

*Government Orders*

done so in this sector although, according to its ideology, it probably should, has introduced a bill like this one.

I am very disappointed when a government introduces a bill providing for measures that, as was pointed out in the standing committee, were ineffective, and in the presentation given by the parliamentary secretary is incapable of proving otherwise.

• (1600)

One wonders what the government is doing. Basically, it extends legislation, changes maximum guarantees and tinkers with details. Personally, I think this kind of legislation is effective and that the government has a role to play in the economy, but I would have liked to see the people who administer or claim to administer billions of dollars of taxpayers' money be more consistent and more credible when they introduce bills like this one.

We will probably vote against the bill, considering my comments on this legislation, but once again, in concluding, I am inclined to be rather wary of a government that again is asking us to extend and restructure a bill, although it is incapable of demonstrating the bill is effective and produces the desired results for entrepreneurs and the Canadian economy.

I will conclude my speech after comments that have indicated I am somewhat disillusioned with a government I thought would be more consistent in the way it manages the affairs of the state. After two years as a member of the House of Commons, one becomes increasingly convinced there will have to be some major changes made in Canada, starting with the Canadian federation—or with the government that now claims to head that federation.

[English]

**Mr. Werner Schmidt (Okanagan Centre, Ref.):** Mr. Speaker, I stand to enter the debate on Bill C-99, a bill to amend certain sections of the Small Business Loans Act.

I want to pay particular tribute to the Parliamentary Secretary to the Minister of Industry for his very kind remarks and his description characterizing the industry committee that dealt with the report "Taking Care of Small Business", which was tabled about a year ago, and also some of the recommendations in the report, some of which are included and recognized in the bill.

I would like to follow up on some of the suggestions he made about the significance of small business in the economy of Canada. It is not a secret to us or anybody who follows the economy of Canada that approximately 80 per cent to 85 per cent of the new jobs created in Canada are created by small business. When it comes to the Small Business Loans Act it is precisely that sector of our economy that this act addresses. In

my opinion, these amendments are not sufficient. They do not go far enough and some of them are counterproductive.

We must recognize that in the new economy that is developing, the important issue and the characteristic of a business is the ability to apply knowledge in a way that will provide for new services, new products, and particularly the application of new technology and the most recent discoveries of science. It is very clear that in the globalization of the economy and in the international competition that is developing it will become increasingly significant that the science and the technology of a nation will become a determining factor in that particular competitive environment.

One critical factor in developing the ability to transfer knowledge and apply it to new products or new ways of processing and doing things will require a skilled and very knowledgeable workforce. That does not come by accident. It comes as a result not only of good technical schools and good universities, but begins in primary school, kindergarten to grade 12. It is here that we need to change our educational system so that it will become far more geared to science and technology, and particularly the science area, and that we all become sensitive and recognize that it is really science that is going to make the difference in the next century.

• (1605)

We also know from past experience that it is the small business that is most able to apply this new knowledge, because it is not fettered with all this bureaucracy. It is not fettered with all these regulations and things that are internal and the internal politics that stand in the way of new ideas and adapting to change. We need to develop that kind of awareness and recognize that it is the small business group that is going to be the leader in this particular area.

The whole idea of small business rests on entrepreneurship. Unfortunately, today in this country we have what is known as bureaucratic entrepreneurship. We all know what that is. That means that a bureaucrat sees how many more bureaucrats he can get under his supervision. That will mean that his salary and power will increase. Therefore, the entrepreneurship is one of developing larger and larger departments. We have a very well developed entrepreneurship orientation, ability, and skill level in that area. However, we do not have that same level of expertise, that same skill, that same fully developed attitude in the developing of entrepreneurship in business and the application of knowledge to produce new products and adapt to new processes in developing those products.

Right down into the kindergarten level, all the way up through the universities, we need to develop this attitude, this orientation toward entrepreneurship. The Small Business Loans Act is directed precisely to that area. We must recognize that the Small Business Loans Act is not a new idea. It has been around since