

Government Orders

businesses in his area that the government should cut its spending as well.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I appreciate the comments of the hon. member for North Vancouver. They are always constructive.

What I hear from the small business community in my city is, first of all, that the regulatory burden that exists for them, the paper burden, is number one. This is after bank financing. The overall complaint, of course, is access to capital. Then it is paper burden and tax reform.

In terms of government spending, I hear from small business that what we have to eliminate duplication and eliminate government waste.

If a program is meeting a good public policy objective and we are getting value for the money, most people I talk to can understand that. What they cannot stand and what they resent is government waste. I am totally in support of the member's concern for government waste. When we eliminate government waste we are cutting government spending. That type of government cutting I am totally in support of, as is our entire party.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I just have a few comments for the hon. minister and I would like his feedback on these comments.

First, in terms of banks not lending to small business, I think it is understandable that they are not doing so as readily as one would expect them to. The reasons have been made clear to me in my constituency.

My constituency also depends on small businesses, as do most across the country. These small business people are farmers and other types of small business people. They have told me that the biggest problem, as the hon. member alluded to, is over-regulation, too much paperwork, that it is too expensive just to set a business up and to operate a business because of regulation and, in particular, the new environmental regulations. Environmental reports that have to be filled out by banks to lend to a small business have made it too expensive for banks to lend.

The second reason I am given for banks not lending to small business is that there is just not a high enough profit margin. Taxation in this country is too high. Too much of what would be profit and what is profit goes to taxes. They are too high.

The third area is the lack of confidence that business people have in the economy. This lack of confidence is due, certainly in large part, to our incredibly large debt and our incredibly large annual deficit. If business people do not have confidence themselves why would banks have confidence enough to lend to them?

• (1130)

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I thank the member for Vegreville for his question.

First on the issue related to environmental requirements I am totally in support of it. Any business person I have ever talked to who converted to green business movement has ended up making more money because of his commitment to the environment. I would not want a lesser commitment to the environmental sustainable development. I would want as much or more than we currently have.

The second point in terms of the non-profitability of small business to banks I do not accept. Aside from clipping bonds for the Government of Canada, I think the small business community is the most profitable sector of all the banks with the spreads on interest and the service charges. It is unacceptable that a bank person would say there is no profit in the small business sector.

Besides that the banks of the country have a unique banking charter organized by the Chamber under the Bank Act of Canada. It is not only to protect depositors' funds. We recognize that, but aside from protecting depositors' funds they are also mandated in that unique charter to lend to business. It is unacceptable if any bank person would say there is no profit in the small business sector. I hope the member for Vegreville would challenge the bank person who said that to him.

The Deputy Speaker: The time has now expired for questions and comments. Normally we would pass to the Reform Party but a spokesman for the party has indicated that its members have done all the speaking they wish to do on the bill.

[*Translation*]

Mr. René Laurin (Joliette): Mr. Speaker, when the hon. member for Scarborough East, speaking for the Minister of Finance, moved for second reading and referral to a committee of Bill C-9, he said: "We have carefully reviewed the measures in this legislation and believe we can support them in their own right". He added, however, that one of the measures in the old legislation had been dropped and that, as for the other measures, to quote the minister: "Our primary criticism generally is that they represent only a small piecemeal effort by the previous government to deal with a large and pressing need in this country to strengthen the economy and to create jobs".

A little further the hon. member said the following: "I ask my colleagues and my hon. friends opposite to consider this legislation not as an indication of the approach this government takes to economic management".

Since the Liberals have now been in power for four months and we still do not know what this government intends to do, perhaps I may comment and express some of the reservations we have about the economic measures this government intends to implement very shortly.

The newly-elected federal government announced in the speech from the throne on January 18, 1994, that it attached the highest priority to job creation and economic growth. The