

other than to say the stipulations in the United States of America that a certain percentage of lending must be to small businesses I think is one that merits examination. We should look at that very hard to see if it would benefit Canada as I believe it would.

Small business procurement is another matter on which we should seek initiative and action from the Government to ensure that a certain percentage of all Government acquisitions, procurements, purchases and contracts go to the support of the small business sector. My own experience indicates that the Government could do a lot more with the chartered banks to improve small business financing. My own experience indicates that programs are generally inadequately advertised, that banks have very little initiative or incentive to promote those programs other than to lend their own money. My belief is that in many ways small business, though perhaps not large, is as well served through the American system of community, town, and statewide banking than it is through the oligopoly which Canada's chartered banks have in our country.

**Mr. Nickerson:** You want to socialize the banks.

**Mr. Parry:** I am sorry I used a word that my hon. friend cannot understand, but oligopoly does, after all, refer to the control of a business sector by only a few players.

Let us have the Government examine that lack of advertising and ensure the banks are used as a point of sale for the sort of assistance the Government can and should provide under an enhanced regime of assistance to small businesses.

Let us look at the failure of these programs to serve women. Let us not forget that a very high proportion of new businesses in Canada today are started by women. Let us remember that women should and must, if we are to express a commitment to an equal society, have equal access to programs designed to help people get started in business and to help them continue and make a success in business.

Let us have the Government bring forward some sort of measure to provide stability and predictability in interest rates that small businesses must pay instead of continuing to follow the line of the Governor of the Bank of Canada and the trends of our massively strong neighbour to the south in setting those interest rates which are so central to determining the future of small businesses in this country.

**Mr. Baker:** Mr. Speaker, I have a question for the Hon. Member for Kenora-Rainy River (Mr. Parry). I would like him to clarify one point and I shall predict what his answer will be before he gives it.

**Mr. Parry:** I rise on a point of order, Mr. Speaker.

**Mr. Baker:** Is the Hon. Member in support of the provision in the Bill that imposes a fee on the lender to be paid to the federal Government for lending the money? Is the Hon. Member in support of the reduction from 100 per cent to 90 per cent of the guarantee on the loan which the businessman is going to get, given the fact that the imposition of the fee on the bank will be passed on to the customer? Do you think the

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bank, Mr. Speaker, will just assimilate that loss? No, it will be passed on to the customer.

I would like the hon. gentleman to answer yes or no. Is he in support of those two provisions, the two anti-small business provisions, in this particular legislation?

● (1220)

**Mr. Parry:** Mr. Speaker, when I heard the Hon. Member say that he would predict my response, I awaited with some eagerness. This is why I attempted to rise on a point of order, though of course I know enough that it would not be accepted as such. However, since he is both directing a question to me and then suggesting that he could answer it but declining to do so, I am left in some doubt as to what are his intentions. Is the idea that he would elicit some response from me or simply try to confuse me by indeed misrepresenting one of the segments of the Bill?

Had he read it—I do not doubt that he has dipped into it, because of course one must know something about the Bill to take one whole minute out of the 20 allocated to him—he would have seen that the fee is in fact imposed upon the bank. After all, I do not believe, like the Hon. Member, that the bank will take that fee and clutch it fondly to its bosom and let it percolate through to the bottom line.

We know that banks have profit centre accounting and that they are very readily able through their information system to determine the level of those fees over a particular year or a given fiscal period. It is my belief that banks, by virtue of this fee, will become somewhat more careful in the way in which they use small business lending provisions.

I will give the Hon. Member an example of that so that he will know I am not merely trifling with his intervention. My experience was that banks would seek to channel loans through the provisions of the Small Businesses Loans Act which they were not only quite capable of financing on their own account but in many cases should have financed on their own account. My experience was that clients for whom time indeed was of the essence, as in remote and seasonal economies it very often is, were kept waiting with proposals that, if they had access to better sources, or to more than one source in many cases, they would have taken elsewhere because of the desire of banks to have a particular loan guaranteed through the small businesses loans process.

Therefore I say to the Hon. Member that my belief is that this amendment would indeed have a beneficial effect. I do not pretend that it will completely have a beneficial effect for small business, nor do I pretend that small business will not end up bearing some of the costs of that 1 per cent commitment fee. Because the bank will have to pay the fee and because the bank will be undertaking 10 per cent of the responsibility for any losses itself, it will indeed ensure that some loans which the bank should finance directly get financed directly and are therefore handled in a much more expeditious and timely fashion.