

Effect of Budgetary Proposals

would include corporations with net worth up to \$1 million and annual revenue of up to \$10 million. In the case of corporations approaching the upper size limitations, it would be necessary to establish that new capital requirements would provide substantial additional jobs and careers in Canada. No corporation would be able to qualify as a small business if its shares were listed on a stock exchange or if it were controlled by a corporation which did not qualify.

Certain kinds of business would not qualify for investment credit. For example, oil and gas exploration and development businesses, mining businesses and the like, would not qualify. Similarly, real estate ownership and development, leasing and financial business would not qualify. The advantage of the tax credit would remain with the investor as long as he continued to hold it, but would be repayable to the government if and when the investment were realized. If the investor did not recover his full investment, the amount of credit would be half of his recovery. No capital loss deduction would be allowed. If the investor realized a gain, the gain would be taxable in the ordinary way.

I have made no pretence that this is a perfect proposal or, in specific terms, the only proposal which could be effective. I think it is a good plan. I know that such a plan is urgently needed. And this plan, at least, would have been immediately put before parliament by a Progressive Conservative government.

Some hon. Members: Hear, hear!

• (1650)

Mr. Stanfield: We are all aware that there was a reference to some kind of plan for small business in the Speech from the Throne. We are all aware that the Minister of Finance has been talking about this as an area of concern. But what are we to expect from the minister when he finally gets around to producing something? All I have to go by is the reaction that he expressed to the plan that I put forward. He said: "... it would provide an opportunity for some individuals to reap a rich bonanza", and, even more significantly, he continued "without meeting any demonstrated need of small business for funds". In other words, the minister was not only attacking my plan but was questioning whether there was really any demonstrated need on the part of small business in Canada for this kind of equity capital.

Mr. Turner (Ottawa-Carleton): That was not the meaning of that statement.

Mr. Stanfield: This minister says that that was not the meaning of that statement, but like the Speaker I have to make the best I can of words that are put before me and interpret them in a fair way. That is the way that I interpreted the statement of the minister at the time it was reported in the press, and it strikes me that that is the only possible interpretation I can give it.

I think that the minister's statement is rather insulting to individual Canadians and an affront to the small business community. We say that our proposal would encourage opportunity. The Minister of Finance says that it would encourage profiteering. We say that such a policy is

[Mr. Stanfield.]

needed by small businesses in Canada to allow them to get started at some time, and at other times to grow. It is needed by small business so as to encourage Canadians to grow in the Canadian economy. The minister says that the small businessman in Canada has not demonstrated the need. We say that the answers to our serious problems of unemployment and Canadian development must be found by encouraging individual initiative and enterprise. The Minister of Finance says that you cannot trust people, yet this is the same minister who was espousing such trust in his limited proposals contained in his 1972 budget which, in the nature of things, will be made available mainly to large enterprises.

We believe that the kind of incentive that we propose will do more in a single year to stimulate private initiative and provide more new opportunities for jobs, and to stimulate demand for goods and services, than any combination of direct government loans, concessions and subsidies presently in effect. Such a policy would give new initiatives to our young people, many of whom today are deprived and denied opportunities to participate in our economy. Such a policy would reinvolve the average Canadian in the achievement of national objectives, among them the urgent need for full employment and the need to encourage Canadian investment, participation and ownership in the development of our national economy.

On this matter of Canadian self-determination, I want to reassure all members of this House that the only viable alternative to the present government does accept its historic responsibility to give leadership in this issue. Leaders of this party who have preceded me have given their dedication and their loyalty, and not merely lip service, to the concept of an independent Canada. We believe that Canadians ought to be given the maximum opportunity to develop and apply their own entrepreneurial and managerial skills so as to ensure the increased participation of Canadians in the business and industry of their own land.

May I take a minute to remind you again, Sir, that it was the present government that made the decision with respect to the development of communications satellites—the \$90 million Telesat program. It was also the decision of this government to ship 80 per cent of the investment in satellite technology and 80 per cent of the investment in development to the United States. In doing so, it rejected a bid which would have seen only 35 per cent of this investment go out of the country. And the excuse given was that there was a differential of \$13 million in the final contract bids. I believe that Canadians understand—I am sure they do—that there may well be, in the struggle to develop Canadian competence, technology and expertise, a premium that has to be paid; but I also believe that Canadians are prepared to pay it.

The combination of a small business incentive such as we have proposed and a more effective government purchasing and procurement policy encourage Canadian technology and surely define the direction that is the right direction for this country at this time in its history. The lack of any direction that we see today is unacceptable. Responsibility for that lack of direction lies upon a government that will only stall, stutter and delay for as long