. Of course it is spending which allows the small business person in this economy to keep going. If we are to follow the advice of the hon. member opposite, it will be the small business people who will go down because they cannot afford to borrow the money to keep themselves afloat until the next boom in our industrial period. The system of booms and busts is the basic enemy of small business people because they do not have the power and the ability to see themselves through the

[Mr. de Jong.]

bust period into the next boom period. Ultimately it is economic planning and controlling economic forces which will benefit small business people and give them the stability they need to thrive and grow in our economy.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to say a word or two in connection with small business, mostly because throughout my constituency as I knock on doors and visit, people are very concerned about a number of things regarding small business.

This government is creating a climate in which people will be happy to invest their money. One of the things during the last few years was that it became very, very difficult for anyone to invest money in Canada, to the extent that many people decided to invest their money in other countries. We have become so bound up with regulations, red tape, and environmental concerns that many times small businesses get so frustrated that they just simply give up. I think one of the things we are going to have to do, if we are going to get small business to the point where it can do the job it can do in this country, is to cut some of the red tape and unshackle free enterprise so that it can have a chance to work.

I have known people who have submitted plans to planning boards for subdivisions two, three, and four times. They simply get them sent back without even any suggestion as to what is wrong with them. People become fed up when it takes two years to get a plan approved. That is too much red tape and too much regulation.

People do require money. I was very happy the other day to hear that the Alberta Opportunity Company is stabilizing its interest rate at 12 per cent and that, in smaller centres, they will go even below that. In larger cities they may go slightly above that, but that gives the businessman some stabilization factors. He knows that he is not suddenly going to be hounded by an increase because the rate in the country increases, and then finds that instead of the rate that he signed for he is going to have to pay two, three, four or five cents more on the dollar, which is enough to ruin many businesses.

I think we should endeavour to encourage our banks to stabilize bank rates and not put in contracts which, if the rate increases, then they will change the contracts. This is ruining some businesses in this country today. One motel operator told me that if there is one more increase in interest, he is ruined. He just cannot stand it.

An hon. Member: Tell that to your finance minister.

Mr. Taylor (Bow River): It is due to the fact that he took his loan out at a rate of 11 per cent, and then it goes up and up every time there is an increase in the country. This is not fair to the person who takes out a loan, and I just question this banking practice.

Another thing which irritates me and many, many other people is that the International Development Bank or other banking institutions provide money only on a first refusal basis. I realize that we do not want to put commercial banks out of business, but when we do it on a first refusal basis, it