

the banking community would show a community instinct which could enhance the well being of the small businessman who, in turn, could enhance the banks' business.

The banks will not co-operate under this program, as member after member has said. The bill does not compel a lender to lend. There is no compulsion on lending institutions, chartered banks, or what have you. That is really upsetting. As many members have said, when you go to a bank manager for a loan he says, "You cannot get it because you are a bad risk." He will not lend you money under the Small Businesses Loans Act, but suggests that you borrow other money at 18 per cent or, failing that, that you go to the Industrial Development Bank. And you know what they will tell you. There is no way you will get money from them. That is why I say we are going through a charade.

A good friend of mine by the name of David Bernstein of Montreal is concerned about the attitude of the banks. He has written this about the banks and lending institutions:

There exists at present a large number of financial institutions known as 'near banks', such as trust companies, savings and loan associations and syndicates operating regionally who should be authorized to enter into the banking field within their regions, but subject to monetary and fiscal policies dictated by the Federal authority. This would serve a secondary object of compelling the chartered banks to abandon their traditional policies, and oblige them to compete with these so-called regional financial institutions for investments in Canadian industries. This in turn might require the law to restrict the current practice of the chartered banks in establishing additional branches at will and not to defeat the proposed changes only to force these small financial institutions out of business.

He asks the questions, "Are there any financial institutions in Canada that can fill this vacuum? and goes on to say:

It is my considered opinion that we now have financial institutions capable of fulfilling this need enabling Canadian business to obtain Canadian capital for the fuller growth of business in our country. Our chartered banks should be given the power by law, and encouraged to play a more active role in serving the legitimate needs of Canadian business, and the latter freed from the necessity of seeking such assistance outside of Canada, either from alien financial institutions, or by surrendering control to alien corporations acquiring a majority interest in their shares or minority interest in a conglomerate merger.

● (2050)

The Canadian Government has had for its purpose to penalize or to prevent foreign take-overs of Canadian corporations, however they have done relatively nothing in inducing Canadian capital investment in Canadian enterprise.

He refers to the takeover bill as Bill C-132.

Bill C-132 has for its main object to permit the Canadian Government to prevent foreign take-overs of Canadian corporations where it is to the detriment of the Canadian economy, however it does not provide for any means in which a Canadian enterprise can obtain the necessary capital in Canada.

That is a significant statement by a very learned person. As a lawyer he probably has deals with smaller businessmen all the time. He is very concerned about the plight with which they are faced.

Has this act really been a tremendous success? I do not think so. Page 9 of the Small Business Loans Act Annual Report 1972 gives the loans by provinces and types of businesses for the calendar year 1972. Let us look at the province of Ontario, the province of opportunity, the province that sets the path of leadership, with all due respect,

#### *Loans Acts Amendments*

for most or the other provinces. How many loans did the banks, chartered institutions and other lending institutions make? I will read the figures for 1972. This is not for a month. I am talking for a whole year. In Ontario in the wholesale trade there were 23 loans. In the retail trade there were 153; in construction, 74; manufacturing, 89; service businesses, 236; transportation, 16 and communications, 5. Is that really a big deal? Does that show this act is attractive to small businessmen?

Perhaps we have a good act, but the criteria which are set down by regulation are really a detriment. That is why we have these insignificant figures in terms of how many loans are involved. It is hard to imagine that Ontario had only 596 loans. Let us look at the other provinces.

**Mr. McGrath:** Don't look at Newfoundland.

**Mr. Alexander:** I cannot help but get to that one. The hon. member for St. John's East (Mr. McGrath) says not to look at Newfoundland. However, I will start with the Atlantic provinces. These figures are for the year 1972. In Newfoundland there were five loans.

**Mr. McGrath:** Shame!

**Mr. Alexander:** Do members want to hear what happened in the Yukon? There was one loan. In the Northwest Territories there were two loans.

I see the Minister of Finance (Mr. Turner) behind the curtain. I am glad he is here. I am not trying to make a partisan speech. I am just trying to show how ineffective this act is in terms of small businessmen. What about Prince Edward Island? There were 31 loans.

**Mr. MacDonald (Cardigan):** We're right up there.

**Mr. Alexander:** The Minister of Veterans Affairs (Mr. MacDonald) seems happy with his 31. Surely he is not satisfied with that. He cannot be satisfied with 31 loans from his province. If that is his aim, I say shame. If that is so, he will not be back.

In Nova Scotia there were 37 loans. What kind of nonsense is this? These are areas which are continually crying about the need to remove their disparities. In New Brunswick there were 45 loans. The provinces that need the loans are not getting them. Why? Who can answer that?

In Quebec there were 1,091 loans. Ontario got about half that, 596; Saskatchewan, 174; Manitoba, 133; Alberta, 275 and British Columbia, 456 for a sum total for the whole dominion of Canada of 2,846 loans totalling \$28¼ million. Isn't that absolutely ridiculous?

**Mr. Howard:** Were there any in the Yukon?

**Mr. Alexander:** Yes, one in the Yukon. The minister stands with pride. When we get to the banks, they are just as bad as this government in terms of their treatment. The figures have been given before, but I will put them on the record again: Bank of Montreal, 433; Bank of Nova Scotia, 134; Royal Bank of Canada, 952; Toronto Dominion Bank, 181; Mercantile Bank of Canada, 1; Canadian National Bank, 741; Provincial Bank of Canada, 41; my bank—the one I get my loans from, and I have them—Canadian Imperial Bank of Commerce, 358; Bank of British