

Small Businesses Loans Act

The Government has taken other steps to help small firms. One is the Small Business Investment Grant which was announced by my colleague, the Minister of Finance, last year. This \$400 million program provides interest grants by the federal Government to small businesses of up to 4 per cent per annum for two years. As Hon. Members know, that is now presently before the House, too. It has gone through the committee stage, and I would make an appeal at this time that, when we are dealing with the Small Businesses Loans Act, we also give speedy consideration to the Small Business Investment Grants Act, particularly for the sake of farmers and fishermen. Sixty-two per cent of all the business under the Small Businesses Investment Grants has been aimed at farmers and fishermen. They are using it extensively, and I would urge the House to give speedy passage to this Bill because if we cannot have that legislation by the end of March farmers and fishermen particularly will be in a disadvantaged position.

Mr. Baker (Nepean-Carleton): Bring on the Bill.

Mr. Rompkey: This initiative is exclusive of the lower corporate tax rate available to small firms, namely the fact that the tax rate, as Hon. Members know, on the first \$200,000 of income of a Canadian-controlled private corporation is 20 per cent to 21 per cent less than on that of larger firms. This rate is available as long as retained earnings do not exceed one million dollars.

All of these initiatives are an expression of the Government's commitment to small business. They are also in recognition of the contribution of independent business to the Canadian economy. The 645,000 small businesses in this country account for 42 per cent of business employment, and 25 per cent of business GNP. They have been and they are going to continue to be a significant force in creating and preserving jobs in this country. They will play a key role in meeting the employment challenge facing Canada in the next little while. They provide an important vehicle for risk-taking and innovation. They provide a counterbalance in the economy that would be otherwise dominated by large firms.

The SBLA is a program that has widespread support. It is specifically geared to the needs of small business. It is widely used in all regions of the country. It is available for almost all industrial activities, but it is most widely used by the service sector.

I want to conclude by asking my hon. colleagues once again to recognize, as I know they do, the important contribution of small business to Canadian economic life, and to support very speedily the measure that I have brought forward today.

Mr. Baker (Nepean-Carleton): Small business is the lifeblood of a nation.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, at the outset I want to say how very pleased I am to enter this debate in support of Bill C-144. I am pleased to note as well that the Minister, in his opening remarks, made reference to the fact that this Bill was originally passed in 1961. I think that is significant in that there was a Conservative Government in

power at that time and I think it amply demonstrates this Party's commitment to the small business sector at that time, as it is today.

I certainly want to echo the comments that the Minister has made in respect of the important role that small business plays in our country. In debating this Bill we are really in essence dealing with one of the most important and dynamic sectors in the Canadian economy. As the Minister pointed out, some 42 per cent of all private sector employment and 25 per cent of the goods and services are produced in this country by small business.

• (1420)

The other important element of small business is that in many instances it is a family-owned enterprise which has played an important historic role in the development of the Canadian economy. It is part of the Canadian dream of many to own and run their own business and to have their family involved in it. In that connection, I want to put on record the kind of feeling that we witness in a community and within an enterprise, the kind of family enterprise I am talking about.

On March 3 I received a letter from the firm located in my constituency, Geo. C. Webb and Sons (1980) Limited. I am being invited to a fiftieth anniversary celebration. I want to quote in part from the letter. It exemplifies the significance of small business in a small community and the importance of the family connection. The letter reads:

On June 23 we are . . . to mark an anniversary that we are very proud of as 50 years ago, George C. Webb, our father, signed a contract with the Massey-Harris Co. that started us in the farm machinery business in the Vermilion district.

Over the 50-year period many changes have taken place, we have added a fertilizer business and an automotive business. The third generation of our family has assumed positions of responsibility, hopefully assuring continuation of this business for many years to come. With all these changes, one very significant fact has always existed and that is the warm and friendly association we have enjoyed with our customers, our suppliers and our staff.

This is why they are celebrating. That really puts the issue of small business in this country in perspective. It is important that we see the small business sector as being healthy and thriving, giving the opportunity for members of the family to participate and be engaged in providing very necessary services to our country.

It is important to note that, notwithstanding the recession and the downturn in the economy that we were experiencing, the spirit of small business is alive and well. It is noted in a recent submission of the Canadian Federation of Independent Businesses that some 150,000 business start-ups occurred in 1982. I know that there have been a number of failures, and we regret that very much. Some blame could be laid at the doorstep of the Government in that connection. Nonetheless, the resilience and entrepreneurial spirit is alive and well in this country. It is important that we undertake to do all we can to encourage, motivate and facilitate the development and good health of that enterprise. That can be done in many respects, not only through legislation but by developing a positive environment and attitude among all levels of Government.