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7. Central Group LtdMr P Spicer Chairman

Mr Spicer met with the group for lunch and introduced his company as professional managers of investment trusts and corporations. He gave as his opinion that it would be possible to raise a greater volume of finance for investment in small business through offering investors a return for their money than by charitable donations. He stated that he had approached External Affairs on this matter but had been unsuccessful in obtaining approval for the scheme. Mr Spicer was reminded of Government policy regarding investment in S.A. while at the same time he was asked whether the approach which he had made to External was for investment to be sanctioned by Canadians specifically in the black private sector. Spicer stated that this had not been the case as he did not wish to classify matters racially. It was suggested to Spicer that if he reconsidered the matter and reverted to External making it clear that he only wished to assist the black community he might possibly have a greater degree of success. CABBSA could then act as a channel through which promising black entrepreneurs might be routed to him.

8. Federal Business Development Bank

Marie-Michele
Vaillancourt
Management services

The Bank which has 78 branches of varying sizes country wide is a Crown Corporation designed to assist the development of small business. Some twenty five to thirty per cent of its business is related to start up operations and is therefore considered to be of high risk but arrears in repayments of loans are only in the region of 10% which is considered satisfactory. It is of interest to note that some 55% of all new businesses are started by women mainly embarked upon replacing income previously obtained from employment. The Bank considers itself as the lender of last resort and does not see itself as being in competition with other banks and financial institutions. It charges a higher interest rate on loans and complements the activities of the financial institutions through seminars and training schemes. Some entrepreneurs use both the services of financial institutions as well as those of the Bank particularly as a means of securing finance to acquire capital assets.