

Federal Business Development Bank

of subsection (1) of Section 4 of the Federal Business Development Bank and less to subsection (2) of putting the thrust towards small business.

Through the Federal Business Development Bank's management services, it has been able to assist small businesses in their set-up and in their training. Under this present Budget, unfortunately we have now seen a \$13 million cut in these funds. I would suggest that of all of the things the Federal Business Development Bank did for small business, this was the one thing that I as a small business person and those people within the community that I represent in Okanagan—Similkameen—Merritt, including the boundary country have actually used to a great extent in assisting us in setting up businesses.

As a lawyer and solicitor, I sent people to the Federal Business Development Bank for those services because they were services offered which I saw as beneficial to the communities. It is something I think should be increased and not cut because those management services are services that people in small communities look to to assist them in setting up business. If one looks at the small business communities around Canada, what one sees is often family corporations or family proprietorships of under five people. It is often two or three people.

These people start out wanting to be their own bosses. Those men or women go out and make the attempt to set up businesses. In a small community, they often have to turn to friends, neighbours, or the legal community for advice on how to set up a business and the type of things to look for in setting a business up.

The Federal Business Development Bank was an example of where we in small communities could turn. We do not have that now to the extent we had prior to the Budget. Cuts have already been made. I am told that in some of the offices, such as the Federal Business Development Bank office in Ottawa, people with two and three years' seniority have already been cut. That is the type of thing that I am getting at with this motion. We have to look into the future. We have to look at what the small business community needs. We do not necessarily have to look at what is in the large communities because after all, Canada is made up of employed people of all types, living in all areas. It is not just the large

areas, but some of the smaller communities. Those are the type of places that I am fighting for now.

I am trying, through this motion, to show how important small business is and how important the management services within the Federal Business Development Bank are. Those are only some of the things that we must look at in the future.

For a minute, let us look at the small business community and how it gets along with the banking community as a whole.

• (1710)

Right now what we see, Mr. Speaker, is that 85 per cent of small businesses turn to private banking because as it is set up now the Federal Business Development Bank is a bank of lending of last resort. That is not acceptable. The small business community are those men and women who are out there creating the jobs in Canada. The figures show that in the last eight years 70 per cent of all new jobs in Canada were created by the small businesses. We need some place for them to go, not with cap in hand to the large corporate banks where they are at the mercy of collateral requirements and high interest rates and all of the other discriminations we see in dealing with large banks, but that there is a bank that will service their lending needs. Not just their lending needs, I would submit, but all of their banking needs.

We should be looking at the expansion of the Federal Business Development Bank to assist the business community, not just in borrowing money and management services, but in all of the banking requirements of a business community, whether it be chequing privileges, assistance with budgeting or whatever. All these services should be available to the small business person within Canada.

I can tell you from my own personal experience in dealing with a number of clients that the small businessman is required to put up a lot more of their personal and business collateral than our large firms. That should be looked at.

The collateral requirements by the business community are seen as being far too excessive. The average collateral to loan ratio is an appalling 2.79 to 1. In other words, for every dollar that that small business person borrows, he must put up \$2.79 as collateral for that loan. That is the type of thing that I am pointing at that is so unfair to the small business person within Canada.