

Mr. Nault: That is right. My colleague says we have not even included the GST and the nightmares the government has created for small business by having it be the government's private tax collector.

I have done what the minister opposite who intervened in my colleague's speech asked us to do. I sent a letter to the business community in Kenora—Rainy River. I am sure all members here have their business community on their computer. I sent businesses a little memo telling them about the Small Businesses Loans Act and how they should go to their local bank and ask them if they can take a look at this. I told them if they are having difficulties because of the very difficult recession we are in and they want to try and keep themselves going and get the kind of capital and investment they need to create employment and stay in business the federal government is prepared to help them by guaranteeing up to 90 per cent of a loan to small businesses.

I did that in good faith because the Minister of State for Small Businesses and Tourism said the government was really going to sell the Small Businesses Loans Act, it is a great thing. He is right. I want to help out and get our small businesses back to work so I sent this out to the businesses in my riding.

• (1610)

The phone started to ring minutes after people got this in the mail. They said: "This is great. We have got a program. I did not know this". They went to their bank and the banks did not know about it. The local bank managers in northern Ontario kept telling the small business community: "Oh, that is interesting. Small Businesses Loans Act. I do not know anything about that.

An hon. member: It's a true story.

Mr. Nault: No wonder small businesses are going bankrupt in this country with the kind of banking establishment they have to do deals with.

I am now presently researching how to create a northern Ontario regional bank because we really are in desperate trouble in northern Ontario.

The member opposite grins and shakes his head and laughs. However, if one tries to get a loan in northern Ontario one will see what it is like. Even in the best of times in northern Ontario some individual from Toronto calls them up and says there is a depressed area in northern Ontario. It is about the size of Nova Scotia or

New Brunswick but it is a depressed area. One does not loan money up there.

That is so even if there are people such as those on my list who have been in business for 10 and 11 years and have been very successful and who are looking for some help during a very difficult time. One individual here owns her own business and all the property that is involved with it. She does not have a loan whatsoever. She asked for a line of credit and she was turned down. They would not take her property because the bank in Toronto the big guys in Toronto, said that Rainy River was a depressed area. One cannot lend money there.

That is my point. My point is that we either have to change the system or tell the banking community that it had better get its act together or we will have no choice but to do something about it.

I tried to find out what the banking community was up to. I have a very good friend in the riding who is a fairly wealthy businessman. He got a letter the other day from his bank, which is the Royal Bank. I cannot say who the gentleman is or what his financial situation is but I know personally that he is quite wealthy and owns a lot of property.

The bank sent him a letter the other day suggesting that he had a problem. He was a bad risk. He was simply amazed. They told him that they were going to change his monthly service charge and his current interest rates, which were prime plus one and a half per cent, to prime plus four per cent. He could not figure out why.

Then he checked with some people in the banks who are little higher up and learned they have changed their policies now. We have been told that businesses have now been put into three categories: class A, class B and class C.

I do not have too much time, but class C includes pretty well 90 per cent of the businesses that give the banks less than \$300,000 in service charges, interest carrying charges, fees and other extras. If those businesses give the banks less than \$300,000 a year and they are in class C they have to pay prime plus four per cent.

I can understand now what has happened. We would never get anybody to admit this in the banking establishment but these are the changes they have made. We have no choice in this House but to either enact legislation to make these banks allow businesses to create wealth in this country or else we will all be looking