

Government Orders

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, this latest exchange between the member for Durham and the member for St. Albert reminds me of the similarity between a computer and an accountant: We have to punch the information into both of them.

Given that the banks these days have the reputation of giving you an umbrella on a sunny day and taking it away on a rainy day, and given that banks today have the reputation of tightening up their credit, I would like the member for Durham to tell us how this will force banks to increase their loan portfolio to small businesses.

Mr. Shepherd: I thank the hon. member very much for the question.

First, the whole concept of a guarantee creates the opportunity for the bank to lend money that clearly it would not lend on its own accord. I note in the legislation that in fact we have actually lowered the loan guarantee from 90 per cent to 85 per cent. If we simply look at the growth and the volume within the small business loans program in the last three years, there is no question that there has been a demand, and a demand that has been satiated, if you will, by financial institutions.

Clearly, the program is on a success course and it continues to be on a success course. In fact it was the government's orientation to say this was very successful and we want it to expand, we want it to grow more, we want to make sure there is more money available for small and medium size businesses. At the same time, we also want to make sure we are not going to be on the hook for it.

One of the complaints of this program has been that a lot of the money was getting out to businesses that could have possibly financed loans without the Small Business Loans Act; in other words, possibly banks were misusing the program or possibly larger companies were getting the benefits of the program and they did not really need it. By lowering the guarantee aspect of this loan, we will also be ensuring that we direct it at the very new and emerging small and medium size businesses.

• (1615)

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I am particularly pleased to have the opportunity to say a few words in the debate pertaining to small business.

It is not all that often we get a chance to talk about small business in the House, and we really should. With the indulgence of the Chair and with the indulgence of colleagues present I hope to stray a little from the direct confines of the bill. I know it is most unusual in the House to stray away from the subject matter at hand. I hope to talk about small business in general, to talk about how important small business and entrepreneurship are to our country, and to provide a few words of encouragement for small businesses out there that are struggling today.

Can we imagine what it must be like for an entrepreneur in Quebec even as we speak? We have a situation of systemically high unemployment in Quebec. It has been that way for years, ever since the last separation crisis in 1980 when the people of Quebec chose to elect a separatist government. All that did was give U-Haul one-way traffic to Toronto a bonanza. Ever since the election of the first Parti Quebecois separatist government in Quebec, what has happened? Toronto has prospered largely at the expense of the self-inflicted wounds of the people of Quebec.

All the country has profited because the separatist government in Quebec insists on shooting itself in the foot with separation every 15 years or so. I am sure that is what is ongoing in the province of Quebec.

If the people of Quebec want to do something really worthwhile for their futures, they will resoundingly reject the separatist option. They will resoundingly reject any notion of getting out of the country and will work together to make the country stronger. If they do that it will get entrepreneurs investing in small businesses in Quebec.

It is about the willingness of people. It is not banks or governments that get businesses going. It is individual people who are prepared to put up everything they have in the world, including their homes and borrowing money from their friends and their families, because they have a dream or an idea to see through to fruition. We should be celebrating the fact that we have these people. These are the people we should be asking in Quebec, because there is systemically high unemployment, how we can go about reversing it.

Let us provide stability. Let us make sure that when people start businesses, particularly in Quebec, they do not have to go through never ending navel gazing, gnashing and worrying about tribalism and nationalism in Quebec. Why would anybody put up with that if they could invest their money in a jurisdiction that does not have such problems?

We have these wonderful people who have invested of themselves. They have put their hopes, dreams and aspirations on the line. What happens when they go into a bank? I can speak from personal experience because I have gone through it, as have other members of the House, many people watching on television today and perhaps a few others who might read the debate.

It is not like going into K-Mart or some other store where they shake hands and say: "We are glad to see you. What can we do for you?" The first thing they say is: "Are you going to do that? We already have a few of these. Didn't you know that somebody just went broke doing this a while ago? If you are to do this, if you are to set up this service, if you are to do that, you had better make sure that you can guarantee the borrowing of \$1,000 with \$2,000".