

*Government Orders*

We are going to pay for those jobs either by encouraging private lenders to adjust their lending practices now so businesses maintain their viability, or later through our unemployment insurance and welfare programs or cuts to both.

My colleagues have already suggested that some of the villains in this scenario are the banks. I do not think the appropriate term is villain. I think the banks are looking after their own affairs in lending practices without due regard to the consequences of some of their actions.

This last year we have seen the collapse of several financial empires. Without naming them, certain banks had lent hundreds of millions of dollars and on a couple of occasions over \$1 billion without collateral. Over the course of this last year the banks have been writing off these debts.

In the Reichmann holdings in particular, writing off those debts simply meant transferring a lot of the cost to the average taxpayer. The small borrower who goes to a bank today is going through the kinds of hoops that banks would not have put people with a great credit risk—until a few years ago—through at all.

We have to go beyond encouraging banks to adopt a more favourable lending practice for small businesses.

We have to be able to tell them that number one is to make a certain portion of all the moneys they put out available to small businesses. They have to make the costs acceptable. Surely a point over prime, a point and a half is not insufficient return on the investment that those lenders will have. There is no reason why more money cannot go out to those who are most productive.

I will repeat the figures that I gave earlier about the number of jobs that were created by small businesses over the past 10 years. Between 1980 and 1990, 76 per cent of all jobs were created by small businesses. When one thinks of what those jobs represent in terms of wages earned and income to the federal and provincial treasuries and equally important, the amount of money that does not have to be paid out through social assistance programs to maintain the people who would otherwise not have been working, it is an investment.

It is well worth the consideration both of this House and other legislatures throughout the country. It certainly speaks very forcibly to the co-operation between both government and industry, in this case the financial industry, to hammer out a plan of putting money at the availability of those who would use it most productively.

It is not a question of throwing money away and saying that this is a situation where we are throwing good money after bad.

**Mr. Mills:** It is not grants.

**Mr. Volpe:** That is right. It is not grants; it is a direction. It is an indication, an exhortation to try to lend money where money will work. We seem to be skirting around the issue.

More often than not we take great pains to ensure that the banks and other private lenders have an opportunity to invest in businesses that appear to be working very well when times are good. They are mega-industries. They are megasize on megaprojects.

For small and medium-sized businesses that are the mainstay of our economy and our job creation, we do virtually nothing. Too many small businesses are unaware of how to access the moneys that legislation such as this will encourage lenders to provide.

This is the time for the minister and his department to put out an action plan that will make small businesses move to where they can have access to all the programs resident, not only under his department but under other departments as well to ensure that the banks themselves solicit that kind of business.

If their business is to lend money, then let them lend the money where it is most needed, number one, from a national policy point of view and number two, from a marketplace point of view, where they will get the greatest return with the least amount of risk.

It is time that we, through our legislative processes, do things that other provinces have already looked at very seriously. For example, Quebec through its stock savings plan is trying to make a much more effective investment in small businesses. It provides tax shelter schemes to encourage stock purchases in small Quebec companies. These are companies that will provide jobs in that province for the citizens of that province and in effect, for Canadians who want to call Quebec their home.

Why can we not do that on a national scale? We have the resources, financial and legislative, to take an inventory of what is available to ourselves as a Parliament, to our lenders as people in the business and to our entrepreneurs to ensure that there is a marriage of need and resources and later working toward an end product which is the satisfaction of the needs of our consumer constituent citizens.