

*Government Orders*

However, I have also spoken to people who have had some experience both from the bank's perspective and small business perspectives. They would like to see some things that I have not seen as part of this bill and that do not appear to be there right now.

Small businesses would like to have the House, before it passes this legislation, look at the possibility of the repayment of loans under this scheme such that the payments would be blended payments. In other words, right from the beginning, the small business would be able to pay more in principal and not just be pouring out payments on interest for the first few years of repayment. If there was a stronger blending of principal and interest, this would make the whole loan more attractive to small business. When small businesses have gone to the banks previously for loans under this act they have found that it was really no more advantageous to them to get a loan through the Small Businesses Loans Act than it would be to get a loan directly from a bank or other private institution.

Among other things, if a small business is taking a loan from the government or a private institution, the amount of security that it has to put up is the same.

Through the Small Businesses Loans Act, the government is making a pool of capital funds available to small businesses that is not there presumably just through private institutions which are the ones that administer this program. To make it even more attractive and better, there is the possibility of making payments more blended.

From the point of view of banks, they would like the rules for the administration of the Small Businesses Loans Act be clarified. Banks have said that in the past they have been burned by having agreed to certain loans to small businesses. When those small businesses got into difficulty the banks found the government's repayment to the small businesses was exempted because the banks had not fulfilled some small picayune rule they did not know anything about. The banks are very concerned about having that clarified and simplified.

• (1310)

In the past the banks have found the receipting requirements far too complicated. When a small business applies to a bank for a loan under the Small

Businesses Loans Act and is eligible for the government loan, the bank usually finds it may as well provide it with one of its own loans because the administration is much less complicated than the government requirements of the Small Businesses Loans Act.

Although I welcome this bill in general, I believe it should go to committee so some of these issues can be discussed. I hope a full slate of witnesses will come forward to clarify their own perspectives. They may be representatives of the small business sector or private institutions acting on behalf of the government in administering this Small Businesses Loans Act.

Thank you for this opportunity. I hope we will see a speedy approval of this act through the House, hopefully with some amendments. I believe in the end there is the potential in this act to bring support to the small business community, not just across Canada but in my riding of Northumberland with which I am most concerned.

[*Translation*]

**Mr. Joseph Volpe (Eglinton—Lawrence):** Mr. Speaker, I would also like to add my thoughts on the bill before us today.

My colleagues from Broadview—Greenwood in Toronto and from Northumberland have already expressed some quite specific opinions on the problem of taxation and the government's economic and financial policies.

I would not only like to emphasize what my colleagues have said but also to spend some time on the importance of a national strategy for dealing with economic problems.

With your permission, Mr. Speaker, and the permission of my colleagues, I would first of all like to say that all the suggestions that my friend from Broadview—Greenwood made in this House concerning small business have so much merit that they deserve great interest and careful consideration. Why, Mr. Speaker?

It is very important for us to note that the jobs and new job opportunities in this country come only from small and medium-sized businesses. My friend and colleague from Broadview—Greenwood has already noted in this House that in the past 10 years, 76 per cent of all jobs created, or 2.13 million jobs, were in small and medium-sized companies.