

Small Businesses Loans Act (No. 2)

\$200,000 to expand, after December 31, 1981, it will not be able to obtain it. Hopefully the changes which will be brought forward by the Minister of Finance will remove the stigma of being required to come from the town of "Dire Straits" before being eligible for a Small Business Development Bond.

Mr. Speyer: That is in my riding.

Mr. McKnight: The hon. member for Cambridge (Mr. Speyer) says that it is in his riding. I know his riding really represents small business. Perhaps there are 50 or 60 employees in some plants and more in others; but because there happens to be 100 employees in a plant does not mean it is big business. Because there are 30, 40 or 200 employees does not mean it is big business. It is small business. Those businesses hire and provide jobs, probably 90 per cent of the jobs in the country. I am not talking about Massey-Ferguson or Chrysler. I am talking about a business where someone had a dream or an idea and succeeded because of hard work, perseverance and some luck. Everyone who starts a business knows that he or she is taking a risk. If not, they are in businesses about which I know nothing or they are silly. They know they are taking risks. They are enterprisers and builders. What will happen now when they take risks and get ahead a little? They are no longer eligible for assistance from the government.

● (1700)

The other thing that was changed in the Small Business Development Bond was that not only after the beginning of the year will it not be available to unincorporated companies that need it and could use it, but it will be available only to incorporated or unincorporated companies that show they are in financial difficulty.

I have heard the Minister of Finance and the Minister of Agriculture say that the banks are not bleeding enough, that they are making too much money. That may very well be true, but what makes the Minister of Finance think that writing it down in a budget is going to force the banks or the financial institutions to lend money to people who are financially unstable? How does he think that the banking community will react when someone says, "You have to give me that money and it will cost you more to process my loan because I will have to pay 3 per cent more than I would have before November 12, but you have to give it to me because I am in financial difficulty and the Minister of Finance said so in the budget." That is ridiculous. I notice that the government has not had too much luck in its attempts to direct the financial institutions. The only direction they take is from the Governor of the Bank of Canada. Whether the Prime Minister (Mr. Trudeau) believes that the government has a high interest rate policy or not, everyone else in the country knows that it has. And that is going to continue. We do not see any likelihood of a change.

We cannot deny that \$700 million-odd is a fair amount of money. That is a lot of change, Mr. Speaker. In the district of Kindersley-Lloydminster which I represent, land is valued anywhere from \$500 to \$1,000 per acre and the average farm

is over 800 acres. That is just one federal constituency where small businesses have assets which are ten times the amount provided in the bill.

A lot of people feel that farming is not a business but usually they are not involved in it. The farming business has every problem and every disadvantage that any other industry in the country has.

I am sorry that the Parliamentary Secretary to the Minister of Finance (Mr. Evans) is not in the House, Mr. Speaker. On November 2 he was reported in *Hansard* as saying that farmers have the lowest tax rate of anyone in Canada. I see an hon. member on that side smile; he happens to be involved in the farming industry. I wish he would do more than smile and take the Parliamentary Secretary to the Minister of Finance out behind the barn and give him a lesson!

Mr. Epp: He has never been there before, and he would get dirty shoes.

Mr. McKnight: That is sheer stupidity, Mr. Speaker. It hurts this country and the business that I am involved in when someone from the "heavily farmed area of Ottawa Centre" says that farmers have the lowest tax rate in the country. The parliamentary secretary is supposed to assist the Minister of Finance and perhaps that is why we ended up with this budget. I hope there are other hon. members on the government side who could give a little better assistance. I see that the hon. member for Timiskaming (Mr. Lonsdale) is in the House and I know that he could advise the minister better than that about the small business and farming community.

During this debate we have heard something about the ability of the small business sector to perform. Two or three years ago when Chrysler was in trouble, when Massey-Ferguson started to have trouble and when International Harvester started to have trouble, when all the large manufacturers started to get into trouble, nothing was heard about the small businessman who had eight or ten gravel trucks and a crusher. He was getting along; he was hustling and he did so with pride, initiative and hard work. Now the government's policies have gone so far that it is not only the large corporations that do not have "hands on" management, but the small business owned by a man or woman who is trying to manage it, control the inventory, look after stock—the business that has "hands on" management—has had to cut back in many cases. They have had to lay off employees. Not only do they have to manage the business now, but they have to be clerk, mechanic, salesperson or assembly worker. Sometimes other members of the family become involved as well.

Since this government resumed office in February, 1980, it has done nothing to help small business except offer Bill C-84. I can understand that. When something is not very dramatic, when it is not like taking away 25 per cent of the lands of northern Canada, when it is not like fighting with the producing provinces, when it is not like saving Chrysler—maybe it did save Chrysler but I have my doubts—when it is not making large pronouncements, then the government only offers to double the amount available to small business. When