

Small Businesses Loans Act

the legislation now under discussion, I have grave doubts about its effectiveness. It has been a real headache to those I have been in contact with, including the Minister of Fisheries and members of Parliament. The banks are using many excuses why they are not making this money available to these people under this legislation.

• (3:50 p.m.)

Let me be more specific about the Small Businesses Loans Act. For the record, a report by the Minister of Finance dated December 9, 1969, indicates the number of loans made during the last half of 1969. I want the Minister without Portfolio (Mr. Gray) to listen carefully to what I am saying. When I have finished, I am sure he is going to say "I have listened to the hon. member; I will investigate that and make a report". I am going to ask the minister to do just this, unlike other occasions when the same promise was made but no action taken. This is a crucial point.

If I may be parochial for a moment, I should like to refer to how crucial this kind of legislation can be to a province like Newfoundland. For example, during the last half of last year there was a grand total of 1,146 loans made totalling \$12,732,698 and in the last quarter there were 377 loans totalling over \$4 million. But in Newfoundland, in the last quarter there was only one loan made for \$15,000 and only three loans made in the whole year. This statement of the minister covering loans made under the Small Businesses Loans Act for the period July to September shows 225 loans in British Columbia totalling \$2,323,621; Alberta, 138 loans for \$1,345,372; Saskatchewan, 74 loans, Manitoba 57, Ontario 349, and Quebec 243. New Brunswick had 18 loans and Newfoundland 2 loans. In other words, we can just forget about it.

The act is not working. What is the problem? That is the question I want to pose to the Minister without Portfolio. We have small businessmen eager to expand and no doubt if he checks he will find that there have been quite a number of applications. Under the Fisheries Improvement Loans Act about 15 or 20 people have written to me inquiring how to get a loan. They have reported that when they have followed the indicated procedure they still could not get loans. There are 4,000 fishermen in my riding, but I doubt if one loan has been made under the Fisheries Improvement Loans Act. It is something of a farce, Mr. Speaker, for us to put emphasis on

[Mr. Lundrigan.]

legislation of this kind if people are not taking advantage of it.

On Small Business, again, I realize we do not have the same number of small businesses as other provinces, certainly not like Ontario with 349 loans last year. But when you consider that Newfoundland only had two loans last year and three for the same period the previous year, there is something wrong. I should like the Minister of Finance (Mr. Benson) to indicate what the problem is and any solutions he has for it.

The Fisheries Improvement Loans Act has been amended and brought up to date, but the banks are not lending the money. Is there not something to be done here? Can the government not take action to ensure that people meeting the requirements of the Fisheries and Small Businesses acts can take advantage of the legislation to raise the necessary capital? As far as I am concerned this is discrimination and the Minister of Finance has a responsibility here. Some months ago, I asked whether he would take remedial action against this sort of discrimination and whether his attitude toward easing of credit in slow growth areas was the same as that of the Governor of the Bank of Canada. I suspect it isn't, and the banks have been given directives not to lend money to these people because the security is not good or else the bank managers are not aware of this legislation.

There is a form of discrimination, Mr. Speaker, and this has to be rectified because there is a greater need for the liberal application of this legislation in the slow growth areas than in boom areas. In places like Newfoundland, the average small businessman or fisherman has no place but the bank to negotiate a loan. In Ottawa, Montreal or Toronto there are other sources, though applicants may have to pay through the nose. Perhaps this amendment specifically relating to the guarantee might ease the situation a little bit.

I would like to ask the Minister without Portfolio—I hope he is listening to me—if he will initiate an investigation to determine why Newfoundlanders cannot get loans under the legislation, specifically the Farm Improvement loans—they got one last year—the Fisheries Improvement Loans Act—one or two loans have been made in the province—and the Small Business Loans Act, under which a total of three loans were made last year and two the year before.