

and emphasize to the minister, who sits there grinning, that I hope he will approve some of the recommendations we have been making. I hope he will seriously consider putting into effect some of the studies the government has made in the last few years, as well as our incentive-oriented programs, including the recommendation for a secretariat separate from the Department of Industry, Trade and Commerce. I am sure the minister himself would like to see that. I hope the minister will seriously consider implementing these things before it is too late for the small businessman in Canada, and before it is too late for the free enterprise that Canadians have grown to accept as a way of life.

Some hon. Members: Hear, hear!

● (1632)

Hon. A. C. Abbott (Minister of State (Small Business)): Mr. Speaker, first of all I would like to thank my hon. friend, the member for High Park-Humber Valley (Mr. Jelinek), for his remarks, and for those which were complimentary.

I would like to say that the debate today is a very useful one. I believe the motion that was put down is a responsible one. It introduces a number of areas to which I have given a good deal of consideration. Some of which I would not view as necessary as others, but within them they possess a good deal of merit. I want to assure my hon. friend and his colleagues who are interested in this area, as well as my own colleagues, that as early as possible I intend to introduce new measures and to bring new programs to bear which I hope will meet some of the points raised here, but which will go a good deal further and do more.

There are, however, one or two areas with which I would take issue. The hon. member spent some time talking about definitions and the importance of such definitions. I have not yet become convinced that this is the most important problem that we face. He and I, and everyone else interested in this area, know what small business is as opposed to big business and I believe this definition suits the general purpose.

The other day I said that a small business is essentially one of 100 employees or fewer which is financially and legally independent. That probably could be qualified. It might be different in numerical breakdown in certain types of business than others. The hon. member's own definition, I believe, is to the effect that a small business is owner managed and not dominant in its field. This is reflective of the United States small business act which does purport to define small business in that country. By their statute they say a small business is deemed to be a firm which is:

"independently-owned and operated and which is not dominant in its field of operations".

Significantly, however, the act then proceeds to delegate to the administrator of the SBA authority to make more detailed definitions using, among others, such criteria as the number of employees and the dollar value of business. Moreover, the legislation specifically notes that, where these criteria are used, the upper limits established may vary from industry to indus-

try to the extent necessary to reflect differing characteristics of the industries and "to take proper account of relevant factors".

The problem with a definition is that it tends to be difficult to put in precise words an explanation of what any small business might be. I think perhaps Professor Rein Peterson has best expressed it. Professor Peterson is a teacher at the York School of Business Administration who has written a very good book on small business. He has been associated to some extent with the Canadian Federation of Independent Business. In his comments he says:

In defining small business, we are attempting to grapple with generalizations that in practice must apply to a large and diverse group of legal and economic entities. Therefore, it is somewhat naive to expect that one can come up with a single, simple, concise legal definition of small business likely to be adopted by the diverse interests in an economy. We are also trying to describe a continually moving target group, because relationships between relative size, necessary specialization, and economies of scale—both internal and external to the firm—vary from time to time, from region to region, from product to product, and between one technology and another.

I could go on to quote other authorities that cast some doubt on the essential value of a definition. For instance, my hon. friend may have investments while he is an active member of this House and could not personally manage those investments. He might own a small business but not manage it. If he owned, for instance, a business manufacturing horseshoes in Prince Edward Island, he might own a business that by almost any standard would be described as small but would, I am told, be dominant in its field. Actually such a business exists. Therefore he might want to take advantage of the various programs we have to offer in Canada to small business. More, we hope, will be forthcoming. However, he would be excluded because of the precise restrictive nature of his definition.

I suppose you could say the T. Eaton Company is owned and managed by its owners but is not dominant in its field. It is a major operator in its field. I think the Simpsons-Sears Company would prefer to believe that it is not dominated by the T. Eaton Company. And yet I do not think it would qualify by anyone's judgment as a small business.

You can appreciate that while I do not want to spend the afternoon quibbling with my hon. friend about the merits of one definition over another, he will agree with me that one can get trapped into a easy assumption that some definition will suit the bill and be workable and useful.

I took some exception to another point mentioned by my hon. friend. He was annoyed that the Small Businesses Loans Act—

Mr. Jelinek: Mr. Speaker, would the minister permit a short question?

Mr. Abbott: Yes.

Mr. Jelinek: Mr. Speaker, without getting argumentative about the definition situation, I wonder if the minister now is saying that the government does not need a definition for small business and it does not have a general definition, although he has quoted several in the past?