1. distinction should be made between short terms and long term gains and losses.
2. capital gains should only be taxable when realized.
3. allowance should be made when there is a departure from Canada of a temporary nature.
4. value should be determined at cost if it is higher than value of valuation day.
5. alternative values should be allowed for assets other than securities.
6. fuller provisions should be made for roll-overs when there is not a true realization.
7. adequate provision should be made for carry-over of losses.

(9) Partnership option.

The Brief submits that considerations should be given to the removal of the restriction which denies this right when there are non resident shareholders.

(10) Corporate rate of tax.

The Brief points out that various proposals will:

"Various alternative proposals will no doubt be put forward to the Committee on this matter including the following:

a. that small corporations be entitled to special capital cost allowance rates and/or special allowances in respect of increased investment in inventories and accounts receivable, thereby allowing them some deferment of tax during expansion periods; or

b. that small corporations which can justify a need for funds to finance expansion be entitled to defer payment of tax on a certain portion of their taxable income.

The Association favours the first of these alternatives but admits that the problem offers no easy solution. We would impress upon the Committee, however, the need for some relief and, in this regard, we would suggest that consideration should also be given to extending this benefit to unincorporated