

Guarantee of Loans to Small Businesses

Mr. Browne (Vancouver-Kingsway): I just want to caution the Chair that in taking too strict a view of unintelligible or ungrammatical amendments we are likely to preclude the opposition from taking part in the debates to come.

Mr. Herridge: I have been greatly interested this afternoon. I wish to draw the minister's attention to another defect we see in this legislation. I refer to subclause (b) of clause 2 which reads as follows:

(d) "business improvement loan" means a loan made by a bank to a proprietor of a small business enterprise for the purpose of financing—

And so on. As we see it, this definition restricts the application of this act to a present proprietor of a business and even that would be extremely difficult to define. I should think a person could get around the terms of the act by establishing a very small interest in some concern and then making application for a loan as a proprietor. However, I wish to bring this matter to the minister's attention. It prevents many young people with ability and with some assets in some cases and with a particular opportunity from taking advantage of this act. I want to give a few illustrations, I usually speak from experience. I can speak with a particular knowledge of my constituency which is somewhat comprehensive in detail as to its natural and human resources.

I know of a young man, for instance, who has some valuable assets in a timber holding. He would like to establish a small saw mill and planing operation. Because he is only able to obtain short term credit from the bank he cannot do that. Under this bill he is not allowed to obtain a loan in order to commence business. If he were able to take advantage of this bill he could build a small saw mill and planing operation as a permanent operation on this timber holding. He is a young man who has ability, capacity and assets in timber.

I know of another young man who has an excellent site for a service station because of the change in a road location, in recent years. This opportunity is due to the fact that considerable traffic passes this particular intersection. At the present time he is not established in business. He has this asset, and if a new business could be established under this bill here is a young man with assets and some ability and energy who could take advantage of the bill.

Then I know of one or two other cases of young men who own excellent sites for auto camps, tourist resorts and tourist camps, who are not in business because of lack of capital. They have these sites and they have beach locations close to good fishing, and so on. These young men have the ability,

[The Chairman.]

capacity and energy required to make a success of such small undertakings. As the bill stands at present, it appears to me they would not have the opportunity of borrowing money to establish a business of this type.

I know of another case of a young man who has an excellent wharfage site and is a good boat builder. He has the site, he has the natural resources, shall I say, in a small bay facing a beach, and so on, close to an area where, particularly in the summer months, tourists visit in numbers. He has this quite good site, but he does not have any capital. As I read the bill at present, he would not be able to borrow money for the establishment of a new business.

I give those illustrations from my personal experience, Mr. Chairman, and I am sure there must be many other illustrations of a similar type that hon. members of this house could give from their personal experience.

I do not wish to unduly take up the time of the house, but I wish to correct what we think is a deficiency in the bill in this respect. I wish to move an amendment, and I trust it is grammatical and will meet the linguistic exactitude of the minister. I move:

That paragraph (d) of clause 2 be amended by adding, immediately after subparagraph (iii), the following:

"(iv) the purchase or construction of a business enterprise;"

Mr. Fleming (Eglinton): Mr. Chairman, the amendment does propose an extension of the provisions of the bill; it does propose an enlargement of what is the scope and indeed the principle of the bill. To that extent it lays a charge upon the crown, and in my submission is out of order when introduced by a private member.

Mr. Pickersgill: Mr. Chairman, in reply I would just like to say that the charge upon the crown is limited to whatever the loss may be on total loans of \$250 million. Whether that money is loaned to B or C, as long as he is a small businessman—which is the principle of the bill—it seems to me to not in any way increase the charge against the crown.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member for Bonavista-Twillingate has got himself mixed up again. He was talking about there being a limit of \$250 million. Mr. Chairman, the limit—as you will find in clause 6—is \$300 million—

Mr. Pickersgill: Yes, I admit that.

Mr. Fleming (Eglinton): —in a particular period. That limit may or may not be reached in the particular period. The hon. member is quite beside the point in talking about this