

which is supported by the New Democratic Party. I find this quite surprising.

I wish to conclude on this and congratulate again the Minister.

[*English*]

Mr. Robinson: Madam Speaker, the Hon. Member who has just spoken, I am sure inadvertently, is misleading the House with respect to important legislation. That Hon. Member could indeed have spoken or voted against the legislation to which he is now speaking. I suggest that he end his hypocrisy and explain to the House why he is not prepared—

Mr. de Corneille: Order.

Mr. Robinson:—to tell the truth on this matter.

The Acting Speaker (Mrs. Champagne): The question regarding Bill C-251 was settled earlier. We are now discussing Bill C-63.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The question is as follows: Mr. Valcourt (in the name of Mr. Côté (Langelier)), seconded by Mr. Epp, moves that Bill C-63, an Act to amend the Small Businesses Loans Act, be read the second time and, by unanimous consent, referred to a Committee of the Whole. Is it the pleasure of the House to adopt the motion.

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mrs. Champagne): Adopted on division.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mrs. Champagne in the Chair.

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 78, I do now leave the Chair for the House to go into Committee of the Whole. House in Committee of the Whole on Bill C-63, an Act to amend the Small Businesses Loans Act.

• (1550)

[*English*]

The Assistant Deputy Chairman: Order. House in Committee of the Whole on Bill C-63, an Act to amend the Small Businesses Loans Act.

Clauses 1 and 2 inclusive agreed to.

On Clause 3

Small Businesses Loans Act

Mr. Baker: Madam Chairman, can the Minister please explain what the purpose of Clause 3 is?

Mr. Valcourt: Madam Chairman, the present wording as stated in paragraph (3)(2)(d) is identical to that shown in Clause 3(1) except for the words "under this Act and guaranteed loans under the Fisheries Improvement Loans Act". This amendment will require loans outstanding under FILA to be combined with those outstanding under the SBLA when determining whether a borrower has reached the \$100,000 loan limit under the SBLA. That is the purpose of the clause.

Mr. Baker: Madam Chairman, can the Minister tell me whether or not a loan outstanding under the Fisheries Improvement Loans Act would be a loan that is guaranteed under the Act? I am asking this question because the banks have gone over their limit for the past several years. Does this Act mean that the loans that were issued that are no longer under federal government guarantee are taken into account under the new Bill?

Mr. Valcourt: The short answer is no, Madam Chairman.

Mr. Baker: Madam Chairman, if the answer is no, then what loans would come under the Act? There are no loans out that are guaranteed after the limit was surpassed by the major lending institutions. In other words, would a fisherman who had a loan out, let us say on the North Shore of Quebec, who has been notified by the banks over the past two or three years since this Government came into power that his loan is no longer guaranteed by the bank because the limit has been reached now have to go back and get some life insurance on the loan because the federal Government no longer guarantees the loan? In other words, is the Minister saying that that is then not taken into account? Why would he take into account something that is guaranteed by the federal Government? There is nothing guaranteed by the federal Government under the Fisheries Improvement Loans Act right now. I am asking the Minister what is guaranteed if the limits have been surpassed.

Mr. Valcourt: Madam Chairman, I never thought I would have to explain to my learned friend, the Hon. Member for Gander—Twillingate, how this Act operates. When a loan is made under the Small Businesses Loans Act the lender has to meet certain criteria. He has to make a business decision, which any banker must make, whether or not he will make a loan and have it guaranteed under the Act. There is no red tape. There is no bureaucracy here. It is a banker making a decision to lend or not to lend money to a fisherman. If he decides to grant a loan and seeks to have it registered under the Act, then when it is registered the loan is guaranteed.

The question of limit only arises when the cumulative guarantees taken all together reach a certain stage. Right now, for example, under the Small Businesses Loans Act the authority under the Act to give guarantees is \$2.5 billion. I do not know exactly but we may be at \$1.3 billion right now. So loans out there may be granted and registered up to the limit