

*Small Businesses Loans Act (No. 2)*

In addition, the government has gutted the Small Business Development Bond program, which was advocated by this party when it was in government so that the small business sector could further expand and develop. The government has made it more or less a bail-out bond, as the hon. member for Cambridge suggested yesterday, rather than a development bond; it has increased taxes on the small business sector; it has reduced by half the capital cost reduction; it has destroyed most possibilities of employee stock ownership, and it has limited the provisions whereby one could deduct interest for business purposes.

If this government truly wanted to do something for the small business sector which would be considered constructive not only by that sector but by all areas of our community in Canada, it would reduce the record high rates of interest and the high rate of inflation. More important, it would offer Canadians an efficient postal service. The small business sector relies on this very heavily for its cash flow.

The record of the government speaks for itself, Mr. Speaker. If we compare the bankruptcies in November of this year with those that occurred in November last year, we find they have increased by some 50 per cent. If we compare the first nine months of 1981 to the first nine months of 1979, we see that in the primary sectors bankruptcies have increased by 108 per cent and that in the farming sector bankruptcies have increased by 133 per cent.

When a certain small town was having its annual charity drive, the chairman for that year went to a leading citizen of the town to solicit a contribution. He said that the record indicated the citizen had never contributed to the charity although he had an income of some \$90,000 per year. The citizen replied as follows: "Do your records also show that my widowed sister with four children has no means of support? Do they show that my brother who was wounded in World War I is totally disabled? Do they show that I have an aged mother who is unable to provide for herself?" The canvasser replied that the records did not show this information, and the citizen said, "Well, I don't do anything for them so why should I do anything for you?" That is exactly what the Minister of Finance is saying to the small business community of this country, Mr. Speaker. He is saying, "I am not doing anything for Canada so why should I do something for your sector?"

If we want the small business sector to survive in our society—and I am sure we all do—then the federal government must take immediate action. The small business community is what the free enterprise system is all about; it is what this country was built upon and it is the base upon which this country will prosper.

My concern regarding the problems of the small business sector is so genuine that I hope the seriousness of those problems can be dealt with by the government. The small business sector cannot wait any longer; it has waited long enough. I am not talking about government intervention but about governments fostering a productive climate for the small business sector.

It cannot be denied that public opinion has been moulded into an anti-capitalist mentality. John Kenneth Galbraith who, in my opinion, is living proof that economics is an inexact science, has written a book entitled "Economics and the Public Purpose". He has researched the market arrangements of our economy and says it has given us inadequate housing, a terrible mass transit, poor health care and a host of other miseries. Mr. Galbraith comes out from behind the white cloak of liberalism and openly proclaims that the only answer to our problems is socialism. He deals in fairy tales just as do our Liberal friends opposite.

Under this system of ours, in the early 1900s the majority of the people in this country lived below what we consider to be the poverty line. Two-thirds lived in sub-standard housing. Today, both figures are less than 10 per cent. Ninety-five per cent of the people in Canada have a daily minimum intake of nutrients essential to maintain health, 99 per cent of Canadian homes have gas or electric kitchen appliances, and 96 per cent of the homes have TV sets. Thousands of automobiles and trucks are owned by Canadians. Some people will point out that this is evidence of our materialism; but we have been the most generous of people. We have shared our wealth widely. We support with voluntary contributions churches, libraries, symphonies, operas and non-profit theatres.

If Mr. Galbraith is right and socialism is the answer, we do not have to theorize about it; we have a concrete example we can look at for comparison. We can be just like that great nation, Russia, rich in natural resources, with millions of capable people and 60 uninterrupted years in which to fully implement socialism in their nation.

● (1540)

As I say, we could be like them, but it will require just a little doing. We would have to cut our paycheques by 75 per cent, move thousands of our workers back to the farm, abandon two-thirds of our steel-making capacity, destroy thousands of TV sets, tear up miles of highway, junk 19 out of 20 automobiles, tear up miles of our railway tracks and demolish 70 per cent of our houses.

**Mr. Gustafson:** They don't produce enough food to feed themselves.

**Mr. Elzinga:** Then we would only have to find a capitalist country which would sell us wheat on credit so that we would not starve.

In my brief presentation, I attempted, more or less to outline my philosophy concerning what should be done for the small business sector. However, let me just state once again in closing that we do support the intent of this legislation. We on this side hope that our Liberal friends opposite would take a more constructive and positive approach in dealing with the small business sector in Canada.

**Some hon. Members:** Hear, hear!

**Mr. Bruce Lonsdale (Timiskaming):** I thank Your Honour for the opportunity to speak on the amendments to this bill. I