

Income Tax

Mr. Fisher: That's not true. Why do so many people use it?

Mr. Schellenberger: It does not assist businesses, particularly farms with large capital outlays, in order to purchase equipment, to place crops in the ground or whatever. When interest rates rise as they did in the last few years, the only way that most of these businesses which are capital-intensive can continue to exist, especially if they are at the mercy of the whims of nature, such as those in a farm position, is with assistance on the interest. That is why the Small Business Development Bond is so attractive. It did lower the interest rate and allowed those businesses in relatively short-term difficulty due to interest rates to use it as a good way of getting over the hump of a rapid rise in interest for a year or two.

That is why this was such an excellent program and why it was so important that it be monitored to see that the banks were in fact giving bonds to those businesses which really needed them in the short-term, rather than to businesses which perhaps could have made it through but which, by giving them the bond, just made them that much better of a risk.

• (1200)

I guess the other question which was not answered is the use of the corporate rulings branch. Why did we not get information provided to us about this branch which is an alternative for small businesses to go to when banks turn them down? It has been my experience that if one is turned down by one bank on a bond or a loan and one goes to another bank, the information is generally there. The banker says: "Well, you do not deal with us; why are you coming here?" Unless one is not going to tell the truth, the answer has to be: "Well, I have been turned down by my bank and I am looking for a bank that is more amenable to my terms". That generally does not work. Probably only one bank in a thousand would look at these types of things.

So the corporate rulings division, I think, is a very important aspect. I was not aware of it, as a Member, for a number of months until I got into two or three cases intensively.

Mr. Cosgrove: Mr. Chairman, the corporate rulings division should be the Section that does provide answers to small businesses, proprietorships or corporations. Its mandate is to assist this sector of the economy. I agree with the Hon. Member that ten weeks would be very frustrating to someone who is looking at problems of meeting weekly payrolls and the like. On the other hand, I wonder if because there are a number of requests the division has backed up. If it is backed up, of course, that is good and bad. It means it is serving its mandate, but it also means, unfortunately, that a large number of people are looking for assistance and signalling their need for assistance.

Mr. Schellenberger: I will just conclude my remarks by saying that I know the bond is something that we should build on. It has a lot of ability to assist small businesses, particularly the farm community, through difficult times. Due to a rapid high interest increase in the country or some pestilence of nature that hurts a farm, farmers may require a low interest

rate for a few years to get over this difficulty. We ought to build upon it and set up a monitoring system so we can see that our financial lending institutions are providing the kind of requirements that we, as politicians, see these bonds offering, rather than just a tool to assist those businesses that are fairly viable and would be just that much more viable if they used the bond. The figure of \$2 billion looks impressive. My concern is as to whether it really assisted those businesses that were in dire need or not.

Mr. Rompkey: Mr. Chairman, I just wanted to make some comments apropos of what the Hon. Member was saying about small business. I heard the last part of his speech. I understood that what he wanted was support and help for small businesses. I wanted to remind him that if he is serious, and I know that he is, about giving that help and support, he might want to consider talking to his House Leader and to his Leader about the passage in the House of three important items for small business.

The Small Businesses Loans Act is due to expire at the end of March and the Rural Development Incentives Act needs renewal. The small business investment grant is presently before the House. At the end of March—

The Deputy Chairman: Order, please. The Hon. Member for Calgary West on a point of order.

Mr. Hawkes: Mr. Chairman, I understand it is a requirement of the Chair that the Chair rule on relevancy. How on earth is this relevant to the Clause under discussion? In fact, it is an attempt to mislead the House. We have not seen that legislation brought before the House. It is the duty of the Government House Leader to bring legislation before the House so that we can debate it. It is not brought forward but Government Members stand up and talk about it while we are dealing with another Clause.

The Deputy Chairman: The Chair is having some difficulty. I was noting the Minister's remarks and wondering where his comments were going. Perhaps he could point out where he is going, so we can ascertain if that is relevant at the moment.

Mr. Rompkey: Mr. Chairman, as I understood the main point—

Mr. Blenkarn: A point of order, Mr. Chairman.

The Deputy Chairman: I want to tell the Hon. Member for Mississauga South that if he is going to raise a point of order he should be making a point of order and not enter into the debate. I have yet to hear the Hon. Minister of State for Small Business in order to determine whether the comments he is making are relevant to the Bill, and I have to hear him before I can make that decision.

The Hon. Member for Mississauga South on a point of order.

Mr. Blenkarn: Mr. Chairman, my point of order is exactly that. This is Committee of the Whole House. The Minister of