

*Government Orders*

member would confine his remarks to the issue at hand and not get off on his usual partisan strides.

**Mr. Skelly (Comox—Alberni):** Madam Speaker, I am not sure on what pretence the previous speaker gained the floor, but it certainly was not a point of order. Regardless of what understanding they were under, I am under the understanding that the House sits until three o'clock and that this government bill is the subject of debate. I was advised by my whip that members are permitted to speak on it until three o'clock. Whatever impression that Tory house leader is under has not been communicated to me.

• (1310)

I am concerned about small business and that is why I am on my feet in the House of Commons at the time appropriated for debate on this issue and I certainly intend to debate it. While we support this piece of legislation, we on this side of the House are certainly concerned about the differences in the way that small businesses are treated by this Tory government as opposed to how large businesses are treated. Nowhere was that more evident than in the case of the budget speech which recently came down in this House. When you compare how much of the largesse of this government is given to large businesses, this bill is simply a pittance compared to what the government should be doing in order to help small business grow and thrive.

We have heard some fine statements from that side of the House. We have heard that small businesses create 70 to 80 per cent of the employment in this country. We have heard that small business is the most innovative sector of our business economy. We have heard that small business is also the most competitive sector of our economy. Yet, the very little this government does in order to support small business has to be the subject of more important debate in this House than has been the case.

I heard in advance of the budget coming down this week that the Canadian Manufacturers' Association and the Business Council on National Issues were talking about how seriously the deficit had to be cut and what stringent measures had to be taken, even to the extent of cutting grants to business. The newspapers were saying to the people of Canada that here was an example of

business sacrificing its own interests in order to cut the deficit. In point of fact, nothing could be further from the truth. There is absolutely nothing in this budget that stops the huge flow of resources from the taxpayer of this country to large businesses.

The amount of tax expenditures made available to large business is absolutely unbelievable compared to the pittance that is made available to small business. The capital cost allowances in this country are the most generous of any country in the developed world. Businesses are allowed to depreciate their equipment and to replace labour with capital at a rate that does not even make sense. They are purchasing unnecessary capital to replace labour because of that generous capital cost allowance that we give them. That is not available at such generous levels in any other country on the globe.

If only we were as generous to small business as we are to the large corporations. Nothing is done in the current budget to change that situation. That constant bleeding of taxpayers' resources into non-productive investment still contributes to the deficit and still contributes to the high price of doing business in Canada. If we were going to be serious about trimming the deficit, we should have taken a look at that area of tax expenditure because it is a serious problem in Canada with which we should have been dealing.

In this country we also permit the borrowings of corporations involved in corporate acquisitions and mergers to be deducted from their cost of business in order to calculate their income tax. It is a virtual government support of corporate acquisitions and mergers. The result of these mergers is generally the loss of jobs, the loss of production facilities in Canada, and the loss of the Canadian economic inventory.

As a result, we tend to lose jobs, we tend to lose production and we tend to lose taxpayers' resources which could be reallocated to trimming the deficit. That is the kind of thing that should be cut. It is a direct concession, a direct grant to large businesses; the kinds of grants and concessions that small businesses in this country do not get. We are not giving small business the kind of service that it should be receiving. We recognize that they are the greatest job creators. We recognize that they are the most innovative sector. We recognize that they are the most competitive sector. Yet, we do next to