

The Bill we are discussing today is exceptionally important in that it provides borrowing power at 1 per cent above prime. This is an important resource for the small-business community. The Hon. Member for Kamloops-Shuswap is quite right; perhaps that is the main reason the banks try to keep it a secret. They do not want to lend money at 1 per cent above prime.

While borrowing capacity is one of the problems facing the small-business community, the more excruciating problem is the cost of capitalization or of buying. A dairy farm in the Fraser Valley costs about \$1 million or a sizeable, good, efficient fishing boat on the Pacific Coast costs about \$1 million. When money has been invested in a farm, a boat or some other merchandising business, the business is competing not only with other farmers, other fishermen or other merchants, it is competing with the Government. The competition is not necessarily in merchandising, it is also competition with Government regulations. We multiply the risk which the small-businessman takes when he invests his \$1 million, and while it is good that we can provide this 1 per cent above prime opportunity to business, there are other problems. It is a tragedy that that businessman then faces the hurdles of all of the Government regulations and all of the hoops through which the businessman has to jump.

● (1510)

The real solution for the small-businessman is not so much borrowing capacity as it is profitability, to make sure that he can get an honest and sufficient return on investment. If you cannot get a profit on what you have invested, why borrow? What is the purpose of this Bill? There is no doubt that the general malaise in the market plays a very important part in the difficulties facing the small-businessman. The real problem is that the Government itself is antagonistic toward the small-businessman.

I have a few examples to show what some business people have faced. These I have encountered in the past year. A small business in my community specializes in the installation of sun decks. The name of the company is Ensurco. A number of months ago the head of the company wrote to me regarding a refund of duty and taxes. This company specializes in sun decking, and it has faced what many other small companies have faced, a downturn in the market. This downturn in the market is particularly evident in the Lower Mainland of British Columbia and it had a devastating impact on the housing industry and the saleability of homes. This company bought inventory on the expectation that it would be called upon to do a lot of work. But houses sat empty, lots were undeveloped and the company was stuck with its inventory.

Let me read into the record what this businessman faced as a result of the Government's attitude. He wrote:

We import vinyl sundecking materials from General Tire and Rubber Co. This particular shipment in question was found to be exceptionally baggy and almost impossible to work with. Unfortunately, because of rather large inventories already on hand, and the fact that we move our old inventory out first, it took a number of months to discover the defects. Even then, it was only that our dealers to whom we sell the product, complained it was causing them undue hardships applying the product. We immediately applied for a credit from our supplier which eventually came through to the tune of about \$7,000. We assumed that

once the credit came through we could apply to Canada Customs for a refund on duties. By this time well over six months had elapsed. Because of the relatively large size of the claim, our manufacturer had to have someone verify the problem, causing some additional delays. By then, we had given credits to our dealers (who had already purchased the product) for approximately 50 per cent of its value, and had arranged to sell off the remainder of the inventory for approximately the same. When we finally applied for a refund, we were told there was a 90 day limit after the original import of the goods to register a claim. If we did not do so, we were simply out of luck. While we understand that ignorance of these rules and regulations is no defence, we still feel we have a reasonable right to expect a refund. In a telephone call to the Dominion Customs Appraiser's office a number of months ago, I was informed that there was a special section (462B) of the Customs Act which gave some discretionary powers to the Appraiser to allow a refund if the 90 day time limit has passed, so long as the two year limit is not yet up. I have pursued this with Revenue Canada, but unfortunately been unsuccessful.

The answer of the Minister of National Revenue (Mr. Bussi eres) was: "You are absolutely right; there is a special discretionary power and we will send you the regulations". About 30 pages of regulations and application forms arrived. But unfortunately, under another Section of the Act, I think Hon. Members know that if officials of National Revenue are confronted with the regulation that seems to give the businessman a way out and he might be able to get the refund, National Revenue always manages to find another regulation which countervails the original one and the Government gets to keep its money. Here is a man trying to keep his company together, struggling to keep it afloat and his enemy is not only the economy but the Government. The Government is fighting him.

I have another letter from a company called Madison Sales Ltd., Burnaby, B.C. This gentleman writes, in part:

The remarks in M. Bussi eres' third paragraph indicates to me that he is blissfully unaware of the struggle businesses of any type or size have in maintaining a position in the marketplace, or meeting their obligations—particularly in such times as these. His lines reading "The annual report will provide my department with the information necessary to recommend legislative changes, develop appropriate audit programs and assist in the development of tax policy" is a classic bureaucratic summation of where they consider priorities are standing. I also note that we are "Licensees".

I agree that we legally have to complete this form. Whether we will remain to be seen, as under the present circumstances we will be fortunate indeed if we are even in business by this time next year. The threat of imprisonment is, of course, to be expected. This is, after all, the "Land of the Free". Perhaps we should start our National Anthem with the words "Oh—Canada" instead of "O Canada."

I have yet another example. I began dealing with this issue probably nine months ago. It deals with the Canadian West Coast Publishers Limited. Here is a small company providing about nine jobs. It went into business to publish information for the Chambers of Commerce throughout the Fraser Valley. They put out a brochure to help the chambers of commerce in each locality publicize and advertise the attractiveness of that community to future business. There would be a 10 per cent excise tax on that type of work. As soon as the Department of National Revenue saw what the Department thought was a tourist information bureau, it became taxable. That 10 per cent made the difference between making it or breaking it.

I started to negotiate and mediate between that business and the Minister of National Revenue. At first there seemed to be a glimmer of hope. As I said before, there was always another