

gain—although that is taxable now, and that is fair enough. He is on easy street. He is relatively independent and in most cases he establishes his estate, a high standard of living and never really has to worry. But the business is lost to Canada.

I suggest that we give this matter the attention it requires and really get involved by giving the small businessman a fighting chance. I think we can do this by making a firm commitment and taking a proper approach. If we help maintain small business as Canadian business, it will not only be good for the total economy of this country but we will find our economy more and more Canadian owned.

Mr. Ellis: Mr. Speaker, may I ask the hon. member for North York a question?

Mr. Danson: On a question of privilege, Mr. Speaker, the constituency is York North.

Mr. Ellis: I apologize, Mr. Speaker. May I ask the hon. member a question?

Some hon. Members: Agreed.

Mr. Ellis: May I say that the hon. member across the way has made a delightful speech. If I understand correctly that he is in favour of this suggestion, will he impose his will on his colleagues to see if we can stop them from talking and bring this matter to a vote before six o'clock?

Mr. Danson: Mr. Speaker, I feel quite strongly about this matter and might like to see the amount increased to \$100,000. I am pretty satisfied, and this is why I have reservations, with the extension of GAAP as mentioned in the throne speech and by the Minister of Industry, Trade and Commerce, but my suggestion is that we could do much better. I am not enthusiastic about the small businesses loans program. If we were to have it in isolation and there was nothing else coming along, I would be agreeable. But I think we have much more flexibility with the extension of GAAP which was set up initially to take advantage of the Kennedy round agreement and is available to a broad sector of Canadian industry including the service sector. Without imposing limits I think it would be good, but I believe we could get something much better.

The Acting Speaker (Mr. Boulanger): Order, please. Hon. members look forward with a great deal of enthusiasm to private members' hour. I suggest this is a perfect example of how hon. members can waste this limited time for private members by rising on points of order which require replies.

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, being a new member this is the first time I have spoken in this House. I have listened with admiration to the remarks made to you and your deputies by hon. members. The courtesy you have shown to new members of all parties is proof to me that you are deserving of the numerous tributes paid to you by hon. members and I am pleased to join them in those tributes.

Some hon. Members: Hear, hear!

Small Business Loans

Mr. Kempling: It is an honour for me to speak in support of the motion presented by the hon. member for Hastings (Mr. Ellis). The motion asks that the government consider increasing the maximum loan available under the Small Businesses Loans Act from \$25,000 to \$75,000.

I am an operator of a small business and I know all the frustrations that face small businessmen. I also know what this increase will mean to thousands of people classed as small businessmen in Canada today. When you examine the sources of funds available to the small businessman you see the dilemma he faces. The chartered banks are in the retail credit business, automobile financing, residential mortgages and numerous other fields heretofore occupied by others. Each time the chartered banks enter a new field, the amount of money available to the small businessman diminishes. They will tell you this is not the case, but when one applies for a loan that is what one learns really is the situation.

• (1740)

For a moment let us consider the small businessman. He is a merchant, a small manufacturer, an agent or one of the thousands engaged in that broad category called the service industry. We have heard from previous speakers that these people are the largest employers in Canada. Collectively they have the capacity to significantly aid in the reduction of unemployment in Canada. Small businesses rarely lay off their staff during economic slowdowns. They are flexible and can expand rapidly when required. They are the stabilizing force in most communities and collectively import tremendous stability to the economy of Canada.

The single most pressing need is for funds to update or expand their businesses. To remain healthy they must keep abreast of the market in which they compete. Today's small businesses are the large businesses of tomorrow. They are almost 100 per cent Canadian-owned and operated. We should keep that in mind. We are discussing at some levels in this House foreign ownership policy and a screening board. Here we have Canadian-owned and operated businesses in need of assistance in the form of repayable loans at reasonable rates of interest. They do not seek grants or subsidies or floor prices. They only seek adequate funds to operate their businesses as only they know best.

Various other federal and provincial agencies do not normally have programs for businesses of the type I have mentioned. Probably the most significant move we can make is to help them by increasing the ceiling on loans available under the Small Businesses Loans Act from \$25,000 to \$75,000. I urge hon. members to adopt this motion.

I do not wish to speak very much about the IDB. I have done business with that agency and I know the situation. I understand the frustration in this area and the situation in respect of the interest rate at 11 per cent or 12 per cent, which is 3 per cent above that of the commercial banks whose rate was 9 per cent. I know what the IDB is all about. I can tell hon. members that the average small businessman does not want to deal with any government agency because of the red tape involved.