

Oral Questions

them and to save the jobs that are left. Yet the bankruptcy rates continue to increase.

I would hope that the minister would recognize that this is a very critical situation on Cape Breton Island. Will he acknowledge this crisis and do what he can to provide some assistance for the people of Cape Breton Island?

Hon. Bernard Valcourt (Minister of Employment and Immigration): Madam Speaker, I am ready to look at how we can ensure that all the programs we have at CEIC relevant to the area are being utilized. The hon. member, to help those people back home, could also give them hope. Interest rates have gone down again. We have the lowest rate of interest in some 20 years. We have the lowest rate of inflation in 20 years.

It may be funny to other members, but in a region like Cape Breton, because I am from Atlantic Canada, I know that this will be helpful. We will build on this with the programs we have in order to help the people in that part of the country.

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SMALL BUSINESS

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, my question is for the Minister of Finance. The notion of low interest rate loans to small business is a sham. The fact of the matter is that the Canadian financial institutions in this country are not giving credit to businesses that want to expand.

What will the minister do to wake up the banking institutions in this country to the importance of small business to our economy?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I agree with the hon. member. Banks have been very difficult with their credit. There is no question about that.

I, like the hon. member and I am sure others in this House, am getting complaints from the small and medium sized business community that the banks have tightened up with their credit and it is non-existent for some businesses.

We have encouraged, through my constant contact with the Canadian Bankers' Association, that this is the

time that it should be supporting small businesses to encourage them to expand and grow at this particular time because the economy is improving. That is number one.

Number two is that with the changes we have brought to the Financial Institutions Act, trust and insurance companies can now make commercial loans. That will take a little time to get in place, I am sure, but it will provide competition for the banks and will provide commercial moneys to businesses which heretofore they have been unable to obtain.

Mr. Dennis Mills (Broadview—Greenwood): Mr. Speaker, my supplementary question is for the same minister.

There are 1.7 million entrepreneurs in this country and they are looking for some very specific leadership from the Minister of Finance.

Would the minister be willing to write to the presidents of the financial institutions of this country, as well as their directors, asking them to give much more care and, therefore, ultimately more credit to this sector of the economy? Would the minister be willing to write a direct letter to the leaders of these institutions?

Hon. John McDermid (Minister of State (Finance and Privatization)): Madam Speaker, I will pass that on to the Minister of Finance as a suggestion, a representation from my hon. friend, who does come up with many positive ideas.

I might say that the entrepreneurs that the hon. member is talking about have asked for low inflation and low interest rates. They have asked for that and they have that now. They have a good, steady economic base from which to operate and that is very important. They also asked for that.

I might remind the hon. member that we are helping small businesses out that are having financial difficulties at this time through the small business bond program, which I will—

An hon. member: Nobody knows about it.

Mr. McDermid: The hon. member says nobody knows about it. I will rely on him to help us spread the good word about that.