

ties which sponsored such community service projects would have liked to continue them. These were necessary services of continuing need which would not be automated out of existence. So, it was a continuing potential for local employment as well.

Also they wanted to continue to hire local members of their community who needed work and could contribute more effectively because they knew the needs of the local community. However, they had no ongoing funds to employ even one or two of the team of workers who were on Canada Works projects after projects were completed. Many of the people who were hired on these projects were young people with little job experience. Also many of them were highly-trained university graduates who could not get work. Many were women previously on welfare, and handicapped people who needed a protected work situation or a change to get started and prove that they were as good as anyone else.

These people gained confidence and skills if the project provided adequate training and administrative direction, but by the time their year was almost up, of course once again they were faced with the spectre of unemployment. Certainly this did not discourage motivation for responsible work habits.

Well, Mr. Speaker might well ask what this has to do with the Bank Act and the amendment. It is directly related to the amendment on economic development which we are proposing. The projects I mentioned demonstrated both a valid and important community need and a great potential for community employment. The organizational and development stage was completed when projects were finished. Usually they were ready to go on to become community enterprises. All they lacked was capital, and of course capital was not available through the government, banks or credit unions. In many cases a small co-operative was formed which could have continued these services if funds were available.

I recommend very strongly the endorsement of this amendment, and furthermore that credit unions and banks be empowered to assist communities, particularly low income communities, to develop what I would call a community development corporation and a revolving fund to encourage non-profit self-help services. Low interest loans could be used by reliable community enterprisers to help establish community services essential to people living in the community, each one helping another. Some of the income would come from social and government agencies now paying for homemaking services, transportation for the elderly, child care and other preventive services for low income communities.

Other services such as food co-ops, home repairs, house-cleaning and maintenance would have a regular income from sales or pay for services by the community. Members on the other side of the House do not seem to be aware of the point that this kind of approach would be an investment in people, as well as in jobs and future businesses. It would hire local people who know the community needs and are able to relate sensitively to local services, rather than highly paid professionals and commercially run businesses.

Bank Act

In closing, I very much hope members will approve this amendment. We spoke the other day about housing needs; now we are talking about small businesses. It is important to have this amendment to the Bank Act to allow discretion for banks, and I hope credit unions, to offer low interest loans for reliable non-profit enterprises as well as for small businesses which will employ local citizens and strengthen communities.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am glad of this opportunity to speak on this particular amendment to the Bank Act, because it is an area of concern for a great part of the Canadian economy. If we lower the interest rates in this particular area of concern, we can do a lot toward building up the economy of Canada.

Although I am basically concerned with the prominence of financial institutions and their control of the economy, that control of the economy by the banks and related institutions is almost devastating. We are at a point in our economy where small businesses, farms and such organizations are unable to operate without the effective financing of banks or other lending institutions. It has become particularly devastating. I challenge any member here to try to open a small business, to borrow the required financing to start a small business or farm, and after four or five years of operation, to check on how much money was made compared to how much was paid to financial institutions. Almost every small business which is started up now, and almost every farm which was started up in the last ten years, have found that they are paying an inordinate portion of their profits—if one can call them profits—or of the money they have made, to the financial institutions. Consequently, the financial institutions of the country are the only organizations which make profits on ongoing businesses, particularly small ones and farms.

It is a pretty bad situation when one considers the many hours of work, worry and risk taken in the development of small businesses or farms, and at the end of five or ten years finds that most of the profits or most of the money taken in has gone to financial institutions. What did they put up for it? Very little work, if any, and very little risk.

● (1640)

Over the years the failure rate of lack of payment by farmers particularly has been very small. It is around one per cent. So there is very little risk in loaning money to the development of a farm or a small business. The development requires the capital, and the donor gets 15 per cent to 20 per cent of the investment back and the entrepreneur, the worker, feels he is pretty lucky if he gets 5 per cent to 10 per cent back. With respect to this particular case we should look at this amendment, which suggests that we allow or require a certain amount of the revenues at a level of interest determined by the minister for the purposes which are listed in this amendment. We are living in a particular kind of jungle, as far as finance is concerned. It is the responsibility of this House, and has been the responsibility of banks—at least that is what we thought—to apply the rules under which you can survive in this jungle.