

Federal Business Development Bank

not want any undue delays in the interests of Canada's small business community.

Mr. Jim Karygiannis (Scarborough—Agincourt): Mr. Speaker, it is a pleasure to participate in this debate. It is extremely important and requires a great deal of work since small business is the economic soul of our country. The statistics bear this out. Small business accounts for 98 per cent of all Canadian businesses or 812,000 companies out of a total of 822,000. A small business is classified as a business generating annual sales of \$2 million or less.

It should be quite clear that the most crucial period for a business is its first three years of operation. This period is even more important for a small business since it has fewer resources that it can draw from. Therefore, if small business is to flourish in Canada, it requires an extensive commitment from all levels of government.

Several studies show that the survival rate of new small businesses in Canada is only 20 per cent after five years without any governmental assistance. However, in countries where Governments have been involved in helping small business, this figure is somewhere in the neighbourhood of 80 per cent. Clearly governmental assistance is indispensable if small business is to continue to grow.

In the past four years, we have seen a Government that has not given small business the priority it deserves. The Federal Business Development Bank should be the key player in helping small businesses during start-up stages. The FBDB must re-examine its mandate to ensure that it continues to put the needs of small business first.

Another proposal aimed at helping small business in Canada is the development of one stop information centres where small businesses could obtain all the information they need without the inconvenience of running from one office to another for assistance. One can certainly appreciate the difficulties that a new small business encounters when one takes into account that there are more than 560 different government assistance programs for small business at the federal level alone. The complexity of these programs are a headache for

entrepreneurs who are looking for the program which will be assist them.

It was partly to solve this problem that in 1984, the Federal Business Development Bank developed a new program called "Automated Information for Management Service". The purpose of this program is to group together all the information about programs for small business.

Because of limited resources, improvements to the system could not be made quickly and it has been impossible for the Federal Business Development Bank to develop the information catalogue fully. As well, the program is still not available to a sufficient number of organizations outside the FBDB network. Because it has been a pilot project for so long, the Automated Information for Management Service is starting to deteriorate.

The Government must be committed to developing a one stop information network for small business. To do so, it must be committed to fund the development of the FBDB's Automated Information for Management Service program adequately through local business organizations such as Chambers of Commerce and the various professional associations. These organizations have offices in every region of the country and are run by business people who are familiar with small business, as well as with the local area.

In addition to providing information on government programs, the Automated Information for Management Service could also provide information of interest to small business. This data has already been compiled by Statistics Canada but small businesses do not have access to it. This service could also contain information pertaining to government purchasing contracts.

We on this side of the House are also concerned about the drastic cuts in the management services program of the FBDB as announced in the Budget. Through the management services program, the FBDB has provided small business with management and legal counselling as well as information seminars. It is worth noting that this program has been very successful. However, the Government ruthlessly intends to do away this program, again indicating its lack of concern for the small business sector.