

Government Orders

Confidence is one of those ingredients one has difficulty in defining but it is important in getting the economy moving again. We need to place our economy back on track. It cannot be done when people are not confident and do not believe things will get better. That ingredient has been sorely lacking from the economic equation for many years. There is little confidence there because small businesses do not see the signs and signals from the national government that it is prepared to change, that it is prepared not to maintain the *status quo*, but is prepared to assist and encourage people to take risks again. That is the problem with entrepreneurs. There are not enough risk takers any more because they do not believe it is worth the risk. They are lacking confidence.

Governments have a leadership role, not always to play in that marketplace but to provide that confidence and to provide that incentive and inspiration for those entrepreneurs to be able to take those risks.

While we are supportive of many of the changes in the legislation before us I would like to leave a message with the minister of small businesses. That is we have to go beyond the Small Businesses Loans Act and look at the other elements of the small business equation. We must recognize it is time to go from words in a very good looking brochure and someone's budget to concrete actions in order to give wings to those small and medium-sized firms.

[Translation]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I have a few comments to make on this bill which is about providing assistance to small businesses. Having been a small businessman for many years, I happen to know that the trouble with government subsidies or assistance is mainly that the programs are very complex. The government increases subsidies from \$100,000 or \$200,000 to \$250,000, but overlooks the fact that obtaining access to this program remains extremely complex. The trouble is that the banks that manage these programs are not interested in lending money for this type of business. That is the problem. Why are they not interested? Because it is complicated for them as well. That is the crux of the problem.

Often, financial institutions that lend money to small businesses find that after a while, if the business is in trouble, the government says: "Listen, Mr. Banker, you did not observe our criteria, so the loan is no longer guaranteed". That is the real problem. Actually, the Federal Business Development Bank should manage these programs, perhaps keeping a percentage of the profits as a management fee, instead of trying to transfer the responsibility to the banks. As soon as something goes wrong, the government says it will not guarantee the loan because the criteria were not observed. The basic problem is still the same.

I would like to ask the hon. member who just spoke if he would care to comment.

[English]

Mr. Marchi: Mr. Speaker, the member raises a number of pertinent points. I respect the fact that before coming to this place he was—or perhaps still is—engaged in the field of small business. My father started a small business and maintained it and is now retired.

We have all had some very close experiences with the whole world of small business.

The member talks about the regulations and the fact that perhaps some of them are not very well understood. I just believe that there is a problem with the attitude of our lending institutions and of our national government which is currently in office. That attitude toward small business is one that is not nearly as healthy as it should be. I referred to that in my remarks some moments ago.

However, I believe there is a role for our lending institutions, particularly during the tough economic times that we are experiencing, to be more respectful of the role that they play, to be more respectful of those business clients that they have had for many years. There is a role for a national government to ensure that takes place.

Whenever we suggest that, we get cries from the other side that somehow we are intervening and we are playing in the marketplace and we should not. However, those are the same entrepreneurs who sometimes take that tack and are coming to us and suggesting that governments have to move those lending institutions a little closer to where the need is. I think that attitude in the