

Americans. If we want the trend in our economy to reverse itself, then surely we must come up with incentive programs to assist this very vital sector which has not been established in our country.

To my mind, "incentive" is the key word and one that, unfortunately, is disappearing from the political vocabulary in Ottawa. Instead of incentive programs we are now in the midst of the greatest give-away era in our history. The higher the number of direct grants or give-aways, the less incentive for realistic productivity. Just as the higher the number of unemployment benefits, the less incentive for long-range employment.

My concern is so genuine regarding the problems of small business and the freedom of enterprise that I hope the seriousness of these problems can be dealt with on a non-partisan basis. We cannot wait any longer to move in a positive direction in this regard. I hope hon. members will realize the seriousness of this situation and accept some of the proposals which I have outlined today. Opportunities still exist in Canada, but they are diminishing very quickly. Let us not lose them completely.

Mr. Maurice Harquail (Restigouche): Mr. Speaker, the hon. member for High Park-Humber Valley (Mr. Jelinek), while we do not always agree with some of the comments he makes in the House, has brought forward a worth-while motion. When one looks a little more closely at the recommendations that are contained in the motion, one can easily see that a good part of it has been taken from the Speech from the Throne. In it the government promised, first, measures to reduce the paperwork burden on small enterprises; second, to render government lending sources more accessible to small businesses; and third, to restructure major programs of the Department of Industry, Trade and Commerce in order to orient them more specifically to small and medium-sized businesses.

● (1720)

An hon. Member: Copycats.

Mr. Harquail: The hon. member is correct in that. In introducing his motion this afternoon the hon. member for High Park-Humber Valley (Mr. Jelinek) agreed that the Prime Minister (Mr. Trudeau) made a good choice in selecting the hon. member for Kamloops-Cariboo to be Minister of State for Small Business.

Mr. Huntington: Where is he?

Mr. Harquail: I hear comments from the other side. I am surprised that only three conservative members are sufficiently interested in the motion to be here to support the hon. member for High Park-Humber Valley this afternoon. I would have thought he would have been able to muster more support for Canadian small businessmen.

Some hon. Members: Hear, hear!

Small Business

Mr. Harquail: I was delighted to hear that this new, young minister, the Minister of State for Small Business, has travelled across this country and went to western Canada in January and to Atlantic Canada in March to meet small businessmen in this country. He had very good reason to do so, because it is estimated that over 60 per cent of Canadians work in small businesses either as employers or as employees.

Let me quote a few figures, Mr. Speaker. There are an estimated 329,000 small businesses in Canada. Those 329,000 businesses are in the following sectors: retail, 137,000; wholesale, 32,000; construction, 46,000; manufacturing, 37,000; service, 56,000; transportation and warehousing, 13,000; owners of apartments and other buildings, 8,000—for an estimated total of 329,000, which is over 60 per cent of the work force. So I can confidently state that small businesses are the lifeblood of the economy in Canada.

Mr. Jelinek: Then do something about it.

Mr. Harquail: We are doing something about it. As a matter of fact, the Minister of State for Small Business, as he himself mentioned in the House this afternoon, will soon be bringing in a bill amending the Small Businesses Loans Act. He has been also working very diligently with the Canadian Federation of Independent Business and is developing an excellent rapport with this and other organizations which have felt for some time as though they were cut off and did not have a voice in government.

Mr. Jelinek: They still don't.

Mr. Harquail: Another example of positive action and good leadership by the government was indicated in the Speech from the Throne and in the appointment of the Minister of State for Small Business who travelled across the country to speak to this most important sector, namely, the entrepreneurs.

Another excellent move by the government to assist small business was through the Department of Indian Affairs and Northern Development which operates programs to encourage small business enterprises in northern Canada. They have programs to encourage and facilitate business development by native people throughout the country. These programs are the small business loans fund, which applies to the Northwest Territories and the Yukon, the Eskimo loan fund and the Indian economic development fund. As well, the Minister of State for Small Business is consulting with small businesses in every part of the country regarding the Small Businesses Loans Act which is administered by the Department of Finance. Through it, Canadian chartered banks and other lending institutions make loans to businesses. The loans are backed by government guarantees. At present the interest rate under the act is 9½ per cent. At the end of March, 1977, the interest will be recalculated. The rate of 9½ per cent is only three-quarters of 1 per cent above the bank's prime rate, the rate charged to the bank's best customers.

Another direction in which the government is moving is to provide, through the Department of Regional Economic Expansion, major support to small business in many regions of