

Guarantee of Loans to Small Businesses

as it has grown in the province of Saskatchewan and indeed I consider it an honour to be one of those who have served as director of a credit union in that province, namely the Saskatoon and district credit union. I recall my association with those who served on that board, and I do not hesitate to say that there is not any better group of businessmen anywhere in Canada.

The antics of the opposition on this measure betray one of two things. They betray either an ignorance of credit unions and their position or else a narrow, selfish, partisan desire to try to label this legislation anti-credit union, in a desperate effort to obscure the value of this legislation to those co-operative associations that are in need of guaranteed bank loans. Indeed, Mr. Chairman, as I listened to them last night, and particularly to the hon. member for Assiniboia, I was convinced that both these premises have prompted those ill-considered statements that were offered as arguments at that time.

Credit unions came into being because of the lack of credit facilities in this country. In order to protect the depositor the Canadian Bank Act provides certain restrictions which, in the course of good banking practice, limit the extent to which credit is available to individual customers. Sometimes the attitude of bank managers has constituted a restriction on credit to ordinary people. In any event, credit unions are composed of people who have pooled their savings in order to establish credit for themselves when they need it. These credit unions are, of course, subject to regulations designed to protect the depositors. Boards of directors of credit unions have of necessity utilized a portion of these assets which they hold, in the form of government or other negotiable bonds and securities which are readily convertible at the call of depositors.

I believe that a study of the balance sheet and operations of credit unions in the province of Saskatchewan would reveal the fact that they are having a difficult time to service the borrowing demands of their own members at the present time. That consideration is, perhaps, one of the reasons for the apparent lack of interest in government guaranteed farm improvement and other loans at this time.

Instead of holding up this legislation and so desperately trying to impute ulterior motives to the government, that so-called, self-styled champion of the co-operative way of doing things, namely the hon. member for Assiniboia, could serve the members of co-operative associations much better by helping this legislation along so that in those areas where people have found it necessary to take co-operative action to solve their problems,

they may have at their disposal at least the machinery set up by this measure that will enable them to secure guaranteed bank loans in order to modernize and improve their equipment and premises to the end that they may obtain the maximum saving in that effort.

This measure, Mr. Chairman, as it stands extends to co-operative associations the same measure of guaranteed credit facility as it does to the corporate or individually owned business enterprise. To the extent that co-operative associations choose to make use of it—

Mr. Peters: I rise on a point of order, Mr. Chairman. May I inquire what the hon. member is reading from?

The Chairman: Order. The hon. member for Timiskaming has raised a point of order as to whether the hon. member was reading his speech or as to what document he was reading from.

Mr. Nasserden: That is a good question. Mr. Chairman, I think I was consulting my notes in much the same way as the hon. member does on certain occasions.

The point I was trying to get at when I was interrupted was this. To the extent that co-operative associations choose to make use of the money available under this measure, other money will be available to individual members of their own organizations, on appraisal of their character, as an alternative to being left to the tender mercies of the friendly finance companies, as they certainly would be left to those tender mercies were there no such provision in this legislation.

The hon. member for Assiniboia need not think for one moment that he can fool anyone in the credit union movement. That movement is in the process of expansion today, as it has been since it first began in Canada. The policy of progressive credit unions and their boards of directors has always been to maintain effective reserves in order to protect their membership. During the past several years, and particularly since this government came to office, these boards of directors have found it increasingly attractive to purchase bond offerings of a wide variety. In this way the savings of credit union members have helped the tremendous capital development and expansion that have characterized the period since this government took office in Canada. As a direct consequence it has been increasingly difficult for credit unions to satisfy the legitimate credit needs of their own members.

I would therefore think that the members of credit unions would certainly not appreciate, at this particular time when their ability to satisfy their own members is under strain,