

Government Orders

insurance companies, maybe they will have a more flexible approach to lending money.

It is a good opportunity for us to examine it and I think it has certain merits.

Mr. Marchi: Madam Speaker, I too would like to compliment my colleague on the remarks he made a few moments ago. He alluded to the fact, and my friend from Broadview—Greenwood mentioned it as well, of the pain and the hurt felt by the small business network across the country. We always hear the rhetoric from all sides at various points of government tenure, that the small business is the engine of economic growth, that the small business is the engine of technology, and if we take care of the small business sector, then the entrepreneurship and the development of ideas will flourish. If you are a small business person in this country, there is very little left in the budget, very little said in the budget that is aimed at that sector.

The hon. member talked about the business sector and the economy. While we are talking about banks and lending institutions, what does he think about the fact that while interest rates have been falling and perhaps are lower than they were during the 1981-82 crunch, is it not a fact that Canadians are not in a position to ask for loans because they are not working. People do not have jobs and when people do not have jobs it is pretty tough approaching any bank or any trust company or any firm.

I am just wondering what he is hearing from some of the constituents and business people in his part of Scarborough with respect to the lack of jobs inhibiting people going to their lending institutions.

Mr. Karygiannis: Madam Speaker, we all receive phone calls constantly. I know the members of the government also receive calls. If they do not wish to answer them, that is a different story.

Mr. Lewis: Name one.

Mr. Karygiannis: I know for a fact that I even get calls from Barrie and as far away as Penetang about businesses that are in trouble, in pain.

These small businesses have to carry an inventory. They have to go to their bankers and say: "My sales last

year were not as healthy as I anticipated. I have to pay the factory that supplied me. Will you please lend me money?" The banker looks at the figures and says: "Just a minute". He puts down the numbers and says: "I don't think you are viable. Sorry, I am not going to lend you money". This small businessman turns around and says to the factory: "I'm sorry, I used to pay in 30 days but not any more. Now we are going to go to 120 days or maybe 180 or 360. I will pay you next year". The manufacturer is going to say: "I don't have enough money to make more. Therefore I am going to lay people off".

It is a vicious circle. The small engine that gets this country moving is the 80 per cent of the businesses that are small businesses, businesses less than \$2 million, which means a family business and maybe one or two of the kids or a business and one or two employees. What stability do these businesses have? What future can these businesses look at? They cannot go to the bank to finance and bring in new inventory. They cannot order from the manufacturer.

This circle breaks down. It brings the small business to its knees. It brings whole industries to its knees. What do we hear? Closure, after closure, after closure. Where are they going? Down south.

Yet this reckless government wants to take us upon another expedition on free trade with Mexico. We are going to be the great saviours of North America. At the cost of our children, the future of our kids' jobs, the Prime Minister wants to provide jobs at 85 cents an hour to the Mexicans.

I want no part of this because I think charity begins at home. I think the future of my kids and the future of Canadian kids comes first.

Mr. Marchi: Madam Speaker, in talking about lending institutions, the government says: "Go to the chartered banks and if you cannot go to the chartered banks, we have the Federal Business Development Bank". I would be very interested to hear the experiences of business people in the east end of Toronto or Toronto in general as to what they say about the Federal Business Development Bank. Clearly it is not the answer but I would be very interested in hearing the hon. member.