

Adjournment Motion

Business. Can he tell the House briefly why it is that the rate of failure among small businesses has increased during the period he has been minister?

Mr. Abbott: I did not even begin to scratch the surface of all the things we have been able to do, but I will say this: I do not for a minute suggest that the Minister of State for Small Business can create a climate in Canada that will ensure prosperity. I do not suggest that my efforts have either been mainly contributory or otherwise to present economic conditions. But I will say that I am greatly concerned about the fact that business failures have increased. I worry, as does the hon. member, about the high volume of bankruptcies.

One of the problems is that in prosperous years of high economic growth a good many people get into business. They find the money and they start up. Some of them, it must be admitted, are not all that expert. Dun and Bradstreet, the people who specialize in receiverships, estimate that some 90 per cent of bankruptcies are caused by management difficulties I am by no means blaming businessmen for all their problems, but there is a natural condition that when the economy tightens up it affects small businessmen particularly, and the situation is especially hard for those who lack business skills. That is why the case consultative service we have set up is able to play a really important role in helping small businessmen.

What the higher bankruptcy rate indicates is not so much that small business is suffering unusually but that the economy itself has been going through a difficult time. But there are signs of improvement on the horizon, and we may hope to see a significant reduction in these figures.

● (1702)

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard)—Communications—Television programs for the deaf; the hon. member for Halton (Mr. Philbrook)—Post Office—Plans to prevent incidents leading to workers being sent home; the hon. member for Surrey-White Rock (Mr. Friesen)—National Security—Status of former RCMP officer.

[Mr. Beatty.]

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—MEASURES TO IMPROVE SMALL BUSINESS POLICIES

The House resumed consideration of the motion of Mr. Jelinek:

That this House regards the small business sector as a key to the regeneration of economic growth, increased employment, an improved balance of payments position and increased Canadian ownership of the industrial and resource sectors, and therefore urges the government to end the delay in formulating small business policies by immediately taking steps to:

- (1) implement a small business act, to include a realistic definition of small business, the criterion for which will be owner-management;
- (2) give tax rebates and other incentives to those small businesses which invest in research and development;
- (3) provide an incentive tax credit to any Canadian citizen who makes a direct investment in the equity of a Canadian-owned business;
- (4) amend those provisions of the Income Tax Act which discourage the transfer of small businesses within families or to employees; and
- (5) create a small business secretariat, independent of the Department of Industry, Trade and Commerce, its duties to include:
 - (a) ensuring that the decisions of the federal departments and agencies reflect the interests of small business,
 - (b) assisting small businesses to form consortia to improve opportunities for export and domestic trade,
 - (c) establishing a fixed proportion of government-purchased goods and services, to be supplied by small businesses, and
 - (d) exempting small businesses from the application of federal legislation potentially harmful to them.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, today we are debating a motion on small business which I find very timely and worth-while considering the sad state of our economy, especially as it affects small businesses. After listening to the minister this afternoon outlining in catalogue form all the things which this government is doing for small business, I can only lament at the state of small business in coming months when we consider that, despite these policies, we have record bankruptcies and record financial difficulties facing this important sector of our economy. Unfortunately, I was not reassured by the programs and the lack of new initiatives forthcoming from the minister this afternoon.

This motion is timely for another reason as well, because today is the day after the tabling of the report of the Royal Commission on Corporate Concentration, more familiarly known as the Bryce commission report. In it the Royal commission examined the operation of our economy and looked at the very important role that large businesses and large corporations play in our economy. That, of course, has a direct bearing on how small businesses operate in Canada today.

The very disappointing conclusion of this commission, as far as the NDP is concerned, was its conclusion that no radical changes in the laws governing corporate activity are necessary at this time to protect the public interest. I note that "in the public interest" includes not only consumers but all small businesses. Indeed, the royal commission went so far as to recommend the ending of corporate income tax and came up