

Income Tax Act

England. I am wondering if the hon. member intends to make some suggestion to his House leader about time allocation which would help us follow the example of that party in Great Britain in the mother of Parliaments, which we all admire and which we have often had invoked as a precedent to us.

I would also suggest briefly to the hon. member that when he talks about helping small businesses get off the ground, as it were, he look at page 37 of the plum coloured summary, because he will see that this is exactly what this government proposes to do. On that page we read:

The rate will be 25 per cent on the first \$50,000 of business income of Canadian-controlled private corporations.

● (4:00 p.m.)

The incentive will stop, however, at \$50,000 in any one year, and of course will stop at the accumulation of \$400,000 because we do not want large corporations to take advantage of an incentive that is meant specifically for small ones. If they did they would be getting something that they did not need and to which they would not be entitled, so individual taxpayers and the small corporations would have to make up the difference. It seems to me also that when the hon. member uses Versatile as an example, he uses an excellent example.

Mr. Alexander: I rise on a point of order, Mr. Chairman. It has been stated, and I think it continues to be stated, that we in the opposition are attempting to filibuster the bill. I want to go on record as saying that when comments are made by way of long speeches rather than questions, the filibustering comes from the other side.

The Chairman: Order, please. The hon. member for Winnipeg South Centre has the floor.

Mr. Osler: I am sorry my purpose was misunderstood. In my own small way, I was trying to make an interjection and not ask a question. I am sorry that my delivery was not sufficiently clear to get this across, but it really is meant to be an interjection and not a question.

As I was saying, Versatile is the product of two ingenious men, not one, of Robinson and Pacosh. It is my understanding that they started and developed their company by using the perfectly legal device of grouping quite a number of small companies until they were able to get the thing off the ground and consolidate into one, which became Versatile. I think they launched it with \$5 million at that point; but until they got up to the point at which they could employ \$5 million of equity capital they were using this device which we are proposing to retain here, by means of which a small company can obtain tax concessions until it grows. They had something like 11 companies. I am not sure of the exact number; it is a long time ago. It was only after they consolidated that they became a big company. The reason for their phenomenal success was twofold: one, their great brains in the mechanical engineering field, and two, their great perception in the marketing world because they set up a marketing system which was somewhat unique. They were able to pretty well steal a march on their competitors from as far north as Edmonton, as far south as Texas and as far east as Pennsylvania. I am proud they are in Winnipeg and I hope they will remain, although I have heard

[Mr. Osler.]

rumours that they were thinking of moving out because of the high taxes they pay now in Manitoba. I hope they will not do that because the short term should not be measured against the long term, and sooner or later they will get tax reductions, even in Manitoba, when the government changes there.

I did want to interject my delight in the thought that perhaps members of the opposition were becoming time conscious and were thinking of coming up with some suggestions for time allocation, in the hope that they really understand that this proposal does genuinely help small businesses and therefore merits their support, if the sentiments they have been expressing are their true sentiments.

The Deputy Chairman: Order, please. Before I give the floor to the hon. member for Vegreville, perhaps I should make a comment to the committee to clarify which sections are under study at this time. It was brought to the attention of the Chair by the hon. member for Edmonton West that last Friday, November 26, the committee accepted sections 36 and 37. The committee is proceeding now with the study of sections 38 to 41 inclusive, 82 to 85 inclusive, 89, 112, 121 to 125 inclusive, 129, 143 and 183 to 197 inclusive.

Mr. Lambert (Edmonton West): I rise on a point of order, Mr. Chairman. Somehow or other sections 36 to 41 slid into this group. We want to look at the subject matter of section 36, which is on railway companies and which we passed on Friday. Section 37 is on scientific research. We also passed that on Friday. Section 38 is the opening section on capital gains. We had that section under discussion on another occasion, and as a matter of fact there is an amendment and a subamendment to section 38. Section 39 deals with capital gains. Section 40 is headed "general rules". It has nothing to do with corporations except as it might incidentally apply to corporations. Section 41 determines the meaning of taxable net gain from dispositions of listed personal property, which has nothing to do with corporations and shareholders, except inferentially when they list personal property. I do not know how corporations could list personal property. I suppose they can have paintings, jewels and so on, but it seems to me that there is a better point of departure than through this group of sections. I did not want to make my comment publicly and I was doing it privately, but events have overtaken me.

[Translation]

Mr. Clermont: Mr. Chairman, did I hear you say sections 183 to 197? Shouldn't it be sections 181 to 197?

The Deputy Chairman: I did mean sections 181 to 197.

[English]

Following the remarks of the hon. member for Edmonton West, the Chair wishes to seek the advice of the committee regarding the sections that should be studied at this time. It is very difficult for the present occupant of the Chair to judge the relationship between one section and another unless I make a thorough examination at this time. Therefore, I would invite either the parliamentary secretary or the hon. member for Edmonton West to make