

ceiling for the present two-year period. During the same debate, if I remember correctly, we increased maximum individual loans to \$100,000. Today, a business which grosses up to \$1.5 million per year may borrow up to \$100,000, and can do so through the banks. In recent years, I believe in 1970, credit unions have become authorized lenders, and this also applies to trust companies and other financial institutions recognized and approved by the minister. Formerly, the Act was administered by the Minister of Finance who was the minister responsible to the House. This task has now been given to the Minister of Industry, Trade and Commerce. Mr. Speaker, who, in fact, takes advantage of these loans? Often, businessmen meet members in their offices and discuss their financial problems. They already have substantial mortgages on a building and liens on machinery and automotive vehicles, they have no idea where to go, and they are reluctant to see the director of a chartered bank or a credit union in order to have their application processed and obtain the tools they need to make their business grow.

As I said before, any business whose total gross revenue does not exceed 1.5 million and which is engaged in manufacturing, wholesale or retail trade, services, communications, construction or transport, is eligible for this program. There are many small businesses that could take advantage of this legislation, and I would encourage them to do so. The specific aim of the act is to make money available for the purchase and improvement of buildings or the renovation of facilities, for the purchase or construction of such facilities and for the purchase of property and machinery, but it does not provide for inventory financing. The government has decided, and this applies both to the Federal Business Development Bank and to the Small Businesses Loans Act, that it was up to the chartered banks and businessmen themselves to negotiate loan guarantees and credit margins on inventories.

Well, Mr. Speaker, the House is considering an act which, as I said when I started my speech, has been extremely helpful to small businesses in this country, especially, as my Progressive Conservative colleague mentioned earlier, since small businesses employ about 60 per cent of the Canadian labour force. This is a substantial figure. My hon. colleague said that these people were not unionized. That is perhaps the unfortunate part. Maybe some day they will be better protected, somehow, some way, and it will be up to the employees themselves and to the appropriate authorities to provide for that aspect. The fact remains that small businesses represent a considerable economic force in the development of the Canadian economy and of our country. Mr. Speaker, in the year ending on December 31, 1980, 16,417 small business loans, totalling \$408 million, were granted, and I may point out that, although it is often said that Quebec is not an active participant in the economy, Quebec is still one of the most active borrowers. However, borrowing is not just owing money, bor-

rowing means doing something with that money. I am looking for a table, Mr. Speaker, which I had just now.

The figures for each province show that between January 1, 1981, and the end of October 1981, 4,363 Quebec businesses had borrowed \$116,408,674 under this legislation for an average loan of \$26,681, compared with only 2,451 small businesses in the neighbouring province for total borrowings of \$74,188,468, which represents \$31,000 per loan. It is only with this last figure that Ontario beats Quebec. It still remains that these two provinces obtained 50 per cent of all loans granted under this legislation by banking institutions. We should be pleased that small Canadian businessmen take advantage of this legislation. It is surprising to find, when all the figures are added up to the end of October of this year, that during the whole twenty-year period 96,158 loans for a total of \$1,841,738,178 were put at the disposal of small-business men throughout Canada.

Members opposite might try to attempt to scare people by saying that a 20 per cent interest rate is prohibitive, but a businessman who is a good manager has commitments to meet; these commitments are often proportionate to his receipts, and that is why he can afford this rate of 1 per cent above the prime rate, which seems to be acceptable because these loans cost nearly nothing to the government. I could go on at length and quote figures showing that this legislation costs the government between \$8 million and \$10 million a year to administer because of loans which are not repaid and insurance costs.

In any case, Mr. Speaker, I hope that all members will readily comply with the request of the Minister of State who expressed the wish this afternoon that this bill be passed quickly so that it may benefit small businesses during the entire period, because if we do not act quickly, as we have spent about \$500 million, I believe, of the \$850 million maximum available, we shall not be able to meet the demand. It is only by increasing the maximum from \$850 million to \$1.5 billion that we can do so. In the present circumstances, when businesses must limit their expectations, be competitive and perhaps make more long-term or medium-term commitments than usual, during this period of high interest rates which are partly due to conditions in other countries, at this time of economic slowdown, small businesses are more hardly hit, and if we want to help them right up to end, right up to 1982, when this act will be reviewed and hopefully improved, we should give speedy passage to this bill.

● (2050)

[English]

Mr. Doug Lewis (Simcoe North): Mr. Speaker, before I commence I would like to make a few comments about some of the remarks I have heard tonight. The hon. member for Beauharnois-Salaberry (Mr. Laniel) made reference to attacks on the government's budget. I would like to say to the hon. member that it is difficult to attack the government's budget because we have to find a place in line among the many