

Income Tax

In response to the Hon. Member's question, I am very pleased that this is yet another example of assistance by the Government of Canada available to the farming community. No, I do not confirm the figures used by the Hon. Member. Had he been here when that question was asked by one of his colleagues earlier in today's proceedings, he would realize that the best information we have is that his 90 per cent figure is way out of line.

Mr. Hawkes: Mr. Chairman, I am just dealing with unincorporated businesses which take up the Small Business Bond. If that figure is way out of line, what is the figure? What proportion of this take-out by unincorporated businesses deals with farming?

Mr. Cosgrove: Mr. Chairman, we indicated earlier that as far as the amended Clause is concerned, that is the \$200 million that has been used under the amended Clause, which for the first time makes the bond available to unincorporated businesses and which targets aid to those in need, the breakdown is something like 60 per cent to the farm-fishing community—I do not know whether we have broken those two down—and 40 per cent to other categories.

Mr. Hawkes: Mr. Chairman, one of my colleagues the other day, at the beginning of this debate, tried to get an indication from the Government and was not very successful. We are moving from a development bond to, in the Minister's own words, a survival bond. Is it the Government's opinion that development is no longer needed in the country?

Mr. Cosgrove: Mr. Chairman, I have responded to that question posed in different ways not only by Members of the Conservative Party but the New Democratic Party. The Government, faced with objections by the Hon. Member and his colleagues that we should attempt to retain Government expenditures at reasonable levels and in our borrowing practices and deficit financing attempt to keep reasonable support measures in force, at the same time takes into account that we have automatic programs which have increased our deficit requirements. There are a limited number of dollars to be shared in various sectors in support programs. We estimate this particular program will cost an additional \$25 million in foregone revenues to the Government. That is a significant amount of assistance toward the farming-small business sector. I suppose we wish we had the support of Hon. Members to increase the deficit and expand the programs to make them available to everyone who expresses a need; but surely the Hon. Member cannot criticize the Government on one hand for having too high a deficit and then make the representation he just made that we expand the deficit so as to help people in the small business sector.

Mr. Hawkes: Mr. Chairman, it is most annoying for the Minister to stand up—and the Parliamentary Secretary did this yesterday—and keep putting words in my mouth that I did not utter, and put ideas on the floor as if they were mine when I never made them. I have never in the several days of debate suggested that the Government expand its deficit.

I have a suggestion for the Government. The Government gives \$1 billion each year to a corporation in this country called Petro-Canada. It could take that \$1 billion and lend it to small businesses. That would do a lot more for the Canadian economy and our world-wide reputation. That is not an expansion of the deficit; it is a conscious public policy decision on how to spend funds. Our quarrel on this side of the Chamber is consistently with the Government's decision on how to spend funds.

To get back to the essence of the Clause and the shift from development to survival, is it the Government's opinion that a small Canadian business in trouble is more likely to survive with a low-cost loan as opposed to a guarantee? Are small businesses in trouble more likely to benefit from loan guarantees or low interest rates?

Mr. Cosgrove: Mr. Chairman, I suppose that is a decision for individual businesses, whether it be a sole proprietorship, a fisherman, small manufacturer, salesman, or someone providing personal services. Individuals will have to decide what Government programs or assistance are most suited to their needs. If the Government were pressed to make the hard choice that the Hon. Member puts to us, either Petro-Canada or small businesses, or small business having either a program of guarantees or an interest reduction, whether the Hon. Member agrees or not he is, in effect, placing the Government in the position of decision-maker when that should be the individual in the community.

That is one of the differences between the approach which the Government takes and that urged by the Members opposite. The situation is not black and white. We would not want to interfere in the economy to a greater extent than necessary. As a policy, we believe it is important to offer a choice to people whose situation, even in the same types of business, must be difficult. If we do not, Mr. Chairman, then I believe we are, philosophically, becoming big brothers. I am surprised that that would be a philosophical point which the Hon. Member would use in approaching problems in light of the many statements which come from his colleagues about Government getting out of the business sector. The Government's approach is to provide programs which offer choice and to leave the choice up to the individual operator, whether it be a corporation or a sole proprietorship, a person just starting out and doing his own thing.

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Mr. Hawkes: Mr. Chairman, you would almost think the Minister would be embarrassed as we get into the issue of choice. Tomorrow his Government intends to bring forward to the House a new form of taxation of the poor. It is voluntary, but it is taxation of the poor, and this Government is moving that to a priority when in fact the Canadian economy is in deep trouble. I fail to see the logic of a Government policy to increase taxes on the poor of this country, even if it is voluntary.

Coming back to the Bill, these particular Clauses were developed by a previous Government which had a record of