

*Government Orders**[English]*

**Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs):** Mr. Speaker, I listened very carefully to the hon. member. What caught my ears was his comments about small business being harassed by government bureaucracy.

He mentioned that 20 per cent of energy went to fill out government forms and what not. He also mentioned that small businesses provided jobs on a local level. I could not agree with him more. If we want to kickstart the economy, if we want to stimulate the economy, we have to help small and medium sized businesses stimulate the economy and create jobs. Then I think we will see the recession behind us.

In canvassing my riding of Parkdale—High Park, which is in the city of Toronto, the complaints I get from small businesses are about the lack of co-operation they get from the banks. Yes, I get some complaints about bureaucracy or red tape, but if they want to modernize their plants and expand to export their products—and he mentioned such products as doors, windows, et cetera—they go to the bank and the bank refuses them capital loans. Under the Small Businesses Loans Act small businesses can borrow up to \$250,000 and 90 per cent of the risk is guaranteed by the federal government. Even with that motivation, that stimulus, the banks are not co-operating.

Just yesterday an angry constituent with a small business in real estate called me. He had a client who used to pay him by cheque every month, a \$1,000 cheque he would deposit in the bank. The service charge for that was 75 cents. The other day he was paid in cash. He took the cash to the bank and the bank had the gall to charge him \$2.20. The principle is that small businesses get angry because of this kind of attitude on the part of banks in Canada.

Is it just businesses in Toronto, businesses in my riding, that have these problems with banks? Or, does he experience the same difficulties with the banks as do small businesses? If so, would he have any recommendations? How can we get after these banks to co-operate in stimulating the economy and not throwing roadblocks in the way of small businesses?

*[Translation]*

**Mr. Rocheleau:** Mr. Speaker, I thank the hon. member for his question. Having been involved in economic regional development for 25 years in my region of Mauricie—Bois-Franc—by the way, I take this opportunity to pay my respects to the people of that region as well as my constituents—I totally agree with the hon. member when he says that—and this matter was raised by the hon. member for Broadview—Greenwood in the Standing Committee on Industry—there is a discrepancy between what the presidents of the major banks are saying and the attitude displayed by local bank managers. Every one is looking after

their own interests, but no one is there for the small businessman who is really the one taking the risks.

More and more, especially in difficult times, banks have only one thing in mind, to look after their own interests, to protect what they have. Often they do not hesitate to pull the plug on the other party, that is to say the business, the industrial entrepreneur and the employees.

• (1245)

I think it is a matter of mentality, of attitude. Someone who had been studying the operation of European banks once told me that their attitude and approach with respect to private investment are totally different in the sense that the operating philosophy of the bank is to take a chance with the small business owner.

Perhaps pressure should be brought to bear to foster a change in attitudes, in that respect. While the Canadian banking system is said to be one of the most performing and comforting in the world, there may be fundamental choices to be made by banks.

We may come to realize that our system has its faults, its weaknesses, seeing that unemployment—because that is the ultimate result—is growing steadily from one decade to the next. When I was young, the unemployment rate was 3 per cent and now, I think that Statistics Canada is saying that the best we can hope for is 8 per cent.

It may be this kind of management and operating philosophy that causes banks to gradually discourage people who start up businesses with potential: when the going gets tough, the bank loses any loyalty to its client. That is a question that will be examined by the standing committee on industry.

**Mr. Pierre de Savoye (Portneuf):** Mr. Speaker, I have examined Bill C-9. I know there are people who are watching us on television. This is Bill C-9.

There are all kinds of interesting things in this bill and one may think that, with its proposals, the government wants to increase business competitiveness and enable people to improve their situation. For example, it talks about reducing the unemployment insurance premiums to promote the creation of extra jobs. It is very interesting to see how the government is concerned with businesses.

However, how are businesses going to learn that these new provisions will take effect? The day after this bill is proclaimed, will their accountant rush to the phone and tell them: "Here, in your case, you really have a wonderful opportunity"? I doubt it and what saddens me is to see such nice intentions—the extension of the small business financing program, venture capital corporations for workers, the extension of the home buyers's plan—that will not necessarily be communicated with the