

Supply

What we are discussing today is flexible federalism. Indeed, I think sometimes that my hon. colleagues in the Bloc do not understand the word flexible. What has kept Canada together for many years has been the fact that people have been able to understand and respect each other's differences and diversities.

I can remember reading an article about an American study which was commissioned during the second world war. It said that of all the allied countries which were fighting in the war, Canada was the most likely to break up.

• (1315)

As we stand here today we can reflect on the erroneousness of that report which talked about Canada's being so decentralized it would be an easy matter for it to dissolve. The reality is the decentralization of Canada is its strength.

We govern a huge geographical country. This part of the northern hemisphere has not only great cultural diversity but also climactic diversity due to our geography. Lester Pearson once said we have too much geography in this country. There is some truth to that.

My fellow colleagues in the Bloc often discuss and point to what they believe is duplication and overlap. They like to point out this is some kind of failure of our federal system. Let us look at some of these programs. I am amazed at some of the areas Quebec does control. It has control over immigration and controls for a large part its own income tax system. For most countries their individual states do not have these kinds of powers. Clearly we have already decentralized significantly in Canada.

The Bloc often says our having shared jurisdictions creates inefficiency. Duplication and overlap is the theory. I have been interested to discover one area of purely provincial jurisdiction in Quebec, education, does not perform particularly well. Next to Alberta, Quebec has the highest drop out rate for secondary education institutions, over 30 per cent.

Quebec spends the highest per capita on education with \$7,132 per student. With this exclusive control it would appear it has been unable to solve its problems. All provinces have problems, but it is not clear that by not having shared jurisdictions somehow there are great efficiencies to be earned. With shared jurisdictions there is more of a consultative framework, more of an opportunity to get good advice from across the country.

I will deal with two components of the motion. It talks about Bill C-88, an agreement on internal trade. All provinces have basically consented to this and signed this agreement. In an era when we are discussing things like the GATT agreement and NAFTA it seems almost a tarnish and a shame on Canada that we have to argue and discuss trade agreements within our country.

The Bloc Quebecois has often talked about a European Union type of government. In reality the European Union probably has freer trade within its union than does Canada. The agreement on internal trade does not solve all of these problems. There is continued inhibition of trade within our country. It seems odd to me when this act is used as part of an argument that somehow we are trying to concentrate power in Ottawa when in reality we are trying to create a free market within our nation.

The motion deals with Bill C-91, an act not to create something new but merely to rename something. I can only assume my colleague's concern is the Federal Business Development Bank may well become the business development bank of Canada. I do not know if the use of the word Canada bothers him so much. I do not like those words. When I see the words of Canada I think of American corporations operating in Canada, such as General Motors of Canada. Be that as it may this is the proposed new name.

• (1320)

It seems to me some of the things proposed in the legislation are to create more dynamism in arranging capitalization of small and medium sized businesses. This is something very close to my heart. I believe through creating new capital markets in Canada we will encourage and create new jobs. The business formation is inhibited by its inability to seek capital.

I have listened to some of my colleagues in the Reform Party who speak against this bill because they feel it is a competition with existing banking structures. The Federal Business Development Bank and in some ways its sister company, the Farm Credit Corporation came into existence for a very significant and real reason: there is a significant lack of long term business financing. Our banking sector has basically become a short term lender. The popular loan within the banks is a demand loan. Imagine borrowing some money today and tomorrow the banks can call it back. That is how the banks want to lend. There are a number of reasons. It has to do with their deposits and so on. That is what banks are.

In a sense there is a disequilibrium in the market which is long term financing. Banks do not get involved in it mainly because of the way they are capitalized. The Federal Business Development Bank, which is now called the business development bank of Canada, will raise funds in Europe and other equity markets throughout the world and attempt to match them on a long term approach.

It does not matter whether we are in Quebec, Ontario or Saskatchewan, small business needs some kind of access to this capitalization and it is not being provided in Canada.

In the United States it is common to have mortgages that run 30 years and payable in 30 years. This gives people a great deal of security in their arrangements. We do not have this in Canada. Our capital markets are deficient because we have only short term lenders. Because of that uncertainty in our marketplace