

Small Businesses Loans Act (No. 2)

small-business men work double the hours of the average employee, perhaps 80 or 90 hours per week, and this is normal.

One may ask, why do they work these hours and struggle and fight to survive against their larger economic competitors? Aside from the personal satisfaction of seeing your ideas translated into dollars, which gives you a measure of economic independence, you are utilizing a variety of talents. Small-business men must be managers, financiers, salesmen, planners, export managers, designers, inventors, production planners and so on. In short, they must be all things to all people. They seek advice from a variety of sources and apply it directly in their operations where results become evident in a short period of time.

Now, if you have been weaned and raised on government grants and handouts, you might think there is nothing wrong with your loan being guaranteed by the government. But there are still people who are active in our economy who believe fervently in what is loosely called the free enterprise system. They have sold assets for cash to get started in business so that they can subsequently convert it into something they can sell at a profit. You cash your insurance, mortgage your house, cash bonds, borrow from the bank, work without a salary so you can pay your accounts and employees, all in the hope that you will turn a profit out of which you can pay yourself a salary and make a return on your investment. I have experienced this myself.

There was a time before capital gains taxes and massive personal and business taxes when a person could accumulate assets that would yield a reasonable return which would be reinvested to feed economic growth. However, oppressive regulations and controls have dulled the spirit of those who would venture, to the point that many are seeking havens in other jurisdictions or have placed their liquid assets in other non-productive accounts to wait until conditions change. If there is no change, many of those persons normally active in our economy will move their assets to another jurisdiction and, believe me, Canada will be the loser.

● (1620)

We have as a background the sorry history of the record of the government in small business. The government finally yielded and put in place a minister of state for small business. When we look behind the title, we see that this government set up the small business ministry in 1976 to placate an increasing number of critics who realized that the small business community played a major role in the economy and needed a spokesman at the cabinet table. I have studied the ministry quite closely, and I firmly believe—and I do not want this to be taken as a partisan comment—that it was not until 1979 when my colleague, the hon. member for Capilano (Mr. Huntington), was appointed minister of state that the ministry gathered any momentum or muscle. When he occupied that portfolio, he found that previous ministers operated from a shell. That shell consisted of a minister, an executive assistant, a speech writer and a few secretaries. There was no departmental staff and no clear direction. In fact, the minister's main

duties seemed to be to make speeches, to react to small business organizations and to represent the Minister of Industry, Trade and Commerce at functions he could not attend. Not until 1979 did we begin to see anything like the strong voice needed and the plans and direction which would encourage this vital sector of our economy.

While we support Bill C-84 which will increase the amount that may be guaranteed by the government for the two-year period ending June, 1982, from \$850 million to \$1.5 billion, what we should be doing is placing before the House a series of measures which would encourage increased venture investment into the small business sector. We must tap that huge source of capital that could regenerate our economy. In the last ten years, 98 per cent of non-government jobs have been created by small business. About 50 per cent of the most significant new industrial products created since World War II were brought to the marketplace by the small business sector.

I have an abiding faith in people. I believe we can regenerate our economy, with the proper atmosphere. What is happening to our economy is that the tremendous engine of the small business community is losing hope. We all know that the whole world lives on hope. We hope for better times. We hope for peace. We hope for freedom from fear and hunger. We hope for our place in the economic sun so that we can realize our dream of economic stability which would allow us to buy homes and raise our families in our style. When we turn off hope, we invite all manner of actions and problems. People fear losing what they have and will fight to preserve it. The government then becomes their adversary.

The present budget is a good example. It has unified the people of Canada in a way the Constitution could not unify them. It has brought them together. It has brought together the people of Canada against the Government of Canada. Today, unless we are a Crown corporation sucking dry the public trough, we have reached the point where we must now apologize for any success in business, as if it were a violation of a moral law. Today it is almost criminal to prosper. Indeed, in today's society a criminal will receive more protection, and if you are successful in business you are accused of utilizing loopholes to achieve that success. I think that is pretty sick.

The government seems to operate on the "give them a bone" theory. When a particular section of our economy becomes restless, the government tosses it a tax bone, a tariff bone or a series of grants as a bone to keep it quiet for a while. The minister seems to have fallen prey to the socialist view that all revenue produced by the economy belongs to the government and that the government lets you keep that portion it deems necessary for you to survive. The government tosses you bones if you become restless. It forces on you unnecessary regulations which in themselves become inflationary.

For instance, did you know, Mr. Speaker, that General Motors in its North American operations employs more than 20,000 people just to comply with government regulations? I mention this because in Canada we seem to follow this pattern very closely. We tend to move in the regulatory field in lock step with our largest trading partner, but we do not reduce or