

Government Orders

We are not only talking here about a suggestion concerning taxation and the bill that should help entrepreneurs who take risks for this country, but this whole concept should be seen in the context of a national economic strategy.

[English]

This legislation has some very laudable points. My colleagues have already reflected that this is not simply a time for adversarial repartee. We must take note of some of the items that are important for the growth of this nation. We on this side of the House have been advocating initiatives for small business that should encourage its growth, maintenance, viability and the jobs it creates. The legislation before us goes some way in that regard. We are obviously disappointed it does not go all the way, however we want to give credit where some of that credit is due.

We now define a small business as one with sales of \$5 million as opposed to \$2 million. That is a reflection not only of inflation over the last several years leading up to this legislation but also the nature of the business community itself.

Ontario has suffered an enormous loss of businesses over the last four years. Perhaps we ought to take a more aggressive and positive view toward creating tax and legislative incentives for investors in financial sectors to direct more money away from paper and real estate speculation toward business enterprise opportunities that actually create jobs.

I do not want to dump on the government for its economic policies because I think everybody is already convinced we have been led down the garden path. I see the member opposite is shaking his head. Over the course of the last four years we have seen plant closure after plant closure and the loss of some 350,000 to 400,000 jobs. I think that is the spread in perspective. I do not want to say 450,000 jobs for political purposes, but let us take a look at the spectrum and number of jobs lost in this country.

In Ontario in 1991 and 1992, 30,564 jobs were lost as a result of approximately 230 plant closings. What does that do for us? If the average wage per job lost was somewhere in the vicinity of \$32,000, we are looking at around \$1 billion in lost wages. More specifically, for

those who are concerned about government deficits, it is well in excess of \$350 million lost to federal and provincial treasuries. Keep in mind as well those job losses are accompanied by drains on the unemployment insurance fund and welfare assistance programs. We are looking at an additional \$1 billion just for those workers who have lost their jobs. In essence we are looking at over \$1.5 billion in costs to the treasury of this country because of those job losses.

• (1320)

Why do we have so many plant closures? Why do so many businesses go under? The main problem—I think my colleagues from both sides of the House would acknowledge—is cash flow. While this legislation addresses itself to trying to make more money available to small businesses, perhaps first and foremost we should be doing something to maintain the viability of the businesses that are still in business.

My colleague opposite was asking how many jobs were created. We know how many were lost, but how many were created? I think the more germane question might be what are the net gains or net losses compared to those of previous years? For example, from 1985 we had a net increase of 41,693 businesses. That rate of increase collapsed to about 25,000 in terms of growth by 1989. What are we doing in terms of economic policy, general strategy and financial policy to cause such a drop in the rate of growth?

There is legislation like this that helps address the needs of businesses to have access to capital. We have acknowledged already that the minister is on the right track. We accept that some of the changes he is introducing with this legislation are good and we will support them.

The minister has said he would look at encouraging private lenders to allocate some of the funds available for working capital. That is an absolute necessity under today's cash shortage and cash flow problems. Our businesses need to have access to funds that will allow them to stay in business. We, as Canadians and parliamentarians have a stake on behalf of our constituents to see that the jobs represented by the livelihood of those businesses are maintained.