

*Government Orders*

When the GST bill was being considered, we were told that there were 1.2 million enterprises in Canada, of which 90 per cent are small businesses, and the Minister of National Revenue told us that there are now 1.6 million, an increase of 400,000 over the previous estimate.

In the present debate on the GST, when noticing the absence of the Minister of State for Small Businesses, one can not help wondering, Madam Speaker, if this government has ever understood or if it really intends do something for small business. I do not want to dwell on the subject, but I wish to offer the government, which is apparently bankrupt of ideas, a few positive ideas concerning the modern small business. To prove my point when I say that this government does not understand the small business, simply turn to page 8 of the good-looking brochure entitled "Information for small businesses", which must have cost a lot to produce. There is the proof that the government does not understand the first thing about small business. The cash book shown on that page is confusing because, according to the law, the tax will be payable at the time of billing, while in the brochure the tax is payable at the time of collection. That is to say that the law is stating one thing and the Department of Finance another. We must sympathize with the Canadian entrepreneurs who have to spend a lot of time trying to figure it all out while earning their living and that of their families.

I would like to come back to Bill C-56 which is before us today for third reading, an act to amend the Small Businesses Loans Act. Madam Speaker, everybody in Canada agrees to say that small businesses are underfunded. The only real financing program to assist small businesses happens to be the one governed by the law we are amending here this afternoon. Yet, the number and volume of such loans have been reduced by 50 per cent in the past five years. In 1985, the first time this Tory government introduced a Bill to amend this legislation, Madam Speaker, we were really concerned and we mounted a rather virulent attack against it, because we felt rather strongly at the time that the amendments aimed at reducing to 85 per cent the government's guarantee, as well as the 1 per cent cost for obtaining the loan, would proportionally reduce access to the program.

In fact, those are not our figures, but those of the department. The annual report clearly demonstrates a significant reduction the first year this legislation was amended in 1985, that is to say, as soon of the guarantee was reduced and as soon as 1 per cent of the total loan was used to cover the loan registration costs.

Madam Speaker, this is not a figment of my imagination, but data which were confirmed by the department responsible for the operation of this program when I raised the issue in committee, and I should like to quote from the transcript of that meeting.

[*English*]

I have a transcript from the legislative committee on this bill. I asked the person in the government responsible for this program why 50 per cent of the activities of this program have been reduced since the first major amendment proposed by the Conservative government in 1985. Even though we vigorously opposed it, the government went ahead with it. We told them then that it would reduce the activity. This is the only program for small business. When I talk about small business, I mean real small business. Small businesses had access. That program was reduced by 50 per cent, not because people do not need money.

• (1610)

We know, and everyone agrees, that the small business sector is underfunded and the program was not available. We had a guarantee of 100 per cent and it was reduced to 85 per cent. We know the banks are not non-profit organizations. The banks are there, and God knows that for every dollar it gives it wants \$2 of guarantees. Therefore, it automatically reduces access to that program for starters; young people, women, anyone who wants to start a small business and did not have enough experience in business or collateral to satisfy the bank. On top of that the small business has to pay 1 per cent of the total loan so the government could have insurance to cover any future loss.

All those amendments reduced the activity of the program today to 50 per cent. What I am saying is not an invention. It was confirmed in the legislative committee when amendments to this bill were discussed. I would like to quote for the record what Mr. Juelich said: