

Improvement Loans

FBDB. I can think of more than one occasion when an application to the Federal Business Development Bank has been met with nothing but obfuscation, delays, woolly-headed thinking and frustrations inflicted upon the applicant which have finally turned the applicant away from that source of funding and given him into the arms of some other source of financing, frequently at a much higher interest rate.

As I indicated previously, sometimes the entrepreneurial possibilities are presented very quickly and must be seized very quickly. I recognize that the various departments and ministries try, and I think that in many cases they try very hard, but it only takes one or two people within the framework of a particular office to cause serious dislocation of the processing of these applications. One of the most serious dislocations is with reference to DREE in Kootenay West which was, quite frankly, a disaster. It consisted of the failure to advise, the failure to say to the entrepreneur, "Look, you will be over your head"; the failure to strike a reasonable balance in degree, in the amount of equity that is taken up by the bank in order to fund the industry, and elevation of expectations and hopes and, finally, the crash and the ultimate closure of the business. The businessman himself, of course, is out of pocket, faced with receivership. The new employees who have been working at this new business opportunity, this new enterprise, for some five or six months, or perhaps a year or two, are out of a job, with no place to go.

● (1450)

I recall very well the input of DREE in Kootenay West. How very pleased we were to see that riding included under the Regional Development Incentives Act, and how frustrated we were to find that in the entire period in which that riding was recognized under the act there was not a single, solitary reference to it of any business opportunity by DREE. In my view, the DREE officials totally failed to perceive what their authority and options were. They let down the people of Kootenay West very badly. They failed to realize that the area did not have the expertise to go into the marketplace and secure people to come in and establish an industry. DREE certainly had that expertise. If they did not, it was clearly in their mandate to have it. Mr. Speaker, it is no wonder that small business, the employer of over 50 per cent of the work force, is in serious difficulties today?

I can remember when several people in my community of Trail and the surrounding area put their life savings into an enterprise funded by DREE and supported by FBDB which had the blessing of federal departments including Industry, Trade and Commerce. The one thing they all failed to do in the very critical period of start-up which can last one, two or three years, was to monitor the operation and make sure it was proceeding well. They failed to make sure that the management knew what it was doing. Mr. Speaker, I suggest that if the federal government is going to get into this field, they had better be prepared to shoulder part of the responsibility. If DREE or FBDB are going to put taxpayers' money into business ventures, they had better make sure that even though

[Mr. Brisco.]

the investment may appear sound at first blush, it remains sound on the basis of management.

We cannot hold the minister of the department responsible for fluctuations in the market or for various market pressures. I do not suggest that, but I do suggest that one of the most serious shortcomings of DREE, FBDB and the Department of Industry, Trade and Commerce is their failure to follow up with the necessary expertise. If these departments have the expertise, they are not using it. I recognize it is not a simple thing to go into the marketplace and find an expert in private enterprise, but I suggest it will pay maximum dividends and result in fewer bankruptcies, as well as a better overseas market if this expertise can be provided.

Not too long ago I had a visit from a constituent just returned from Iran and other Middle East countries where he had done an excellent job of selling a Canadian product. This was under the auspices of the Department of Regional Development in British Columbia. At one time he had the opportunity to consult with the federal counterpart, but had he taken the advice proffered by the official in Ottawa—who had never seen the Red Sea or the Suez Canal, and probably would not know how to find them on a map—the trip would have been almost disastrous. The official's direct knowledge of the business community in the Middle East was nil.

When looking at the small business community I note with serious concern that while the Minister of State for Small Business (Mr. Marchand) is making a genuine and sincere effort to improve the options for free enterprise for small business, on the other hand the Minister of Industry, Trade and Commerce (Mr. Chrétien) and some hidden geniuses in the backroom have decided that they are going to scrap some programs and introduce new ones as the answer to the problems of the business community, meaning those who are one notch above the small businessman. I have spoken to some members of the business community who have looked at these proposals, and they just shake their heads in frustration. They say that in order to qualify, you would need an army of lawyers and accountants to fill out all the required forms. If your company has access to corporate lawyers and accountants, then it is too big to qualify for the loan. If it does not have those experts at hand, it is too small. So, where is this program going to fit in? In all likelihood, this new brain-child of the Department of Industry, Trade and Commerce will be busy funding the brain-children of other federal departments. They are the only ones who could fill out all the forms. I would suggest, Mr. Speaker, that someone had better have a chat with the well-meaning Minister of Industry, Trade and Commerce and let him know what the business community feels about this program.

A few days ago, in a well meaning exercise, the Department of Industry, Trade and Commerce sent an official to British Columbia. He turned up in my riding. When I read the press release announcing his arrival, I thought it was the coming of the Messiah. But I was wrong. The business leaders of the community left the room at 15-minute intervals on any excuse they could think of. As I understand it, when the meeting