

Supply

moment, I most strongly recommend that we begin openly to debate, and also encourage the media openly to debate, what we will do about this world exchange situation and whether we should consider making our Canadian dollar convertible to gold, along with special drawing rights.

Some hon. Members: Hear, hear!

Mr. David Berger (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, it gives me great pleasure to participate in the debate this afternoon on the important matter of interest rates and economic policy. It is important to get across to the Canadian public the message that the government is doing something, contrary to the impressions created by hon. members of the opposition. As the Parliamentary Secretary to the Minister of State for Small Businesses, I would like to outline briefly some of the efforts that the government is undertaking to help small businesses in this country. First of all, it is important to note that Canada's one million small businesses represent 97 per cent of the total number of firms in the country. They provide 42 per cent of jobs in the private sector employment and 30 per cent of the contribution of business to GNP, and are a key to regional growth innovation. They are also 97 per cent Canadian owned.

I would like to enumerate some of the measures of the government which are geared to small business: first, there is the Small Businesses Loans Act which provides a federal guarantee to financial institutions in respect of small business loans toward the purchase or reconstruction of business facilities and equipment. As Your Honour is probably aware, the loans under this program are fixed at 1 per cent above the prime rate and are therefore not fixed at two, three or four points above the prime rate, a circumstance which small businesses must often face. Second, there is the small business bond program which was a measure proposed in the November 12 budget. This program enables small businesses in severe financial difficulty to reduce their interest expense by up to 50 per cent. It is a successor to the small business development bond announced in 1979. In my province of Quebec, Quebec firms accounted for some 12 per cent by volume of the loans issued under this program, and 11 per cent of all such bonds were issued to the end of 1981.

● (1510)

Mr. Speaker, there has been much criticism of this program, saying that the banks have been reluctant to lend under it or that businesses are unaware of the program. I would like to point out that under the initial program, in which close to \$2 billion of loans were let out, some 13 per cent, or \$260 million, was lent to businesses that were in financial difficulty. This meant that the program in its initial form worked, and it worked for the benefit of businesses that were in financial difficulty.

That money is provided in the budget and therefore it is perhaps a matter for businesses to acquaint themselves with this program and require that their bankers exercise the imagination necessary to extend loans under this program.

Earlier today I had the opportunity of participating in a radio program in Montreal, by telephone. One of the guests at this program was the representative of the Canadian Federation of Independent Businesses of Quebec. He indicated that a survey of his members showed that some 40 per cent were unaware of this particular program. Mr. Speaker, that might indicate that some work would have to be done in informing their members. I think that organization, the CFIB, could play an important role in informing their members about the program and ensuring that the program does work.

I indicated also that the government would obviously be interested in listening to any suggestions that they might have to make as to how we can make that particular program more effective.

Mr. Speaker, another program that is of aid to small and medium-sized businesses is the enterprise development program. This is designed to assist firms, including small and medium-sized businesses, undertaking relatively high risk innovation or adjustment projects that can be expected to yield attractive rates of return on the total investment. That, because of the high risk nature, takes a number of years to show results.

Under this particular program, in the year 1980-81, some 304 projects were accepted in Quebec, or 43.4 per cent of the total number of projects under that program, for an authorized total amount of \$73 million or 22.3 per cent of the loans or the grants authorized under that particular program.

I would also like to mention the Federal Business Development Bank, which provides financial and management services almost exclusively to small businesses and particularly those who do not have other sources of financing available to them on reasonable terms and conditions. This kind of financing includes loans, loan guarantees, and equity financing. The Federal Business Development Bank in 1981, again for the province of Quebec, has authorized loans totalling \$113 million to some 1,253 businesses. It has undertaken in 1981 13 equity investments for a total of \$4,304,000.

Mr. Speaker, there is another program which I would like to mention, the program for export market development. In 1980-81 Quebec firms received almost 28 per cent of PEMD assistance, that is some \$4.8 million. There were 477 applications approved in the province of Quebec.

I would like also to mention another program, one of the Department of Regional Economic Expansion, that of industrial and development assistance. A substantial provision of federal assistance for regional development comes under this program, RIDA, and subsidiary units.

Mr. Huntington: Mr. Speaker, on a point of order, I have been called to order many times by your good self in this House for not speaking to the point. I am wondering if the parliamentary secretary would tell us what these printed and well known government programs have to do with the debate that is on here today.