

community, the town or county. It seems to me that this would penalize such activities. It does not mean an awful lot to the parent company, but it means a lot to companies doing a public service.

Hon. Mr. CAMPBELL: I can suggest a method by which it could easily be overcome—by the controlling interest selling a few shares, so that it holds something less than a majority.

The CHAIRMAN: So that it would be no longer a related company.

Hon. Mr. CAMPBELL: It would be no longer a related company.

Hon. Mr. HUGESSEN: Although the amendment suggested by Senators McLean and Dupuis might be helpful to the particular small companies to which they refer, the real benefit of any such amendment would accrue to large corporations with a large number of subsidiaries. Take the Canadian Pacific Railway: probably there are fifty or sixty operating subsidiaries, and the benefit to them would be, instead of having one \$10,000 free of income tax, they could have fifty or sixty paying only the 10 per cent. That would be the real benefit of that amendment.

Hon. Mr. DUPUIS: I would like to suggest this while I am on the subject, following the argument of Senator Hugessen that this would create an injustice to the taxpayer of this country because a large company like the Canadian Pacific Railway would have too much benefit through its subsidiaries. May I suggest that section 36, subsection (1), paragraph (a) should read: "10 per cent of the amount taxable if the amount taxable does not exceed \$30,000." Then you could have a small subsidiary.

Hon. Mr. NICOL: That would make it worse.

Hon. Mr. DUPUIS: I don't think it would.

Hon. Mr. NICOL: We would all have subsidiaries then.

Hon. Mr. DUPUIS: That is right. I am wrong.

The CHAIRMAN: I am afraid that would aggravate the problem.

Hon. Mr. DUPUIS: Yes, I quite agree. But my idea is to have the small subsidiaries.

The CHAIRMAN: I think everybody appreciates the point, and we have been assured that the minister is going to review the matter over the next three or four months, so perhaps we might be content with that and take the question on the section now.

Hon. Mr. LAMBERT: That was the point I wanted to make, and which Mr. Sinclair made.

Hon. Mr. DUPUIS: If the minister is going to review this three or four months ahead, that creates an injustice to these small subsidiaries. Anyway, my idea is to move an amendment to subsection (1) of section 36, paragraph (a).

The CHAIRMAN: I am afraid you are in this position, senator: you can speak, but not being a member of the committee you cannot vote.

Hon. Mr. DUPUIS: Oh, no, I am not a member of the committee.

The CHAIRMAN: You have made your suggestion.

Hon. Mr. McLEAN: I will move the amendment.

The CHAIRMAN: Whatever it is!

Hon. Mr. McLEAN: It is applying to all companies. That is what you mean?

Hon. Mr. DUPUIS: Yes.

Hon. Mr. McLEAN: I move an amendment that it shall apply to all companies, that the word "related" be taken out, and that it apply to any company, subsidiary or otherwise. The amendment can be moved and the appropriate words put in afterwards.