

*Company of Young Canadians*

capital cost allowances for new businesses to the extent of \$250,000. The expansion allowance has the advantage that it is available for small but growing businesses and not just for new business, that it applies to inventory as well as capital assets, and that it is not subject to the abuse of encouraging new incorporations and re-incorporations, as the Carter proposal does.

The white paper promises a new look at the question of capital cost allowance. I urge the government to consider adapting the capital cost allowance system to the expansion allowance which I have proposed. There are a number of other aspects of the white paper about which I would like to have spoken—entertainment expenses, for example, where serious abuses have occurred under the present system but where there is a legitimate interest in the continued deductibility of genuine business expenses for entertainment. I would also like to have had time to deal with the effect of the capital gains tax on five-year accruals not applying to foreign investments. But as a member of the tax committee, no doubt I will have the opportunity to do so later. I thank the hon. member for Waterloo for his indulgence, Mr. Speaker.

**ROUTINE PROCEEDINGS****PRIVILEGE**

MR. TRUDEAU—REFERENCE TO LETTER  
FROM MR. SAULNIER

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, may I rise on a question of privilege. In reply to questions asked of me this morning by the right hon. member for Prince Albert (Mr. Diefenbaker), asking if I had received a letter from Mr. Saulnier with respect to the activities of the Company of Young Canadians, I replied in the negative. Notwithstanding the admonition of the right hon. gentleman that memories can be faulty, I nevertheless insisted that I knew of no such letter. I added, however, that "if there were such a letter, I would not hide it."

Mr. Speaker, I should have heeded the wise counsel of the right hon. gentleman. On examination of my files I find that Mr. Saulnier did indeed write to me on March 17 of this year on this subject. I wish to apologize through you, Mr. Speaker, to the House and to the right hon. member for my erroneous reply. I have taken this earliest opportunity of correcting the record.

[Mr. Kaplan.]

I hasten to add, Mr. Speaker, that I have no objection whatever to tabling Mr. Saulnier's letter and my reply thereto. Because Mr. Saulnier had written to me on a personal and confidential basis, however, I must seek his consent to such tabling. I shall try to reach him this week end and see if it is possible. In conclusion, Mr. Speaker, may I say that this correspondence followed shortly upon my conversation of last spring with Mr. Saulnier, about which I talked to the House yesterday, and perhaps for that reason the two events became confused in my mind.

**Some hon. Members:** Hear, hear.

**Mr. Speaker:** It being after four o'clock the House will now proceed to the consideration of private members' business. Is the hon. member for Winnipeg North Centre (Mr. Knowles) rising on a point of order?

**Mr. Nowlan:** I am rising on a point of order.

**Mr. Stanley Knowles (Winnipeg North Centre):** So am I, Mr. Speaker.

**Mr. Speaker:** The hon. member for Winnipeg North Centre.

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, I said a few minutes ago that the hon. member for Waterloo (Mr. Saltsman) was willing to take a truncated period for his public bill, but now that the time has been shortened to only 15 minutes, and in view of the fact that we have had the statement from the Prime Minister (Mr. Trudeau) that we were anticipating at five o'clock, my hon. friend would prefer if we cancelled the private members' hour today, so that there would be the full period for the discussion of his bill on another occasion.

**Mr. Speaker:** Is this agreed?

**Some hon. Members:** Agreed.

**Mr. J. P. Nowlan (Annapolis Valley):** Mr. Speaker, I am rising on a point of order as a result of the Prime Minister's point of privilege. Mr. Saulnier in his evidence last night and today before the parliamentary committee said that he would table the letter that he wrote to the Prime Minister, but since he did not have it in his files he would return to Montreal and send it. While the Prime Minister may very well be able to contact him this week end, before or during the Grey Cup, in view of Mr. Saulnier's evidence before the parliamentary committee I do not see what