

the fourth quarter yesterday afternoon while cheering up my poor Alouettes who did not quite make it.

Mr. Speaker, before I agreed to run as a Liberal candidate, I was secretary of the Federal Business Development Bank so, as I was listening to the minister praising the bank and particularly its staff, I felt it necessary to support it completely. At the outset it was of course the Industrial Development Bank under the umbrella of the Bank of Canada and it was only five years ago or so that it became the FBDB, a separate legal entity, and it appointed then as its president an excellent administrator, Mr. Richard Murray. During his two and a half years at the bank, during that difficult transition period, Mr. Murray was able to make it into a first-class financial institution. And after that difficult transition period he was succeeded by another excellent administrator, a former civil servant in Ottawa whom I had met in the Department of Transport, Mr. Guy Lavigne. And hon. members will certainly recognize unanimously that Mr. Guy Lavigne is one of the best administrators of our Crown corporations in Canada.

I must admit, Mr. Speaker, that I am pleased to say tonight that the too short period I spent with the Federal Business Development Bank was one of the best times in my life. My only regret is that I did not stay longer because today it is difficult to be a businessman, live with current interest rates and meet one's monthly payments.

The minister said in the House last Friday that in spite of the high interest rates, the bank never received so many loan requests from Canadian businessmen. Mr. Speaker, what the minister said is true because in my riding, as the former secretary of the bank, the people called me regularly to ask for my advice. To conclude, I wish to give some friendly advice to the minister. He said last Friday in the House as reported on page 1639 of *Hansard*:

—there is an increase in categories 3 and 4—

I would like to tell him in a friendly way that when I was working in the bank, there were also great difficulties experienced with those kinds of loans and that we must be more patient today, because times are hard. I have seen cases where loans in category 3, which are dangerous for a bank or a financial institution, were fully reimbursed and where enough trust was given to those people to grant them new loans.

In conclusion, Mr. Speaker, I would also like to mention a specific loan made by the bank, perhaps one of the historic loans where the bank intervened in the case of an almost defunct company in Peterborough, Pioneer Chain Saws, one of the main employers in the area which had closed down. The bank invested in that company and granted a loan and since then it has reopened. The company has expanded and the bank even sold its shares and made huge profits. I think that it was beneficial to all Canadians.

Federal Business Development Bank

● (2100)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, my intervention in this debate will be very brief. The measure before us is a small step in the right direction. However, as with the mortgage tax credit scheme, it does not compensate for the large difficulties faced by small business people.

I come from an immigrant family. For a number of years my parents operated a small business. I was involved in small business as well. While it is very gratifying to be a small businessman, there are major problems a small businessman faces, especially in the economic milieu. We exist in an economic system with great fluctuations of booms and busts. Every time there is a boom it is like the mushroom season. Many small businesses crop up. People invest their life savings in a small enterprise. Then by forces totally beyond their control, the season is over, and thousands of these small businesses are wiped out. Everything the family worked for and invested in is wiped off the map. No wonder we have one of the highest business failures in this country. I understand it is roughly 8 per cent.

Having a viable sector of the economy controlled and operated by small business people is essential to the well-being of this country. It is able to supply services that larger businesses and government operations often are not able to supply. It has a flexibility and a sensitivity to the needs of the particular community and neighbourhood.

In order to make a viable small business environment we, as a country, first have to stabilize our economy. We need economic planning. There must be economic certainty so that when an individual invests in a small business venture, often his life savings, he can be guaranteed that the need for that service will be there ten, 20 years down the road.

What we now see is the opposite. Large chains and multinational corporations which can withstand losses come into a community and wipe out the small entrepreneur. That has been done in many areas; food, housing construction, and retail outlets. Those are but examples. There used to be many small businesses in Regina. A number of these have disappeared over the years.

An hon. Member: What about service stations?

Mr. de Jong: My colleague mentions service stations. They have changed drastically in the last decade. Many neighbourhood grocery stores have been wiped out. We used to have different contractors building homes. Many of these have become sub-contractors, if they were lucky. Most homes are now built by large development corporations.

There may be some argument in terms of scale and efficiency, but that is a very small and narrow argument. When you take the larger perspective of the community good and social good, very often the larger corporations and chains contribute very little to the local community. They use the local community as a way of sucking out money and resources, and very often put very little back.