

Government Orders

Mr. Vic Althouse (Mackenzie): I would like to make a few comments on Motions Nos. 4, 10 and 12. They basically deal with two topics.

One is the question of whether there should be a requirement for users of Farm Credit Corporation loans as established under this Farm Credit Corporation Act to be Canadian citizens or residents of Canada under the Income Tax Act. The other is whether there should in fact be a review committee to review the actions of the Farm Credit Corporation. It would not be able to change the actions but it would have them reviewed and perhaps made a bit more public and would test to see if mistakes had been made.

• (1200)

The first item is the question of requiring the making of loans or guarantees of loans to persons who are residents of Canada within the meaning of the Income Tax Act or Canadian citizens. This amendment to require the people receiving such loans or guarantees to be residents of Canada within the purposes of the Income Tax Act and/or Canadian citizens is a good one.

I know that flies in the face of some of the clauses the government has negotiated in the North American free trade agreement. I know it has a clause which says that future legislation does not permit this kind of thing and there is a commitment by the signatories to live by that. However we have not approved that agreement yet.

It is crucial to discuss why it is that this kind of commitment is required for loans being made to people living in rural Canada. It is particularly crucial because the purpose of the bill as stated says that these loans and financial services are for those businesses in rural Canada. It does not say international business; it does not say multinational business. It says business that will be in rural Canada, a business that has a commitment to staying there.

It is a very ancient, honourable and effective development tool which has been used for centuries to maintain rural communities. The assistance and loans and ownership of those developments would be by people who are citizens of the country and/or seeking to become citizens of that community. To set up a development model that is anything else does not live by the purpose of the bill which seems to be to develop businesses in rural communities.

We have had some wavering from the commitment to ownership in the community by the community in Canada's history even though our history is relatively short. In Prince Edward Island in the middle 1800s most of the island lands and farms were owned by non-resident landlords. People in England and Ireland owned most of that territory. There was what could only be described as a near revolt on the part of the resident farmers. They had found themselves shipping more and more of their income offshore and finally simply refused to do that. To this day on Prince Edward Island there are resident requirements and limits to the size of farms that can be owned by corporations simply because of that historic event more than 100 years ago.

In the development of my region, western Canada, it was required that an application for resident status must have been made before one could own a homestead. My ancestors came from Europe and the United States. They had to sign and swear that they were going to remain residents of Canada and had the intention of becoming Canadian citizens before they were granted the right to purchase this land.

This country has a long and honourable method of doing business in rural Canada. For the government to dodge the issue by not including a clause that was in the old act in this new bill means that there is in fact an intention on its part to change the rules as to what sort of development we have in rural communities.

• (1205)

I have seen the clause in the North American free trade agreement that says there will not be a requirement that investors be citizens any more. That might be fine for very large investors. However, as a result of the amendments that have occurred already this morning, this bill is aimed at the small and medium sized businesses.

We do not need international people coming in to pick and choose, to pick off assets they might be able to turn a fast dollar on just because Farm Credit Corporation might be able to lend them some money under this proposal. This becomes important because it is not just loans but it is also guarantees of loans.

The question of review of the loan decisions also ties in with this. In making financial decisions it is important to have a place to go to for a second opinion. The old Farm Credit Corporation Act had a review body. There is no mention of that here. Parliament would like to see a review body included in the act. A future board of