

Private Members' Business

It being five o'clock, pursuant to Standing Order 30(6) the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

SMALL BUSINESS SECTOR**BUY CANADA PROGRAM**

Mr. Jack Whittaker (Okanagan—Similkameen—Merritt) moved:

That, in the opinion of this House, the government should consider the advisability of developing a healthy small-business sector in Canada by targeting more federal contracts to the small-business sector and establishing a more aggressive "Buy Canada" program.

He said: Mr. Speaker, one of the reasons I put this motion on the books is because of the tough times small business is going through now and its need for a bit of a break. I am pleased it was drawn and selected for voting.

Of the businesses in Canada 97 per cent are small businesses with 50 employees or less.

From 1981 to 1989 small business created 81.5 per cent of all new jobs in Canada. This is a substantial number of jobs within Canada, a substantial employment base, a substantial amount of money.

It does not go without note that small businesses reinvest their profits in their businesses within Canada. They expand. They create employment within Canada.

The proprietors of the business usually purchase their goods and services within Canada. This has the pyramid effect, starting with a little bit and ending up with a heck of a lot more.

This is in opposition or totally different from what we see with the large multinational companies, particularly in the primary sectors. Those companies use their profits out of the country, use them for research and development outside of the country, use them for exploration outside the country, and use them for development of other properties, businesses, manufacturing companies, et cetera, outside of Canada.

I wanted to target the small business community to show small business that we in government, the federal government in particular, care about small business.

The motion is particularly applicable at this stage because 13,496 businesses declared bankruptcy in 1991. Bankruptcy is up more than 50 per cent since this recession began. There are 3,611 companies that went under in the first three months of 1992, including 1,291 business failures in March of this year.

What are the reasons for those? There are a variety of reasons. I can hit at the high interest rates. I can hit at the goods and services tax, the free trade agreement and a number of other factors. The fact that people are not buying. The cross-border shopping problem has run a number of small businesses out of business.

The main thrust is that we have to ensure that we encourage value-added production of our primary industries, whether it be mining, forestry, or fruit production as in the Okanagan and Similkameen region.

In my area the last commercial cannery has just gone under in the past few months. That was the last cannery left in the Okanagan, although in that case, because it was a small cannery, it had a fair number of sales. Certainly, it could have expanded if it had been assured of sales. If it knew it had sales through the federal government it would have helped.

Looking in that area particularly, two years ago I put a question on the Order Paper in which I asked for facts and figures with respect to the purchase of food products, both fresh and processed, where they were purchased and the quantities in which they were purchased. Unfortunately, the response was essentially that these were let out to government contract and there was no way for the government to monitor the point of sale or purchase of these goods.

It is easy to sit back and say: "Well, yes, that makes sense if you contract out, if you contract these which you have to do for our federal institutions". But it seems to me that there is an area where we could have and perhaps should have done something more.

I refer to two particular words in the motion. One is to develop a healthy small business sector in Canada by targeting more federal contracts. I am suggesting that this is one area that could be specifically targeted to ensure that people in those areas know how to bid on