

9. Improvements to the tax credit for scientific research and experimental development.

As for the measures from the budget announced on April 26, 1993, they are: first, annual tax credit limit; second, investment tax credit for scientific research and experimental development; and third, instalment payments of income tax.

As you may have noticed, these measures are particularly involved. Just by listing them, you can see how complex they are, not only for the legislator, but also for the small business community.

That is why we think it is erroneous and pointless to undertake a detailed analysis of these measures in the House. These measures should be referred to a committee, and undergo a judicious and in-depth analysis before any necessary recommendations can be made.

• (1235)

It is also clear a thorough review is needed of small business financial assistance programs, to identify any overlap in the administration of these programs and to simplify their implementation.

We must realize what small and medium-sized businesses have to put up with from a government bureaucracy that often interferes with the way they manage their affairs, that sets deadlines, asks for explanations, even intimidates business owners, wastes the time of employees and acts as if small business was at its beck and call.

Studies on the subject agree that at least 20 per cent of the time and effort that go into small business management and administration is spent dealing with government paperwork.

That is both unacceptable and contrary to the goals of being competitive and efficient, the magic words government officials are so fond of repeating.

We must help small business expand and not crush them under bureaucratic paperwork. We must help small businesses whose names are not on everyone's lips, which do not have an export plan or technology projects and whose equipment does not necessarily have to be updated, but which produce goods in response to local and regional needs. They are often well-managed or may experience problems but, most importantly, provide local jobs for 5, 10, 20, 40 or 60 employees who without this plant would be unemployed, unlikely to find another job and, as a result, have to live on unemployment insurance and then welfare.

I am thinking of door and window manufacturers, machine tool shops, manufacturers of food products, clothing manufacturers and sawmills, for instance.

We must acknowledge the fact that this type of business exists and help them consolidate their position, because they create

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and maintain the jobs in our regions that make it possible for the government, with the tax revenue from these businesses and their employees, to provide incentives for other businesses to either export or update their equipment or get technological development projects.

I would also like to take this opportunity to remind the government, considering the geopolitical changes that have taken place in recent years, of the importance of encouraging the conversion of our defence industries to the production of civilian goods. The government must help bring about this conversion, otherwise our entire industrial framework may lose its competitive edge to neighbouring economies.

The red book makes this clear, and I quote: "The defence industries today employ directly and indirectly over 100,000 Canadians. The end of the cold war puts at risk tens of thousands of high-tech jobs. A Liberal government will introduce a defence conversion program to help industries in transition from high-tech military production to high-tech civilian production".

That being said, questions arise about the federal government's framework for acting effectively in terms of incentives to streamline operations.

In Quebec, the agency closest to the customer is the Federal Business Development Bank which, oddly enough, reports to the Minister of Finance, although one could legitimately assume that industrial conversion programs would originate from and be inspired by Industry Canada, which has no regional offices, being mainly based in Montreal. One can hardly expect programs that are designed and administered well away from the potential user to be effective.

One also wonders what the FBDB, the Federal Business Development Bank, is doing in the Department of Finance.

To get back to the content of the bill as such, one of the items in the bill refers to labour-sponsored venture capital corporations. I am reminded of one particularly remarkable example, the Fonds de solidarité des travailleurs, a venture capital corporation founded 10 years ago this year by the Quebec Federation of Labour. Today, the corporation has 193,000 shareholders with net assets of \$797 million and an investment portfolio worth \$414 million, invested in Quebec businesses. Shareholders have seen their businesses revive or expand considerably, thanks to the fund's assistance.

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In 1993 alone, the fund was responsible for nearly \$175 million in new investments benefitting 43 businesses. The very existence of the Fonds de solidarité and its success illustrate the potential for creativity and innovation of Quebec and the people of Quebec, which in turn explains our confidence and pride in the economic potential of a sovereign Quebec.