

Small Businesses Loans Act

This means seeking ways and means to ensure small businesses have access get the capital they need, especially when starting operation.

It is not a backbencher who said that, Mr. Speaker, but the Hon. Minister of Finance (Mr. Wilson). He said that small businesses need loans and capital to pursue their development; and yet, the Minister of State responsible for Small Businesses introduced today a bill which for the most part will cause problems for small business people who statistics indicate are those who avail themselves most of this program.

Mr. Speaker, another fact remains: Since mid January, small businessmen have been unable to obtain loans because the maximum ceiling has been reached.

I ask the Hon. Minister of State (Small Businesses) (Mr. Bissonnette) to divide this bill in two, so that banking institutions may continue right away to grant loans until March 31 and we can continue to examine his proposed amendments to the Small Businesses Loans Act.

If the Hon. Minister believes in the development of small businesses, Mr. Speaker, he must divide this bill and amend it so that small businesses in Canada may plan their operation and requirements.

[English]

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is with great pleasure that I rise today to lead off my Party's participation in the debate on the Small Businesses Loans Act. I want to say at the outset that I find it interesting that the Conservatives in government are acting no differently from the Liberals in government. They are bringing in a Bill in a rush and saying that they have to have it passed now. The Conservatives have known for quite some time, I am sure, that funds might not be available and that there was a need to top up the amount of loans available.

I want to say to the Minister responsible for this Bill that we will be supporting it reluctantly. I say that because we think it is an imperfect vehicle to support small business, but it is the only one available realistically this day nationally. We will support it and we will support the fine-tuning of the Minister.

I find it interesting that the Liberals, on the other hand, are trying to have it both ways. First, the Liberals want to have the Bill withdrawn but then maybe they want it split, I am not sure. Perhaps the Minister is not even sure what exactly the Government wants to do with this Bill.

I am quite happy to speak up in support of small business. As we all know, small business is the only sector creating real jobs in Canada today. Small business is the only sector that is creating jobs in our smaller communities. Small businesses are the only ones who are able to respond to changing economic situations in a way which protects themselves and their communities. They are the sector which tends to buy Canadian, to do its work in Canada and to share its profits in Canada. I think we have to support them. They also tend to be Canadian controlled and locally controlled so that whatever decisions they make are important to neighbouring communities. They do not, with the viciousness we have sometimes seen on the

part of large corporations, make arbitrary decisions which eliminate the jobs and livelihoods of many people in smaller communities. They deserve to be supported in a non-interventionist manner.

● (1150)

Governments do not have to own small businesses, but we as legislators have a responsibility to ensure that we establish a climate which allows them to survive, to grow, to create wealth and therefore to share wealth within the context of Canadian society. We have seen that happening. We have seen in the last number of years that the only growth in employment has been in the small business sector.

The Canadian Federation of Independent Business, in a submission to the Macdonald Commission, showed very clearly that the percentage increase in employment was greatest in the smallest firms. Those firms with from zero to four employees had an increase of almost 76 per cent in the period from 1975 to 1982; those with five to nine employees, 28 per cent; those with 10 to 19 employees, 19.1 per cent; those with 20 to 49 employees, 9 per cent; and those with 50 to 99 employees, about 2 per cent. However, those firms with over 100 employees saw a decline of almost 3 per cent in jobs available, and big business saw a decline of 2.5 per cent.

When we look at the future, we see that between the years 1983 and 1990 there will be very little growth in the large corporate sector and that there will be no growth in the public sector. But there will be considerable growth, projected to 1999, in small- and medium-sized enterprises in the country. We have to foster that.

The Small Businesses Loans Act which we are debating today is one such vehicle. At least it is a vehicle which is in place. With the improvements being made by the Government, these loans will be more appropriately used. May I say that the banks accept, at least in part, their responsibility for the provision of capital to the small business community.

As I said before, we should be doing all we can to direct government assistance to the private sector and orient it toward the small business community. The amendments proposed in this Bill are definite improvements. The topping up by \$300 million for this fiscal year to allow the program to continue is clearly an excellent move. Perhaps I would have been happier had this Bill been presented to us in the fall instead of demolishing the Foreign Investment Review Agency, because it is something we can support and work toward. We are now in a catch up situation. We are trying to put money in place because we have run out. We reached our ceiling two or three weeks ago, according to the Minister. It is clear that we should have been doing this last fall. We on this side of the House would have been happy to insist and ensure that the money was in place when it was needed.

The extension of the new lending period from two years to five years makes much more sense. We on this side have always demanded that the Government extend its sights beyond a year or two and develop some long-range plan. While there has to be a yearly allocation of the ceiling, it makes more