

community has access, not just in the major centres but in the smaller communities throughout our hinterland, to those mechanisms. We should make sure that a delivery system is in place.

As well, following a full discussion of the options that the Minister will place before the people of Canada in his discussion paper, the Minister should make a commitment to bring the Bill back to the House within the next six months to a year if there are some indications of further changes that could be made to the Small Businesses Loans Act. If that were to happen, then we would finally have a vehicle that is all-encompassing and will ensure the continued growth and survival of the small business sector in the community.

I thank you for your patience, Mr. Speaker. I look forward to the continuation of the debate and we will see what the final product will be.

**Some Hon. Members:** Hear, hear!

**Mr. Weiner:** Mr. Speaker, I would first like to compliment the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) on his very excellent presentation. As a small businessman, having been involved in retail pharmacy for the last 20 years, it is very heartwarming to hear of the kind of support that we are getting in the community. As well, it gives me an opportunity to say how thankful I am to the Minister of State for Small Business (Mr. Bissonnette) for his efforts in helping me survive as a small businessman.

I have one or two small items to raise with the Hon. Member for Thunder Bay-Atikokan. I would like to know whether or not the user fee will act as any kind of a deterrent to the bank. My own experience with bankers has been that a small business loan is primarily offered to the bank's regular customers, the people they already know and with whom they already do business. It is a no-risk loan because, as you know, Mr. Speaker, it is not only guaranteed 100 per cent and even 90 per cent by the Government but is also secured on the other end because that is one of the requirements of the law. Prime rate plus 1 per cent is not a bad fee to be charging because that easily gives the banks a four or five point differential over what they are paying for their money.

As for whether or not this measure should apply to inventory or operations, those of us in business traditionally have a line of credit which is pegged to the inventory which is then pegged to the operation. If we are at all successful, we can certainly operate and live within those constraints. We get ourselves in a bind when we want to purchase, build or modernize premises, if we want to buy land for expansion or if we want to get involved in any capital improvements. We then find that the banks' very stringent requirements do not allow additional capitalization. The availability of a small business loan is what gives us the assurance that we can proceed.

I remember very fondly the year 1963 when I opened my first pharmacy in Dollard des Ormeaux. I practically had to mortgage my family's and my wife's family's assets to be able to raise any money with the bankers. I then saw a development that began during the time of the Hon. John Diefenbaker in

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1961. At that time, small businessmen could go to the banking system almost like their big business brethren could and ask for a certain type of consideration. At the beginning that consideration was perhaps only \$25,000 but today it can go up to \$100,000.

We have come a long way and I will probably make a few more comments regarding that later. However, I would like to say that I am very thankful for the comments made by the Hon. Member. I have noted them very carefully. Again, I thank him for his consideration.

**Mr. Deputy Speaker:** I now recognize the Hon. Parliamentary Secretary for debate.

**Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, it gives me great pleasure to speak today on the Small Businesses Loans Act. This Act is important to the unknown number of small businesses that need a little extra help as they expand and adapt to the needs of the market-place. No sensible person can deny the success rate attributed to this Act in the past. Over the years from 1961 to 1983, this Act has enabled 140,380 small businessmen to expand their facilities, to purchase equipment and to modernize their plants. In my own particular case, it allowed me to go from partnership in one drugstore to a small chain of six, each and every time with the assistance of the Small Businesses Loans Act.

Indeed, this happened with a success rate of 98 per cent, there being only 2,878 claims paid in that 22-year history. This only offers further proof of the reliability of small businessmen and their tenacity if one looks back at the difficult period they have come through over the last 10 years or so.

Significant changes have been made in the past, changes that highlight not only the need for this Act but the need for us to be flexible. We must adapt the conditions of the legislation, the terms which we impose on the borrower, so that they are realistic and meet the needs of today's small-businessmen. I heartily endorse the proposal to increase the gross revenue allowed from \$1.5 million to \$2 million, because there has not been an adjustment since 1977 and there have been considerable periods of inflation. That increase will not only permit an additional number of small businesses to apply, but it will ensure that those businesses which need that kind of volume in order to survive will be able to qualify. In addition, it will not penalize the small businesses which have been successful and exceeded the old limits. I believe that small business is and will continue to be the engine of economic growth. We must continue the process of strengthening the small business sector and the Canadian economy.

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This program has a successful track record yet, in cases where a claim is made, it is most unfair to expect the Canadian people to absorb 100 per cent of the losses. Instead this legislation proposes a 90:10 Government-lender loss-sharing ratio. Lending institutions should be made to share some of the