

APPENDIX "E"

A SUBMISSION
(revised)

to

SENATE COMMITTEE ON BANKING, TRADE AND COMMERCE
(Chairman, Hon. Salter Hayden)

REGARDING THE WHITE PAPER ON TAX REFORM 1969

from

Edmund H. Peachey

on behalf of

Edmund Peachey Limited)	
Peachey Homes (Peel) Limited)	
Valhalla Inn Limited)	Islington, Ontario
Bloor Lea Investments Limited)		

1. General

This submission will be restricted to the expected effects from the White Paper on Tax Reform 1969, on the affairs of the four listed above companies. They represent en toto a medium size business. They are separated, rather than consolidated, to protect their particular assets and at the same time to concentrate the management of their different activities. The first two are construction companies. Valhalla Inn Limited owns and operates a hostelry on Hwy #27 and Bloor Lea Investments owns and operates multiple housing on leased land. There is no advantage taxwise by the separation, since being associated companies, the \$35,000 profit subject to 21% corporate tax is allocated to one or more companies by Form T2013. This is as required by the present Income Tax Act and we do not understand the implication that division by companies forms a "tax loophole".

2. Impairment of Economic Growth

The W/P pgh 1.10 states "The second main objective of tax reform is to see that the tax system does not interfere seriously with economic growth and productivity".