

HOUSE OF COMMONS

Friday, February 23, 1990

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SMALL BUSINESSES LOANS ACT

MEASURE TO AMEND

Hon. Don Mazankowski (for the Minister of Regional Industrial Expansion) moved that Bill C-56, an act to amend the Small Businesses Loans Act be read the second time and referred to a legislative committee.

Mr. Barry Moore (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, all members of this House are well aware of the central importance of small businesses to the economy. Only a few months ago, we tabled the first report on small business in Canada. This report drew attention to the vitality and significance of the small business sector in this country. The report also marked the government's strong commitment to the sector and our concern to help small business respond successfully to the challenges of tomorrow's world.

A thriving entrepreneurial sector is a mark of a dynamic economy and in Canada we have a thriving entrepreneurial sector.

• (1010)

[*Translation*]

We on this side of the House are proud of the government's contributions to create a favourable economic climate for private sector initiatives. Since 1984, more than 150 new businesses have been created every year. These businesses have been incredibly sound. In fact, over the last ten years, more than three quarters of all these new companies survived their crucial first year

of operation. Today, roughly 900,000 companies in Canada have fewer than 100 employees. This means that nearly 98 per cent of our companies are small businesses.

[*English*]

These businesses are job creators. Between 1978 and 1987 small businesses accounted for more than 80 per cent of all net new jobs created in Canada.

[*Translation*]

I would like to point out again that the growth of small businesses is at the heart of our government's regional development strategy. We firmly believe that local initiative has the best chance of becoming solidly established. The regional agencies like those in Western Canada, Northern Ontario, the Atlantic and the resource regions of Quebec adopt this philosophy.

[*English*]

Small business is also a significant platform for the economic take-off segments of our society which have often found roadblocks on other avenues to success and to profit.

Women, for example, own almost 22 per cent of all businesses with paid employees. That is up from 18 per cent at the beginning of this decade.

Young people and ethnic groups are also well represented in this sector. More than 100,000 Canadians between the ages of 15 and 24 own their own businesses. That is another incredible statistic.

Also significant is the amount of research and development undertaken by small businesses. In 1987, 67 per cent of the firms performing research and development in Canada had fewer than 50 employees and more than three-quarters had fewer than 100. This is a substantial increase since 1984 and of key importance to the well-being of the economy as a whole.

Such a link between the small business community and research and development is perhaps to be expected since small business people often show the same characteristics as those ready to get into technology development.