

forgotten that profits, property and freedom are inseparable and that one cannot have the third unless one has the first two.

It takes a special type of person to become involved in the business sector. He or she faces no regular paycheque or any possibility of ever collecting unemployment insurance. Yet, hundreds of thousands of Canadian men and women are there by choice. They are the small, independent operators who have relinquished most of society's security blankets to take a fling at making it on their own. At times the rewards can be great, but most likely the average business operator does no better working for himself than he would as an employee of someone else, despite the risks he takes. As we know, small business is the backbone of the Canadian way of life. Because of this we as legislators have an obligation to foster a climate which encourages the small business sector. The present Liberal government has fostered a trend whereby the public sector has been playing an ever-increasing role in society. The truth of the matter is that the government violated the principles of the free enterprise system and then blamed the system for its failure. At a time when restraint was required, the government printed more money. When economic restraint was required, it bragged about the country's wellbeing and encouraged "the good life". Now we are paying for these mistakes. We face high unemployment, thanks to the present government not to the free enterprise system. Today we need decision and action, but we are faced with indecision. The government is hoping that the American recovery will pull us out of our economic recession; it hopes that some of their positive responses will spill over into Canada.

We in this party look forward to an over-all policy and economic guidance. We find that hon. members opposite can only talk about economic diversification, but they have no over-all program by which this can be achieved. The government has not stated its policies and does not know the economic consequences of its actions. I feel Canadians wish to get back to basics. They do not expect something for nothing. Indeed, the history of this great nation has shown this to be true. But what they want and expect from government is leadership and guidance.

At this time I think it is noteworthy to review the record of hon. members opposite. Let us consider for a moment what they have done over the last number of years. They have given us record inflation, record unemployment, record trade deficits, record budgetary deficits, record interest rates, record mortgage rates and record high prices. They have contributed to a situation wherein Canada has the highest level of foreign borrowing of any western nation. This is contrary to what they campaigned on during the 1980 election. I should like to review for the record what the Prime Minister (Mr. Trudeau) said in Toronto on January 12, 1980. He indicated that members of the Liberal Party would not simply stand by and let the recession come, that they would fight it and overcome it. He also indicated that they had an economic program for the 1980s which would enhance dignity, create opportunity and provide security.

Small Businesses Loans Act (No. 2)

Let me review what has happened. Economic growth in 1980 was only 0.1 per cent, the worst in 26 years. Productivity fell by 1.5 per cent last year. Inflation has skyrocketed since the Liberals came into power and now stands at 12.4 per cent, the highest level in six years. Housing starts fell to their lowest level in 13 years. Statistics Canada reports that the economy went from bad to worse since the summer and that the deteriorating trend seems to be intensifying. This was indicated in the monthly review. The report also indicated that demand for retail goods and housing, which began to slip in early summer, "will likely be further depressed as employment fell sharply in September and October and as interest rates remained near record levels." It went on to say that the weak national economy has lowered business investment in machinery and equipment. This is the result of destructive Liberal policies, Mr. Speaker.

● (1530)

I sympathize with the Minister of State for Small Businesses and Tourism (Mr. Lapointe). He is living in a policy vacuum. The small business community is slowly becoming aware that he is offering nothing more than lip service. I do not blame the minister himself. I blame the government and the Prime Minister for creating a lame duck department which does not have the power or the right to deal directly with the problems and potential solutions of the small business community.

The budget appears to have been influenced by three beliefs. The first belief is that for a private citizen to make money is sinful; the second belief is that there is one law to restrict the governed and another much less restrictive law for the government itself; and the third belief is that governments may increase the tax burden upon the population without limit and without hindrance.

To illustrate this I should like to quote from a paper which was sent to all members of this chamber by the Canadian Federation of Independent Business. The paper includes a letter addressed to the Minister of Finance, which begins as follows:

The tax measures in your November 12 budget are causing and will continue to cause serious damage to the economy and the small business community.

It goes on to say that the proposals of the Minister of Finance are more pervasive and that this time there is no opportunity provided for public input. That is exactly what we on this side of the House are asking for. We want the public to have an opportunity to participate in policy discussions since the budget entails in excess of 160 changes to the Income Tax Act.

The paper contends that the budget will close off access to the risk capital markets for new small business ventures and high growth medium sized enterprises which are the major source of new jobs; it will restrict the cash flow for businesses facing excruciating pressures by financing capital expenditures at high interest rates, and it will also increase the tax burden on investors in small corporations.