

Income Tax

business out. One good program was the Small Business Development Bond, but it was thrown out because it did not comply with the Government concept of paternalism. It worked. It gave a positive tax return and economic growth, but it did not comply with socialism.

We are ready to vote, Mr. Chairman.

Mr. Cosgrove: Apart from the rhetoric of the Hon. Member for Mississauga South, Mr. Chairman, the figures he has used make the point that I have hit upon. The original projections were for revenue of \$80.3 billion; the actual performance turned out to be \$66 billion. That is my point. The performance in the economy does not reflect the receipt of increased revenues which the report that the Hon. Member is flashing around claims. He cannot see the logic of that because he is using rhetoric. We do not accept the amendments of the Hon. Member. They do not support the thesis. We are ready to vote on them.

The Deputy Chairman: Is the House ready for the question? Is the Hon. Member for Winnipeg North rising to speak in the debate?

Mr. Orlikow: Yes, Mr. Chairman. I should like to take a few moments to speak. In spite of the Hon. Member for Mississauga South saying that he was ready to vote, he did not speak for me.

I should like to raise again a matter which I raised in debate last week. I was in committee this morning and could not be here. The point has been raised before by the Canadian Federation of Independent Business, that the change from the Small Business Development Bond to the Small Business Bond was a big mistake and has been a deterrent to small business. This view has not just cropped up after the change. The point was made when the Bill was brought to the House by the Minister. An article in the *Financial Post* on January 30, 1981 carries the heading "Small firms say new bond just won't do", and I should like to read a few paragraphs from that article as follows:

—the Small Business Bond, is drawing fire from small businessmen and lenders and may be short lived.

The consensus, in short, is that Ottawa's bond program has changed from a useful job-creation and business expansion tool in a period of high interest rates to one that offers only restricted stop-gap financial aid.

● (1630)

When the Small Business Development Bond . . . program began in 1980, a small-business corporation could get low-interest loans for new fixed-asset acquisition, research and development or in the case of financial hardship.

It continued by indicating that in the November 12, 1981 budget:

—the development aspect of the program was dropped and SBDBs became simply Small Business Bonds—

Then it went on to indicate:

—after January 31, when the SBDB program ends, the new SBBs become available only in narrowly defined cases of financial difficulty.

Also it indicated:

—potential borrowers with strong expansion plans will be barred from the program. In addition, the new financial-hardship guidelines may prove so restrictive that few ailing firms will qualify for the bonds.

I will not take the time of the House to quote a spokesman of the Canadian Imperial Bank of Commerce or Philip Walton, regional vice-president of RoyNat, who said the same thing.

We attempted to obtain some figures from the Minister last week. He indicated that he did not have them and that the argument in any case was invalid. We have some figures which I would like to put on the record. They come from the Canadian Bankers' Association and indicate that as of December 31, 1982, measuring from the start of the program, \$2,966 million had been authorized under both the Small Business Development Bond and the Small Business Bond. Also they indicate that in the last year since the development aspect was dropped, only \$578 million was lent, in comparison with the \$2,388 million lent in the previous year and a half. In other words, when the Government got rid of the Small Business Development Bond and switched to the Small Business Bond, loans dropped to a third or a quarter of what they had been previously.

What we were saying last week and what other Members have been saying today was not only true after the fact. The result was predicted a long time ago, when the Government first brought forward the proposal to take the development aspect out of the Small Business Development Bond and to restrict it to companies with extreme financial difficulties.

I could go on, but that is the situation as we see it. We know, following the lead of organizations such as the Canadian Federation of Independent Business, that the Government made a very serious mistake making the change incorporated in these amendments.

Mr. Cosgrove: If there was anything new in the position of the Hon. Member, I would be motivated to try to add to the debate with the Government's response to his two points. The fact of the matter is that he has really repeated the submissions made by the House Leader of his Party earlier today on a couple of occasions. Also he repeated the position put by the Hon. Member for Mississauga South. If the Government had buckets full of money and did not have the deficit it is managing now because of a general downturn in revenues and increased expenditures for committed social programs such as Unemployment Insurance, it would be wonderful to provide expansionary benefits to all sectors of the economy.

We cannot do that, especially when Hon. Members opposite criticize the Government when it comes to the House to indicate its present deficit position. We are subject to criticism by Hon. Members opposite that the deficit is too high, even with programs targeted toward people in need.

I am sure Canadian taxpayers who are looking for refunds of some \$6 billion must be frustrated when this afternoon the Hon. Member's House Leader berated this side for taking the time of the House. We asked for a vote, and the Hon. Member