

Canadian ownership among small and medium-sized companies is higher than it is among major corporations.

We have had in mind all of those factors when we have sought, both in this legislation and in earlier legislation, opportunities to support the small business sector. I am sure it is not the intention of the Hon. Member to overlook the fact that, within this legislation now before us, there are investment tax credits which are of major benefit to the small business sector. We are also offering small businesses the opportunity to flow through their tax credits to investors so as to attract more investment in small and medium-sized business. Finally, I would note that the same approach relates to the research and development incentives which I suppose we will touch upon later today. Those incentives can also be flowed out of the small business or out of any corporation so as to attract more capital investment. I think there are opportunities in this legislation and indeed in earlier legislation for the promotion of small business which I am sure the Hon. Member opposite does not wish to overlook.

● (1200)

Mr. Fennell: Mr. Chairman, the Hon. Member for Kamloops-Shuswap very kindly said that he was making this his last question, at ten minutes to twelve, but he started at 11.30. I should like to point out that his 20 minutes were up anyway. I cannot criticize him; the problem is the filibustering on the other side by the Minister and the Parliamentary Secretary. He had five minutes and the Minister and Parliamentary Secretary had 25 minutes. I should like to hear some shorter and succinct answers in this debate.

Mr. Evans: That is ignorance on the other side.

Mr. Fennell: That it is ignorance on the other side, Mr. Chairman, is a beauty! It is tough to answer a question in abbreviated form.

The Hon. Member of the NDP who spoke last brought up the question of social conscience. I should like to point out to the Liberals and the NDP that wealth creates jobs and the part of the social conscience that the House should address is the creation of jobs. The Government has blown it every time it tried to create jobs with Crown corporations and make-work projects.

The Minister can answer these questions yes or no. Does this apply to stockbrokers who actually work within the exchange?

Mr. MacLaren: Yes, Mr. Chairman.

Mr. Fennell: So a stockbroker can buy and sell shares, perhaps 12 a day for 200 days a year; that is 2,400 transactions in and 2,400 transactions out. Can the Minister explain how that is going to be indexed, how it will be dealt with and what kind of bureaucracy will have to be put in place to analyse the situation?

Mr. MacLaren: It is done on a computer, Mr. Chairman.

Income Tax Act

Mr. Fennell: It may be done for the Government on a computer but by the time a broker has worked out the forms, tried to analyse putting it through this way, with 4,800 transactions he will just say that it is not worth it. Traders will not be attracted because this is not realistic. The small players can use it. It is like throwing a drop of oil on the water and expecting it to cover the whole sea; it does not solve any problems. It is an extension of the lottery programs where there is no capital gain. Now, the Government is going into risk taking on the Toronto Stock Exchange and the Montreal Stock Exchange. There is something wrong with the concept. This country cannot exist by running lotteries, and this provision just extends the lottery business. Would the Minister recommend that his mother invest all her money in ISIPs?

Mr. MacLaren: Yes, Mr. Chairman.

Mr. Fennell: I thought that might be the answer because the Minister would be the ultimate beneficiary, Mr. Chairman. His mother would pay the capital gains every year for 20 years so he would obviously have to answer yes. But what is this doing to his mother? It is reducing her income so that he can feather his own nest.

This is also a great bonanza for trusts because estates have to pay the capital gains tax upon the death of the initial beneficiary, if there is a successor. The trusts can benefit from this but that does not help the little man. This is a bonanza for trust companies as it could help them increase the charge per trust, because they charge per transaction. I can see that what will be gained from the capital gains point of view will be lost through the trust company charge per transaction. This does not help the little guy because it is too complicated; it is a bureaucratic nightmare.

How much does the Minister anticipate the capital gains tax will be reduced through ISIPs?

Mr. MacLaren: Mr. Chairman, I appreciate the Hon. Member's solicitude for my mother in Vancouver but I think on ISIPs and the management of estates she has advice of a high quality.

Mr. Hawkes: She won't take your advice; is that what you are telling us?

Mr. MacLaren: I doubt whether she would take the advice of the Hon. Member opposite either.

The Hon. Member for Ontario asks one specific questions which I have already answered by saying that there is no revenue reduction in fiscal 1983-84, none is estimated for 1984-85 and the estimated cost to revenue is \$100 million in fiscal 1985-86 and \$300 million in 1986-87.

Mr. Fennell: What is the anticipated capital gains tax for those same years when you reduce it by \$100 million and \$300 million?

Mr. MacLaren: It would be something over \$1 billion per year but I would be glad to attempt a more precise estimate. That would take a little while, however.