

Government Orders

When I was a small businessman I did a lot of business in Quebec, and I never had any difficulty doing work in that great province. I believe that one of the ways we can make sure Quebec votes for Canada on Monday is to make sure that a majority of those people, especially in the outlying regions of Quebec, feel comfortable with those of us who are outside Quebec.

I know it is a precarious moment right now. Things are very tenuous. However, I think the greatest asset we have in the country is people from one region of the country talking to another, one on one, not through television ads. I respect these rallies, but the best way to bring togetherness is when people sit down and have a constructive, warm and caring relationship.

I do not think it is too late to make a tremendous turn in those numbers we all read in the newspapers right now. I believe the best way to turn those numbers is by making sure this weekend, if one is from Ontario and maybe planning on driving north to a cottage or east down to Buffalo or Niagara Falls, to travel instead to the outlying regions of Quebec. Together, when we talk about all the assets we have as a whole nation, we will end up staying together.

Thank you very much, Mr. Speaker, for giving me the opportunity to speak on the bill. I pray God that next week everything is all there for Canada.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I welcome this opportunity to speak on behalf of my party to Bill C-99, an Act to amend the Small Business Loans Act.

The parliamentary secretary made it very clear that small businesses play a very important role in the Canadian economy and, of course, the economy of Quebec. Both the government of Canada and the government of Quebec have set up programs to support small business, because one of the problems facing people who want to launch a small business is the financing.

Often these people are very keen and have interesting ideas, and if governments do not find ways to support them, their ideas often remain undeveloped and the business never materializes. Both the government of Quebec and the Canadian government have taken steps to provide assistance to entrepreneurs.

Of course there are private investment funds in various provinces including Quebec, such as the FTQ's Fonds de solidarité which has some impact in this sector. However, the parliamentary secretary said that today in Canada a total of nearly \$8 billion is invested under this program, which is an indication of its importance.

• (1540)

Another indication is the fact that the program is popular among entrepreneurs. In our riding offices, we often see people with good ideas who decide to ask their member of Parliament for information on programs that could help them start a business.

Canada has legislation, the Small Business Loans Act, which was adopted several years ago. This legislation has made it possible to lend money and start businesses. The bill before the House today proposes a number of amendments to this legislation.

Originally, the purpose of this legislation was to provide guarantees for bank loans to entrepreneurs who wanted to start a business. This guarantee could vary from 85 to 90 per cent, and in fact varied from year to year.

The cost to the Canadian government is what it costs someone who wants to guarantee loans. If the individual's business is not as successful as he expected, if he goes bankrupt, then the government of Canada has to pick up the loss incurred by the banks. In 1992, these losses totalled \$44 million. The maximum was changed in legislation adopted in 1993 and a number of provisions were changed as well, so that in 1995-96, the government of Canada could be faced with picking up a total of as much as \$100 million in losses.

Considering the current state of federal finances, it is understandable that the minister should be concerned and that the debate on small business in the Standing Committee on Industry had to consider this aspect as well.

That is why we have a bill before the House today. The purpose of the bill is to reduce the maximum for guarantees provided by the federal government. The maximum would be reduced from 90 to 85 per cent of the loans approved. By reducing the maximum, the government of Canada is of course reducing its responsibility for amounts to be paid in case of bankruptcy.

There is of course a corollary to all this: if the guarantee is less extensive, people with higher risk projects that may be more innovative will have more trouble obtaining guarantees. This is not unusual, and if the banks are unwilling to take the risk, some projects may be rejected.

In fact, the 85 per cent rate goes back to before the amendments in 1993. It is of course an area where the government could save money. We hope there are no business people with clever and brilliant ideas, who are refused loan guarantees because of this provision.

Also, an important aspect of this provision concerns us in the Bloc Québécois considerably. With the amendment, the ceiling could be lowered even further, should the government decide to