

*Guarantee of Loans to Small Businesses*

tion concerning municipalities, which do not come under federal authority but under provincial jurisdiction.

The caisses populaires, Mr. Chairman, are not included in this bill. And yet, not so long ago, in this very house, we included the caisses populaires in the legislation concerning the fishermen, which had already been introduced by the previous government. Why then should we not take pattern on that measure and do the same now?

It is evident that if the government were to decide that the caisses populaires should be included in this bill, an amendment would be necessary. Many arguments have been introduced which speak in favour of the amendment. However I do not intend to protract this debate unduly, but I feel, Mr. Chairman, that the minister should accede to this reasonable request put forward by the opposition and secretly wished for, I am sure, by many members on the government side. Such a measure would help considerably the small retailer.

I therefore submit to you again, Mr. Chairman, the arguments already introduced in support of this amendment.

(Text):

Amendment (Mr. Chevrier) negated: Yeas, 21; nays, 50.

**Mr. Macdonnell:** Mr. Chairman, I want to ask for clarification of the definition of "gross revenue". As set out in the bill the definition reads as follows:

"Gross revenue", as applied to a fiscal period of a business enterprise, means the aggregate of all amounts received in the period or receivable in the period (depending on the method regularly followed in computing the profit from the enterprise) otherwise than as or on account of capital.

I understand that capital in that connection, in the case of a trading company, would not include the cost of an article. In other words, if I buy an article for \$100 and sell it for \$110, that whole \$110 goes into gross revenue and no deduction whatever is made on account of capital. I just want to be sure the definition is quite clear, because I would have thought there was room for argument that part of the sale price is return of capital.

**Mr. Fleming (Eglinton):** In the case put, if the article that is bought and sold is an article bought and sold in the course of business for ordinary commercial purposes of the company, then no part would be treated as capital.

**Mr. Macdonnell:** That is my understanding of the intention, but is it clear from the wording?

**Mr. Fleming (Eglinton):** Yes, I think it is.

**Mr. Peters:** During the recent discussion of paragraph (a) of clause 2, I have been led to believe that hon. members were sympathetic with the views of co-operative enterprises. For that reason I should like to move an amendment to clause 2. I move:

That clause 2 be amended by deleting in paragraph (c), line 11, the words "for gain or profit", and substituting therefor the words "for gain, profit or a co-operative association".

There has been agreement that the co-operative movement has performed a service and has filled a need. Hon. members have spoken in favour of it, so I think this means that there has been an oversight in the wording of this clause which has resulted in the elimination of the co-operative from the definition of a business enterprise. I believe it is generally conceded that co-operatives qualify as business enterprises, except in the respect that they are not necessarily run for gain or profit.

There are many communities, Mr. Chairman, in which the co-operative movement is engaged in the retail business, in manufacturing or the wholesale trade, as well as in service businesses. Over the years, particularly in rural Canada, they have proven to be highly satisfactory business enterprises, but often they have been in need of the opportunity of borrowing money for expansion or for equipment.

I think, in view of the discussion that has taken place, little more needs to be said in connection with the request that the minister support this amendment. It has been generally agreed by the speakers who have participated in this debate that the co-operative movement is deserving of support, and probably it was only an oversight that resulted in the omission of co-operatives from this clause defining "business enterprise".

**Mr. Fleming (Eglinton):** This is the third day that has been spent in discussion of this measure. We had a discussion that extended over part of two days on the resolution stage. We spent yesterday on this measure, and now we are in what is part of the fourth day. Evidently the hon. member was not here during the earlier stages of the debate. Certainly he is not familiar, judging from his last remarks, with what was said in the earlier stages of the discussion.

On the very first day this question was raised by an hon. member who supports the government, as to whether or not co-operatives are included. I said then, and I made it very clear, that co-operatives are now included within the provisions of the bill. That is the ruling of the Department of Justice which drafted this bill. They are satisfied that co-operatives are now included within