

*Small Business*

nesses. I always had the feeling that officials in the Department of Industry, Trade and Commerce were much more big business oriented, looked at big things and were only interested in big things. But I think in the last couple of years since we have had two ministers move into this area that there has been a great improvement and a new sensitivity is developing. It occurs to me that some of the communities and small business people, particularly in the small manufacturing sectors, require more managerial assistance.

There are one or two other factors which I would like to mention. First of all let us take a theoretical situation. As an example I would cite a community with a good supply of wood, some entrepreneurial skills in terms of working with that wood, a perception of the wood chip industry potential and the need to create jobs. Incidentally, the market for the wood chip industry is expanding, particularly in the United States. Here is a scenario that is found in many northern Ontario communities.

When governments look at this kind of scenario there are things they can do to change the situation into a productive one where jobs would be created. Money is one of the factors, but I think this factor is being solved. We are moving in a direction where it becomes more possible to get hold of the kind of funds necessary, at least in many cases. Other managerial skills beyond the skills needed to run the production unit are probably necessary. One that comes to mind, is the skill of finding a market. Very often the market is something that eludes the small entrepreneur because the market may very well be dominated or controlled by large business and large corporations. From the discussions I have had with a number of small businessmen, with community representatives and industrial groups looking for new industry, this kind of support is needed badly.

I suggest at this point that there is a rather fortunate economic situation which should make it easier for small businesses to compete in some of the traditional markets. This results from the depressed value of the dollar. We are all aware, since there has been a great deal of discussion of it in this House, of the 90-cent dollar or the 87-cent dollar and the effect it has on our exports. It is easier to sell our exports in traditional markets under these circumstances.

However, one of the things that has not been mentioned and which has not been part of the discussions to my knowledge—perhaps it has on one or two occasions only—has been the relative competitive advantage that the higher price of imports gives to the Canadian entrepreneur. If the import is 13 or 14 per cent higher in price than it traditionally should be, this could give the small Canadian businessman a chance to compete in this market. Sometimes I think the reason why more of this is not happening is that the business community and governments do not realize what the position is and do not try to stimulate that kind of activity. I think it is very important that we realize that when the dollar is depressed people selling on the local market—that is, the Canadian entrepreneur—have a distinct advantage over the importers of foreign goods.

[Mr. McRae.]

● (2052)

I think that the era of “small is beautiful” is going to dominate in the future much more than in the past. From my own experience in the business world of large industry, and as principal of several high schools large and small, I have come to believe that the smaller the unit, the more efficient and productive it is, and the happier are the people in it. Smaller businesses, smaller government units and decentralized government will offer many opportunities in the future which we did not have when we were so busy trying to make things bigger.

I want to compliment the Canadian Federation of Independent Business which I think has done more to bring the small businessman, the entrepreneur and the small company to the fore in this country than any single group up to this point. One of the things that John Bullock and the people associated with him has done is to differentiate between small business and the large corporation. In the past small businessmen, I think, had seen themselves as almost identical to large businessmen, the only difference being size. I think the Canadian Federation of Independent Business has identified a qualitative difference between the two groups and this is extremely important.

They have also indicated their concern about big government, big labour—the whole spectrum of bigness. This is one of the contributions being made to the new era which is fundamentally important in terms of where we, as Canadians, are going.

I should now like to make one or two comments on the report of the Royal Commission on Corporate Concentration which came down yesterday; I think it is very appropriate to this debate. I am one of the two or three members of this House who put in an appearance at the commission hearings and presented some thoughts on the question of corporate concentration. I agree with critics of the commission that the terms of reference were too narrow and that the commission should have dealt with the concentration of power in all areas. The terms of reference are what they are, however, and the commission had to work within them. I became very disturbed in particular about the global nature of multinational corporations or, as some people call them, global corporations—the extent of their power and the branch plant mentality which has had a great effect on the economic structure of this country. I was disturbed, too, about the control of global assets.

I would recommend to hon. members a book entitled “Global Reach” which deals with the assets of some global corporations. It indicates that the liquid assets of the major global corporations in the world are one and one-half times to twice the size of the liquid assets of all the national banks in the countries where they function. It also states that some of the currency problems of the past four or five years are the result of the great power that these liquid assets confer and the extent to which these assets are mobile. The United States Senate finance committee did a great deal of work in 1973-74 and the very first report it produced provides the basis for my figures.