

*Small Business*

**Mr. Abbott:** Mr. Speaker, I said I had defined small business in a way that I thought was sufficiently adequate when I stated that I thought a business of 100 or fewer employees, which is financially and legally independent, was sufficient to provide a curtain or an umbrella. I differ in some ways with the definition put forward by the hon. member. I went on to cite some interested authorities that say one definition does not suit. I am saying that I feel less concerned, and place a lower priority on the existence of one definition or the other. He and I, and most everyone else who is concerned in this field, know what small business is. I believe the hon. member mentioned in his remarks about the Small Businesses Loans Act that a subsidiary, however small of a major company, should not be included if we are talking about certain beneficial programs, and to that extent I agree.

The hon. member went on to mention the Small Businesses Loans Act, and I want to correct his impression. The Small Businesses Loans Act administration has been moved over and is under my responsibility. This is helpful, because already we have studied the procedures which are required. I believe they can be streamlined and improved upon. A good deal of work is going on in this respect.

In mentioning the Small Businesses Loans Act the hon. member failed to give us credit in the time the secretariat has existed for amending the act and changing the regulations so it is now a far more useful instrument for small business than it had been before. The limit is raised to \$75,000. The regulations have been amended so that the interest rate is a point above prime. Because of the fixed interest rate during times of fluctuating interest rates, the bank managers found the bill totally unpopular. Indeed, there has been no encouragement whatever for the use of the act.

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I had several conferences with them. If business under the act was unprofitable, the banks preferred to lend money under their own rules or not lend it at all. At our consulting meetings, they agreed with me that they would be prepared to give a lot more support to the act if it were changed. We did that.

We have published a brochure. Thousands have been distributed to bank managers and through organizations such as the CFIB. While we do not have precise figures, I am advised there has been a very substantial increase in utilization of the act. In due course we will have firm statistics on that point. I see the hon. member for Sault Ste. Marie (Mr. Symes) shaking his head. No doubt he has done an exhaustive survey of the volume of business being done across Canada.

**Mr. Symes:** Not in my riding.

**Mr. Abbott:** They probably have not heard about it yet. If the hon. member would promote the bill and the act with his bank managers, as I have been trying to do, he would find that they are much more responsive. It is interesting that last year there was some \$80 million in such loans by the banks under the act notwithstanding the fact they did not like it. I am told

by those managers who are enjoying a higher volume of business that they find it a very good business indeed as a result of greater utilization of the act to the benefit of small business.

The hon. member raised the problem of certain businesses that do not deserve to be able to use the act. I do not think it is all that important. If the banks want to deal with a business that may have an affluent parent company, it does not cost the taxpayers any money. The bank simply takes the guarantee of the federal government to help repay the loan. Assuming it is a solvent subsidiary, the problem of security does not exist. I doubt there are many companies in that area which would need to avail themselves of that. However, that is just a matter of opinion. Considering this is a precise area we have brought up-to-date, I think that contradicts the hon. member's suggestion that we have done very little in that area.

I would add a number of other things that we have done. During the budget debate I discussed such areas apropos of what he was talking about in the area of paper burden. I realize he was generous enough to say we have started this program. I would like to see more done more quickly in the area of paper work elimination. However, I am convinced that, given a fair period of time since the organization was set up, very substantial results will be achieved.

I am hopeful that within a few weeks we can place before the public several examples of where the controller of paper burden can demonstrate that he has done his job.

**Mr. Beatty:** Controller of paper burden?

**Mr. Abbott:** No doubt much excessive paper work will continue to exist. However, I hope hon. members opposite will be fair minded enough to say that we have made a good beginning.

Something else we have done this year is to open our business centre. It is an efficient, well staffed operation—not lavishly staffed—of competent people. Small businessmen can visit there and receive information, not simply about the work of one government department, but, apropos of what the hon. member was saying, avail themselves of a whole breadth of information. They can have appointments made. They can be taken, not sent, to someone else to get the help they need.

In addition, the business centre, which is located in the Sparks Street building which houses our secretariat, and Industry, Trade and Commerce has a toll free Zenith number, Zenith 03200. Any businessman can telephone from anywhere in Canada. My advice is that it has been very successful and that it has resulted in positive help to the business community. That is a precise and specific measure, and while not earth shaking, deserves support.

We have also introduced a program known as the Small Business Internship Program. We hope it will succeed in providing jobs for a number of Canadian graduates on an internship basis with Canadian small businesses, which can both use the help they are afforded and, hopefully, create permanent jobs.