Would the member give me his comments on using the same formula for students that we use for major corporations?

Mr. Whittaker: Mr. Speaker, perhaps the member has hit on something that we often overlook, that the larger the loan the more willing the financial institutions are to work around and make exceptions and exemptions for them.

The investment we have in our young people through the student loans program is an investment in the future of Canada. By restructuring those loans to make it easier for those students to pay off their loans and get back in as an active member, and generating some funds and employment for Canada, we will be better off.

Mr. Raymond Skelly (North Island—Powell River): Mr. Speaker, I want to make just a couple of comments on the problems with post-secondary education created by the federal government. It has been acknowledged by the Canadian Federation of Students and others that there were a couple of positive proposals put forward. One was to increase the weekly rate and the other was to remove the 3 per cent tax. Then it reneged on it, as it has done with virtually everything else.

The cumulative negative effect on students will be that in addition to now being charged the 3 per cent tax, they will be charged additional interest payments. The second thing is they have changed the mission statement. The program used to be aimed at access to education. Now it is some mealy-mouthed statement about a need for a productive work force. There needs to be fair and decent access to the education system.

An hon. member: Accessibility.

Mr. Skelly (North Island—Powell River): Accessibility is the comment and the need. What we do not need is discrimination with regard to accessibility. The Conservative government is turning access to universities and post-secondary education into an élitist opportunity for people who live in urban areas and a profound discrimination against the rural areas. Affordability diminishes while tuition costs are going up like a rocket.

• (1320)

The federal government has made major unilateral cuts to provincial partnership funding. The room and board and transportation loans are harder to get. Economic recession is in full tilt and yet the federal government makes it harder and harder for students to afford post-secondary education.

Defaults, in an economic recession, are a fact of life. That is why the guarantees are there. The primary principle of Canada student loans, which has been strangled by this federal government, is to provide Canadian young people—Canadians in general—accessibility to post-secondary education. This has been a complete miserable failure.

I wonder if the hon. member would agree with that.

Mr. Whittaker: I think my friend makes some excellent points and I cannot argue with the points he made. I will throw it over to the Minister of State for Small Businesses and Tourism. I know that he has made an important announcement. I would have liked him perhaps to go further in his announcement when he stated that the economic recovery will also hinge on the banks committing additional dollars for new small business loans and generally being more receptive to the clear requirements of small and medium sized firms.

I would also have liked to have seen his negotiations try to ensure that there is no double and triple-dipping as far as collateral means go. I think he is well aware of the difficulties involved in that.

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, for just over 30 years the Small Businesses Loans Act or the SBLA has played a key role in the development of the small business community in Canada. One of the four items in this piece of legislation is the raising of the ceiling for the Small Businesses Loans Act to $200,000.

That is the part of this act I would like to make my references to today, although I would be glad to answer questions on other matters as well.

[*Translation*]

It is a fact that outside financing is essential for small businesses when initial financial resources, provided by a family member or a friend, are exhausted. These precious funds lent by relatives, the foundation of many small businesses, are usually soon spent especially when a business is expanding. That is when the SBLA program has proved to be useful and indeed very successful.