

left his mark in Parliament, as he has on the riding of Simcoe North.

Following in his footsteps is quite a challenge, and I welcome that challenge. I know that this House will be saddened to hear that Dr. Rynard suffered a stroke the day before he was to campaign for me in the last election, but he continues to progress and has recently left hospital. I am sure that this House joins with me in wishing him well.

Some hon. Members: Hear, hear!

Mr. Lewis: The riding of Simcoe North is as diverse as this nation. The townships of Mara, Rama, Orillia, Oro, Medonte, Matchedash, Tay and Tiny are rich in farmland, forest and water, but richest of all in people. The city of Orillia and towns of Midland and Penetanguishene are strong and vibrant parts of the riding. The riding contains people from English and French background strengthened by immigrants from many lands. The economy of Simcoe North is mixed and that is its strength.

Simcoe North riding is comprised of farmers, skilled tradesmen, entrepreneurs, tourist operators, store owners, professionals, civil servants and retired people, all of whom rub shoulders throughout the riding. I have lived in Simcoe North since 1969. We have known triumphs there and some tragedies, but we have come to know that Simcoe North is a riding rich in people who are Canadian every day of their lives.

Now I would like to turn to Bill C-20. The role of the Federal Business Development Bank in financing Canadian small businesses is well known to this House. Its role in counselling small business through its branches and seminars, which it carries on throughout the country, is important to the concept of helping small business to develop in Canada and entrepreneurs to develop management skills. The provision of management consulting services to small business is also important because small business often cannot afford to hire this expertise on its own and which the Federal Business Development Bank makes available at a reasonable rate.

I am pleased to learn that the bank is continuing to take an active part in financing businesses engaged in manufacturing and tourism in Canada, particularly in Ontario. I note that in the nine months ending December 31, 1979, the number of loans in Ontario increased 58 per cent and that their value increased 61 per cent compared to the same period last year. We need such loans. We need the bank activity to foster continued growth in the province of Ontario. We intend to go on maintaining our position as the cornerstone of confederation by manufacturing, employing people, and by good, old-fashioned hard work in the province of Ontario.

It is not my intention to fill the record with a litany of facts and figures designed to prove that my research is equal to that of the minister's or other hon. members. The minister brought forward the facts and figures quite adequately. My colleague, the hon. member for Capilano (Mr. Huntington), reviewed them and I think we have enough statistics on the record.

Federal Business Development Bank Act

We are sent to Parliament to represent the views of our constituents. I wish to place on the record some concerns which I feel adequately reflect the viewpoint of the people of Simcoe North, particularly small business, with respect to the Federal Business Development Bank and this particular amendment. I want to talk about what happens to the money after the bank receives it. I want to touch upon the bank's role as a lender of last resort, the image that the bank has with small business, the cost of completing a loan, branch discretion limit, what I call the approval-disapproval time lag, and the availability of branches.

It could be suggested that these are matters for committee, but I feel that they are important to the public and small business and that they should be brought forward in this House. I feel comfortable discussing the bill from the standpoint of the borrower, perhaps more so than I do from the standpoint of the bank, because I was often, if not in the borrower's shoes, in the shoes beside the borrower as either a chartered accountant or a lawyer. So the loans, guarantees, financial statements, collateral security and related problems are not unknown to me.

I would also point out that my comments are not the result of dissatisfaction with any particular branch; I think they reflect somewhat the feelings of the public. The small businessman feels that the Federal Business Development Bank should be a lender of last resort. The bank makes that claim. The chartered banks, trust companies and other financial institutions make a profit and report to their shareholders. The FBDB is viewed as a branch of government which has as its principle the provision of assistance to small businessmen who do not qualify for loans with chartered banks or other such institutions because he may have a lack of business experience on equity, or he has an unstable market, a new product or any of the other reasons which would make the ordinary bank on the corner nervous. That is how the general public views the FBDB.

The general public expects the FBDB to take a higher risk than the chartered bank. I believe the public feels that the bank should have a higher bad debt ratio than a chartered bank. It is expected to lose money. Perhaps that is a strange thing to say, but we must understand that the FBDB must take those risks and lose money in some cases.

It must also have a normal percentage of interest to cover its operating profits. The social and economic profit of this institution to Canada does not show on a profit and loss statement, but it is there in the form of thousands and thousands of successful small businesses in Canada.

● (1450)

I disagree with the comments of my colleague on my left. I think small business enjoys the challenge of doing business in Canada. As a record of that I point to the many thousands of people who leave the comfort of large business to go into small business.

I suggest to my colleague to my left that the banks have not failed small business as he suggested. The banks do lose money