

*Small Businesses Loans Act*

taken advantage of the opportunities presented to it. With great energy, coupled with co-operation, consultation and consensus, people came together and planned a community that would turn rapid growth to advantage.

In my riding there are over 6,800 small businesses that fall under the definition laid out by Bill C-23. These small businesses are the backbone of our community. Small businesses are also the backbone of Canada. We in the federal Government must create the environment that encourages Canadians to start their own businesses. People who have dreams and ideas must have an environment that is friendly, an environment that is co-operative and a Government that wants them to succeed. We must give them the opportunity to pursue their dreams. I know that, given that opportunity, they will succeed and Canada will grow with them.

I, as a small businessman who started out in Mississauga some 20 years ago, have seen a tremendous, exciting growth and I have been fortunate enough to benefit from it, to benefit from an enlightened local government that strives to help businesses in whatever way it can. Just as in small business, the most important ingredients of a successful government are good planning, co-operation and employing the consensus approach to take advantage of the opportunities that arise.

I see the new Canadian Government following this plan and I am pleased, as I know my constituents are. People in Mississauga North know through experience that good government is a government that listens. I am pleased to see a program of consultation being undertaken by the Canadian Government to learn what the people want, to learn where the people want to go, to learn how we can best help them reach their goals.

The comparisons between Canada and Mississauga North are many. Mississauga, like Canada, is young with tremendous potential and resources, a bright light that attracts people. Often I feel that we who live in Canada forget how great our country is. Luckily our new Canadians can remind us that there still exists the potential for all our people to pursue their dreams and reach their goals.

In the community of Mississauga government has played its part. There has been a need to design a framework. They have, with consultation and consensus, done so. They have provided the structure so that the citizens can work to achieve their goals. I am proud to be able to say about the community in which I live that local government has been there to lend a helping hand, but it has never let that hand lie too heavily on the shoulders of its citizens.

I come from one of the few communities in this country that faces a substantial surplus in its treasury. This position has been achieved while the members of the community have benefited from some of the finest social services and community facilities that are available anywhere in this country.

How, we may ask, has a community that is so young been able to achieve such remarkable results? The key lies in its ability to understand the needs of its people, to work in unison with the factors of growth and to harness in a constructive way

the tremendous energy of a booming small business base. The people of Mississauga North have learned that the way to get the most from their engine of growth is not to drive it but to ride along with it, to be there, to offer help and guidance when required but to keep their hands off it so it is given the freedom it requires to reach its maximum potential.

The proposed amendments in this Bill, which I want to go quickly through, will do much in a very real sense to improve the operating capacities of small businesses in this country, while at the same time ensuring that the partners involved in the loans are all responsible. The increase from \$1.5 million to \$2 million for the upper eligibility limit to qualify a firm as a small business under the definition as laid out by the Act makes complete common sense. With high inflation under the last Government, many companies that are still of a relatively small nature exceeded the \$1.5 million ceiling. This increase to a \$2 million limit is very necessary.

The new liability loss-sharing ratio of 90 per cent to 10 per cent is a step in the right direction so far as the responsibility aspects of lending are concerned. It is essential that the business involved in the loan transaction be responsible for at least part of the liability under the loan. This Act is to enhance and encourage the establishment of a small successful business. It is not meant to be a vehicle to give away money at the taxpayers' expense to businesses that cannot accept some responsibility for their own funding.

Another amendment within this legislation is the fee to be paid by the lender in the amount of 1 per cent of the total loan. Again it only makes sense that the banks, which to date had been profiting in a no-loss situation, should have to contribute so that the Canadian public is not left to shoulder all the responsibilities. In our conversations with banking institutions they expressed a willingness to share in this 1 per cent fee, especially when you consider that they will generally get all other loans from the same firm as it grows in size and success in the years after the initial Small Businesses Act loan was extended. These major amendments are all steps in the right direction so far as placing responsibility and safeguards for public funds hand in hand with encouraging the entrepreneurial spirit.

It is essential we understand that for people to be truly successful and for businesses to be successful, there must also exist the possibility for them to fail. If we spend all of our time legislating, controlling and directing our small businesses, then they will spend all of their time responding solely to us, channelling their creative energies away from growth into activities that merely deal with an overwhelming bureaucracy. We must be there to help them when the idea has been sparked, but we cannot expect small business to be successful if we continually insist on dictating the directions they should take.

The people of Mississauga North know this, and that is why my riding has one of the highest standards of living in this country. That is why my riding, although it has people from many backgrounds with many ideas and beliefs, is relatively strife-free. That is why unemployment and violence are both