

Oral Questions

The situation is very serious and cannot be allowed to continue. Yesterday industry sources told me that a solution may soon be found to get the grain moving, and today we hear that the government may ease restrictions faced by cash starved Russians.

Can the minister confirm now whether credit conditions will be changed? Will the Russians be able to use Canadian credit toward ocean freight costs?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, to bring the member up to date, that has been the case for probably two or three months with the line of credit the Canadian Wheat Board has available to deal with the Russians.

It has been the case for I guess a year on some loans that were put out by EDC. It has already been used by the Canadian Wheat Board I believe in one shipment of grain off our west coast to eastern Russia.

In point of fact the Wheat Board has had the latitude to do this for a number of months. It has been its judgment that it has not needed to extend this type of credit in order to make grain sales.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, the minister speaks as if there is no problem out there at all. I want to remind him that freighters have been tied up and workers have been laid off. This tie-up, if allowed to continue, threatens directly the lives of prairie farmers.

Will the Russians get the new credit terms? When will the situation change? How much credit is going to be made available for freight costs? Above all, can the minister assure the House that this kind of backlog will not happen again?

Hon. Charles Mayer (Minister of Western Economic Diversification and Minister of State (Grains and Oilseeds)): Mr. Speaker, I would like to put this into context. There is a problem in the Great Lakes, the problem being that over half the fleet is tied up.

To look at the over-all situation, we still have the chance of having a record amount of grain shipments as well as grain movement in this country for this crop year. To suggest that the whole system is grinding to a halt is simply false.

I already said that the Wheat Board has the latitude and continues to have the latitude to use part of the

credit extended to the Russians to pay for freight. If the member is suggesting that the Wheat Board is not using good judgment in this, that surprises me because he has been very supportive of the Canadian Wheat Board. If he is suggesting that I go in and tell the Wheat Board how to run its day-to-day commercial activities, he would be the first one on his feet accusing me of political interference.

I wish he would get his stories straight.

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BANKING

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the minister responsible for small business.

The Canadian Federation of Independent Business has expressed a concern that consumers and small businesses could bear the brunt of any fall-out from the O & Y collapse. It has also said that bankers are tightening their loan policies for small firms struggling to stay in business.

When will this government take some action to help these small businesses gain access to credit? Or, will this government continue to sit idly by and see jobs go down the tubes?

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I really must thank the hon. member for her question. On June 1, the financial institutions reforms which have been finally put into effect allow trust companies over and above a certain size to do unlimited commercial lending. Life insurance companies will have a vastly increased ambit for making commercial loans to small and medium sized businesses.

This is the most fundamental reform of the financial institutions structure in the history of Canada. We are very proud we have done that.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, that answer is totally unacceptable to the small business people across this country. Even some of the minister's own backbenchers are calling for action in this area.

My supplementary question is for the same minister. When will the minister realize that more action is needed now to deal with the credit crunch on small business so that we can create much needed jobs in this country?