

*Small Business*

several departments administer programs meant to encourage small business development. The Department of Finance is responsible for the Small Businesses Loans Act. We propose the transfer of responsibility for this act to the small business secretariat, as is the case with any other matter relating to small business.

The Department of Regional Economic Expansion has developed extensive programs for the encouragement of small business in the developing regions of this nation. The small business secretariat must move out of its glass tower at the Department of Industry, Trade and Commerce and be prepared to work with others in the field to develop further small businesses. The secretariat must be aware of the programs and activities of other departments which may have an adverse effect on small business. I am referring to the Department of Finance Bank Act, the Department of Consumer and Corporate Affairs competition policy, the Department of Agriculture marketing boards, the Department of External Affairs international development agency, and the Department of National Revenue tariff policies.

Without awareness of the policies of other departments which directly affect small business, and the mandate to administer most small business-oriented programs, the secretariat can never move beyond the purposeless and functionless existence which it operates within presently. Because we believe small business is so important, we could not but expect the small business secretariat to become a focal point for Canadian small businesses.

What is small business? What is the definition of small business? I have attempted to receive a definition for some time from the government in order to know with what part of the Canadian constituency we are dealing. For example, in March, 1977, when asked to define small business, the then minister was unable to do so, even as it related to his own portfolio. Later he indicated that perhaps it would not be wise to define small business in any event because it would confuse matters. However, in September, 1977, the government finally made public the following definition:

—independently-owned firms which have not developed the managerial structures typical of large, mature corporations . . . and that branch plants should not be excluded automatically from the small business community.

Therefore, according to that definition, branch plants of foreign-owned multinational corporations were included in the government's definition of small business.

Again last Friday when questioned in the House, the minister defined small business as follows:

—as a business with fewer than 100 employees and which in general terms is legally and financially independent of a large corporation.

● (1612)

We finally have our first incentive to small business provided by this government. It was created two and half years ago, and it is an incentive not to increase growth and employment in order to remain within the limits of that definition. It is one of the most ridiculous definitions I have ever seen because it limits companies on the verge of breaking the 100

[Mr. Jelinek.]

employee mark if they want to increase their employment and therefore their productivity and growth.

Notwithstanding that definition by the minister, this government in less than one year has come up with four different positions in so far as a definition is concerned. Is it any wonder that a nightmare of confusion and uncertainty exists within not only the small business sector but our whole economy? My party's definition, which we have been consistently recommending for a number of years, is based on a definition—and I am not ashamed to admit it—put forth by the United States Small Business Administration, "a small business is one that is owner managed and not dominant in its field." This definition has worked effectively in the United States and is being widely accepted by many.

We should not be ashamed to borrow things that work, and certainly we should look at the example of the United States Small Business Administration which has been in existence for 25 years, including some of the incentive-oriented programs they have established. This definition is accepted by many business-oriented groups such as the Canadian Federation of Independent Business, and even by some Liberals. As a matter of fact, the Ontario Liberal party's official definition of small business is exactly the same as our proposed definition, and I would hope that the federal Liberals would at least follow the example of their counterpart in the provincial legislature.

Despite all of these studies which we are talking about, the government continues to remain confused, whether it be on the issue of definitions or of presenting incentive programs because of the promises which have never been kept, from that first promise in the 1973 throne speech. We need less government interference and far more incentive-oriented programs and opportunities if our Canadian owned, operated and controlled, small business sector is to prosper. It is as simple as that, and we cannot continue to swamp them with bureaucratic directives.

The minister must agree that all of these studies have gone far beyond the guidelines and have created a maze of bureaucracy. None of the studies has produced any legislation or a program that has even been presented on behalf of the small businessmen. The small business ministry in this country, as I stated earlier, has been in existence for roughly two and a half years, yet the government's own attitude toward the small business sector has not changed. The government still does not have a small business policy. Two and a half years, the minister says.

**Mr. Abbott:** It was created in the fall of 1976.

**Mr. Jelinek:** Two years. I stand corrected on that, Mr. Speaker. However, even at that the government still does not have a small business policy nor does it have a small business act, and probably has not even considered one. Yet the minister in answer to many questions comes back and says, "John Bulloch of the Federation of Independent Businessmen agrees with what we are doing." However, John Bulloch also agrees with a small business act, and I am not suggesting that we