

Income Tax

farmers and fishermen. Our subsequent research would confirm that it breaks down to something like 60-40; that is, 60 per cent by the farming and fishing communities and 40 per cent by other categories.

Mr. Riis: Again I thank the Minister, because it gives an idea of the breakdown of category. Is it possible to obtain any idea of the number of Small Business Bonds which have been allocated or, if that is impossible, at least the amount of money attached to the Small Business Bond?

Mr. Cosgrove: No, we do not have the numbers. The numbers are not up to date; that is, the number of users or the number of people who have applied and actually been candidates for the bond. The figures I have just given the Hon. Member indicate that under the proposal, as amended, it has been over \$200 million; we know that. Prior to that it was somewhere over \$2 billion that was used under the Section before its amendment.

Mr. Riis: Mr. Chairman, perhaps I have lost track of where we are in this, and I apologize for my inability to follow the Minister's description. I understood him to say that the Small Business Development Bond had issued \$2 billion worth of funds before it was amended, before the development portion of it was taken out of it, and that since then it has been \$200 million. That is one thing.

My question was: What amount of money has been allocated out into the small business community under the Small Business Bond? In a sense we have now moved to Clause 9, referring to the Small Business Bond only.

Mr. Cosgrove: I am advised by my officials that the significance of Clause 9 was really the introduction of the application of the Section to unincorporated businesses as opposed to incorporated businesses. Again we do not have a breakdown as to how many unincorporated businesses have taken it up as a percentage of the users of the \$200 million since the amendment was introduced. But the import and significance of Clause 9 was really a result of representations from constituents of Hon. Members on both sides of the House that the bond be available to unincorporated businesses. Also I am advised that the Section has only been in place for six months and we do not have the figures broken down as yet.

Mr. Riis: Mr. Chairman, I appreciate that we do not have any figures in terms of the moneys allocated. Another question I want to put to the Minister concerns something about which I have been informed as a Member of Parliament on a variety of occasions. When a small-businessman in trouble has approached chartered banks and said: "I am on the verge of bankruptcy; I would like to obtain a loan under the Small Business Bond", the response of bankers has been essentially to laugh at the individual. For example, bankers have said that they are not in the business of lending out money to businesses in financial difficulty. Considering that the banks through their own admission—and I do not necessarily agree—have indicated that they are interested in supporting only viable small businesses as they define them, businessman after businessman has approached the bank only to be turned away.

They have come to my offices and said: "You told me that there was something called a Small Business Bond in place to assist small businesses in financial difficulty", as the Minister himself has defined. Yet when these individuals went to the banks, they were rejected outright and told: "We are not interested in that program for a variety of reasons". Does the Minister believe that the banks of Canada are co-operating with the Government of Canada on the issuance of Small Business Bonds at this time?

Mr. Cosgrove: Part of the response would be to remind the Hon. Member that our figures indicate that over \$200 million has been used under this bond provision since the amendment was proposed. We know it has been effective to assist people in the small business category to that extent during this period of time, which is the last six months. Some Hon. Members have said yes but the Section as unamended, that is, the development provision of the Section when it was first introduced a couple of years ago, had a takedown of over \$2 billion. I pointed out on the six-month experience that it is difficult to compare those two figures because we do not have that much experience.

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The Minister of Finance has reviewed representations such as the one made by the Hon. Member. My recollection is that it was a matter raised by him when he met with representatives of the Bankers' Association just recently in preparation for his budget. He raised the point, brought it to the attention of the senior executives of the Bankers' Association and asked if they would alert their officials to apply whatever discretion they are permitted under the bond so as to make it available whenever and wherever possible.

Mr. Riis: Mr. Chairman, could I ask you to give me some indication of how much time I have left?

The Deputy Chairman: I am advised the Hon. Member for Kamloops-Shuswap has eight minutes remaining.

Mr. Riis: Mr. Chairman, I want to pursue one aspect. I thought the Minister told me in answer to my previous question that the Government had no figures on the amount of money loaned out under the Small Business Bond. Yet the Minister has now indicated \$200 million was the amount loaned under the Small Business Bond.

I want to pursue this line of questioning for clarification because it is important to the small business community. I want to approach the question in three parts. Will the Minister tell me the amount of money loaned out under the Small Business Bond when the development component was a reality?

Mr. Cosgrove: Yes, Mr. Chairman. That was the original figure I mentioned of somewhat just over \$2 billion. The \$200 million figure I gave in response is a combination of Clauses 8 and 9. The amendment did two things. It made the bond available to unincorporated entities and also targeted it toward