

Guarantee of Loans to Small Businesses

about insurance funds. All these things are good. However, we also know this; that in the form in which this legislation is presented, the chartered banks of Canada are enabled to lend money at reasonable rates of interest on a long term basis. The whole of this legislation is designed to help small businesses.

As I listened to the hon. member for Timiskaming today I heard him say that the maximum interest rate imposed by the credit unions is a total of 12 per cent per annum; that is, 1 per cent per month on the unpaid balance. If you work that out you will find it comes to 12 per cent exactly. The hon. member continued to say—and I am using his own words—that quite often this is much less than the rate charged by the banks.

Surely if the hon. member is correct in that assumption any small business in Canada can go to a credit union, as has been done on many occasions in Canada, and borrow money at less than the rate of interest charged by the banks. From my own experience I know that they do, in fact, borrow money from credit unions at varying rates of interest. Sometimes these rates are fixed at about 6 per cent. I have never heard of a rate below 6 per cent. In any event, if they can borrow at a lower rate of interest, then let them go ahead and borrow. Surely that is the answer.

As far as the hon. member for Cartier is concerned, one would think the government was setting up something which would continue for all time, something which could not be amended by any future act of parliament. "A combine", he said it was; "denying rights to other lending institutions". The hon. member concluded by saying this was stillborn legislation. Surely the step which has been taken by the Conservative government in bringing forward this beneficial and necessary legislation should be appreciated by all members of parliament. If it should be found in the future that more money is needed than is at present available under the terms of this measure, then surely it will be open to parliament to put through an amendment which would go a further step and include other lending institutions, whether credit unions or other organizations.

There are many other features in this bill upon which I should like to comment. In the Okanagan valley, which is a veritable tourist resort, we shall no doubt feel the beneficial effects of this legislation. Certainly I do not intend to take the time of the committee in reviewing the many projects for which this money could be used. I should like, however, to conclude by once more offering my solid congratulations to this government on having brought forward this

very necessary legislation which will undoubtedly help all types of small business in Canada.

Mr. Carter: I want to ask the Minister of Finance one question. Last night he informed us that no loans had been made to fishermen in Newfoundland by the credit unions. To keep the record straight, would the minister inform the committee how many loans to fishermen have been made by the banks in Newfoundland?

Mr. Fleming (Eglinton): I do not know whether it is relevant, but I will obtain that information and send it to the hon. member.

Mr. Baldwin: I submit that the position taken by those who support this amendment is completely untenable, apart from the contributions of the hon. member for Rosthern and the hon. member for Marquette, who spoke of the special characteristics which mark institutions of the nature of the caisses populaires and the credit unions.

I think it was agreed on all sides yesterday—and the Associate Minister of National Defence said it again today—that the jurisdiction governing credit unions belongs exclusively to the provincial governments. Yesterday the Minister of Finance made the categorical statement that there had been no requests made by the credit unions or similar organizations to be brought within the ambit of this organization. I think this is most important. I cursorily examined some of the provincial legislation dealing with credit unions and it is my submission, as a result of what I have read, that there is grave doubt, from the provincial statutes which provide for the establishment of credit unions, whether these unions have the authority to participate in legislation of this kind.

There are restrictions which definitely limit (a) the type of loans which can be made, and (b) the individuals to whom such loans can be extended. I suggest that a consideration of that legislation would indicate very strongly that even if the amendment sought were granted by this committee, the credit unions would not be able to take advantage of this particular legislation.

This is a government which has always had the utmost respect for the rights of the provinces. I think it would be quite wrong, to do as the opposition proposes, to cram down the throats of institutions established under provincial legislation rights, privileges and responsibilities which the provincial legislatures have not seen fit to grant to them. I think this is a tempest in a teapot. If and when the provincial legislatures see fit to make the necessary and consequential amendments to allow the credit unions to