

In many cases employees are laid off because of seasonal or peak demands, and these employees have to go on the UIC rolls. Then along come unforeseen windfalls or orders, and these small businesses go back to hire, but they cannot assure a period of employment which is long enough to cause people to come off UIC rolls and go back to work. That is quite understandable, and it is one of the faults in the design of the Unemployment Insurance Act.

We need a special study of cases like these so that UIC benefits can be interrupted without loss of sustaining benefits due or without people having to go through the earning and waiting period again. I urge the Minister of State (Small Business) to consider this because it is one of the serious employment problems in the small business sector. The UIC system should be molded to adapt to this variable which is so common among small businesses.

The government perhaps should also look at a tax credit for Canada Pension Plan and UIC costs to the small business owner as an incentive toward meeting the payroll taxes involved for small business employers when we are dealing with work which can employ those at the marginal perimeters of the Canadian work force.

On the matter of equity needs of small business, and the inherent risks for minority shareholders in small businesses, the government might also look at tax deduction features as it has done in the cases of film production and oil exploration. Surely the goal today is to generate economic activity, and what element of our industrial organization serves the marginal work force more than the small business component of our country?

I would now like to move to item (b) of the motion which would provide assistance in the formation of small business export consortia. I know of a person who went to Nigeria to attempt to sell Canadian assembled or manufactured generators. This person noticed that the fishing industry over there was short of the equipment we on the west coast take for granted. He travelled around and tried to put together a group of orders for equipment manufactured on the west coast. The federal government paid for this person's trip to Nigeria. He spent a great deal of his own time exploring the area of additional business for secondary manufacturers in Canada. I am speaking of drum gear and hydraulic gear which is very common to us on the west coast. We manufacture it there. This person just did not have enough cash flow in his own company to follow this through. If there had been some kind of aid from the Department of Industry, Trade and Commerce, or if that department had provided assistance in the form of an officer to study whether that type of trade consortia could have been developed for the benefit of small business in that particular region in Canada, it would have been a good thing.

I think the government should have some seminars on developing trade consortia for small businesses. Small businesses do not have the muscle of large institutions to take care of this need. We have a need for more of the community oriented trading type of consortia than the proposed government corporation which will be an international trading com-

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pany trying to emulate Mitsubishi and some other large Asian firms. It is rumoured that Mr. Jean-Luc Pepin will be head of that corporation when he steps down from the Anti-Inflation Board.

CIDA and EDC seem oriented to serve Canadian businesses which have heavy and well organized lobby interests. Their work, and the work they create in Canada, just do not seem to benefit the small business community. The hon. member for High Park-Humber Valley read into the record the small business act of April, 1970, of the United States Congress. Perhaps the Minister of State (Small Business) should study that because it shows that the United States is very concerned about the viability of this aspect of its community. As a matter of fact, the United States protects a percentage of national defence contract orders—as much as one third—for the benefit of the small business community there. If we are to have anything like a free enterprise economy, an initiative like that should be taken by the Minister of State (Small Business).

More and more the trend in the world today is toward international business between governments. Surely the Minister of State (Small Business) can lobby his cabinet colleagues for a small business component in dealings with CIDA, EDC and CCC.

I would now like to move to item C of the motion, which would change government tender practices so that small business suppliers would provide a portion of government goods and services. I have already mentioned how some United States legislation has benefited the small business community.

I am concerned about the lack of fairness which is developing in the various regions of Canada in the inter-communication or business intercourse which goes on across provincial boundaries. I am sad to have to draw to the attention of the House the fact that drivers of trucks moving from Ontario into Quebec are now being harassed. Even passenger cars are being stopped for full inspections, and tickets are given to drivers not wearing seat belts. I understand that contractors from other parts of Canada cannot now participate in contracts which are for work within the province of Quebec.

In many cases western industries can no longer compete with industries in Montreal. In one case a uniform manufacturing industry in Vancouver can no longer compete with the bids tendered by Montreal firms. If Montreal firms are going to compete right across Canada, that principle has to apply in Quebec as well. If we are going to have international boundaries, God help us. In the city of Calgary companies were bidding for a contract to supply firemen's uniforms. The contract was given to a Montreal firm for \$243,000. The Calgary firm bid \$257,000, the Vancouver firm bid \$257,000, and the Toronto firm bid \$300,000. The western Canadian industries involved can no longer compete and are facing bankruptcy as a result of this type of competition. I call for fairness across all provincial boundaries.

● (1740)

Another example which troubles me in this matter of the regionalism that is developing is that in British Columbia, with