

*Federal Business Development Bank Act*

few incidences of sour milk which, when they do occur, are cheerfully corrected by the retailer?—

Facetious and farfetched? Probably, but one gets the impression that more and more people are being hired out of the productive sector of the economy and being charged with the responsibility of looking after those of us who remain in business and industry.

When you visit Ottawa and are told that it is the fastest growing city per capita in all the world—with millions being spent to house more and more bureaucrats who will produce more and more red tape to make it tougher and tougher for you to function, don't you get the feeling that enough is enough? More and more drones supported by fewer and fewer workers—

This is the problem of businesses today, and the government must get off the back of industry. As I said earlier, the dairy industry consists of more small businesses than any other sector of the business world in Canada. Unfortunately, government regulations and controls are forcing small dairy businesses to close down.

The minister must co-operate with his colleagues to get them to see the light so that small business enterprises in Canada can enjoy the co-ordinated efforts of the government, otherwise the grandiose attempt of the Minister of Industry, Trade and Commerce (Mr. Gillespie) in putting this legislation before the House will lose its thrust because of the shortcomings of his cabinet colleagues.

**Mr. Jack Marshall (Humber-St. George's-St. Barbe):** Mr. Speaker, I am sure there are many greater business minds in the House of Commons than mine.

**Mr. Knowles (Winnipeg North Centre):** That's the trouble.

● (2140)

**Mr. Marshall:** I hope that the new Federal Business Development Bank will serve the purposes for which it is intended, but for the life of me I cannot see how it will do anything more for the small businessman than the many other programs which already exist under other departments of government, other than build another little empire to add to the bureaucracy and confuse further the potential businessman to whom it is supposedly directed, not to mention the added cost to the taxpayer in setting it up.

The Federal Business Development Bank is not much different from the present Industrial Development Bank other than the few fancy frills such as are contained in clause 21 wherein it provides management assistance to recipients of loans, and it is empowered under clause 22(b) to sponsor conferences, seminars and the like, and under clause 23 to distribute information relating to techniques, methods and practices for the successful administration of business enterprises.

Furthermore, this type of assistance is being offered under various other programs in federal and federal/provincial programs. An example of the duplication, Mr. Speaker, is that in most provinces in Canada there are many provincial development corporations, such as the Newfoundland and Labrador Development Corporation, which serve almost the exact same purposes. Of the \$22 million in capital funds, \$20 million has been invested by the federal government under the Department of Regional Economic Expansion.

[Mr. Towers.]

Here are the objectives of the Newfoundland and Labrador Development Corporation. I have already circulated a pamphlet to all hon. members setting these out. In order to overcome the lack of detailed information concerning viable opportunities for investment, lack of venture capital, and the failure of businesses to meet the demands for more sophistication in their approach to business development, a positive program for the development of small and medium-sized businesses was drawn up in 1973 to provide businesses with industrial intelligence; management advisory services; project information; loan financing for the establishment, expansion or modernization of programs; equity financing, and related services and assistance.

The corporation's affairs are governed by a board of directors with strong business backgrounds and knowledge of the particular economy, which works closely with the federal government. The main emphasis will be on financial assistance and management advisory services. However, there is vast scope for expanding activities and consequently there will be ongoing development work.

Then, Mr. Speaker, it designates the financial assistance available, term loans, and application requirements. We are all aware that most of our provinces have similar programs to suit their requirements.

Now, let us look at this new Federal Business Development Bank. Its objectives are almost the same—to provide financial assistance, management training, information and advice and other such ancillary services in order to promote and assist in the establishment of businesses in Canada, with authority to set up regional advisory boards to suit the particular region. Both of these agencies have the same objectives worded in a different manner.

Despite the various other loan programs such as the Small Business Loans, Fisheries and Farm Improvement Loans, Farm Syndicate Loans, Vessel Building Loans, Small Farm Development Loans, Capital Assistance Loans, Rural Development Loans, and besides the government guaranteed loans under DREE and the various agencies to assist the small businessman under the minister's department—such as CASE—there remains that vacuum which the minister and his advisers cannot recognize. That vacuum is the need to provide venture capital to small business.

The need is not to build another bureaucracy under another department, Mr. Speaker. All that will do is further confuse the small businessman. There will be more confusing and lengthy application forms to fill out, and all he will receive, as happens in most cases, is a form letter advising him that he does not qualify, without giving any reason.

Setting up a dozen more fancy corporations will not help. The need is to overcome the discouraging high interest rates, the excessive requirements for collateral, the lack of risk capital, the constant desire that seems to exist in the bureaucracy to refuse an applicant and get rid of a problem rather than to help him.

Going back for a moment to the Newfoundland and Labrador Development Corporation, this agency loaned out almost \$5 million in its first year of operation. Along with other programs many millions have been injected, but even with this injection of funds Newfoundland still