

Income Tax Act

RRSP investment that they could draw down to start a research and development project. The Small Businesses Loans Act should be amended to allow loans required to complete a research and development project. When these things start off, you never know where they are going to end. The Small Businesses Loans Act should be used to register a patent or purchase technology. It would be advantageous in the Canadian market. Small Business Development Bonds should be extended to cover a ten-year period rather than the five years now proposed. The regulation should be amended to allow it to be used as a form of refinancing for businessmen who are being bled dry by high interest rates.

The members of the New Democratic Party talk about the position of the banks in connection with the Small Business Development Bond. I do not care if it gives the bank a special tax position. I want to see more people survive in the troubled times we are facing. I want to see the small business sector have a measure of hope that it can continue to contribute to the economy of this country, to the labour market and the revenue required to operate this very diverse nation. We will in the course of this debate propose amendments which will try to achieve some of these objectives.

I want to say a few more words about regulations. I have heard the comments of the chairman of the parliamentary committee which looked into the regulatory system of this government. I am distressed at the continuous thrust of regulations and the desire of the bureaucracy to control everything. Can you think of anything more depressing than going to someone in Finance or Industry to get their approval for your project? It does not happen that way. You get an idea, you want to pursue it, you know the market, and you are looking for money. I hope the minister will take this thought of an RRSP idea for research and development and run it around in his mind because it has a great deal of merit. I can assure him of that.

I do not know whether anyone here has ever been confronted by a bureaucrat with a book of regulations, laying on you an error you have made. He tells you how big brother can fine you, and the sanctions he can impose against you. If you tell him you are not aware of the regulations, he says that does not matter. He will tell you that the governor in council passed a regulation on such and such a day and it was published in *The Canada Gazette*. You would think that all Canadians on Sunday morning, instead of going to church, get the latest issue of *The Canada Gazette* to see whether they are complying with all these regulations.

I hope, in looking at the report of the committee, that some consideration will be given to a method of appeal, a review board, or something of that nature. When these regulations come in, they would not then impact immediately upon the business community. There would be a time-frame which would give the businessman an opportunity to adjust, whether it be his inventory or whatever it might be. It does not need to be imposed on him right away. There should be an appeal route he can follow in order to redress what he may think is wrong.

I will give a recent example in my constituency. A small businessman had a \$10,000 inventory of California bark brought in from the United States. It had passed through customs. He had paid the duty, sales tax and so forth. He had been selling this merchandise in the normal way until someone walked in from the consumer and corporate affairs fraud division.

This small businessman was told he could no longer sell the California bark because the Imperial measure is illegal and fraudulent. Can you imagine that? The official impounded the \$10,000 inventory. It is ludicrous.

The small businessman said he would call his member of Parliament. The official laughed in his face, saying, "Those guys can't do anything. You are wasting your time. Your inventory is impounded." The businessman told the official that his supplier was just using up old inventory and the next shipment would be metric measure. The official said that did not matter, the \$10,000 inventory was being impounded. When the businessman asked what he should do with it, the official told him that was his problem, not the department's, and walked away.

Immediately after the official left, a customer came in and asked to buy 15 cubic feet of California red bark. The businessman called me on the telephone to see what he should do. I told him to sell the whole works and, if the official came back, to tell him to take the case to court. I do not think a judge in a court in this land would convict someone of fraud for selling Imperial measure. That is bordering on stupidity.

That is only one of the problems that small businessmen face in the regulatory process. I commend the committee for the work it has done. I have not read the report yet. I look forward to being involved in it because I think I can make a contribution.

The small business community has much to offer. There is much it can do to alleviate unemployment and help the growth in our economy. Some mechanism must be found to relieve the problem of the high cost of money. Lowering the interest rate 1 or 2 per cent will not be of much help. We must look at their original investment in terms of constant dollars to see what that investment is today.

Where is the small businessman to get the money to continue to operate his business? He cannot afford to pay 17, 18 or 19 per cent interest. I know of many businessmen who do not lay off their employees when the market turns down. It is hard to believe the stability they impart to our economy. When the market turns down, they find something for these people to do. They know the value of good employees and how hard it is to find them.

Small business offers constant employment. It offers employees all the fringe benefits offered by large industry. Small businessmen need some relief in the form of low-cost capital, and I do not mean government loans. As I said, the Small Business Development Bond should be extended from five years to ten. The whole damned thing should be amended. It is not worth anything the way it is now written.