

45, Clause 86, et cetera. We have made copies of these technical amendments available.

• (1650)

Mr. Blenkarn: Mr. Chairman, I will have an answer on this matter with respect to the acceptability, but obviously these motions are with respect to Clause 1 and this is the appropriate time to move them and the Minister, I presume, has now done so. I would not say that the amendments are entirely technical, but that is another matter for debate.

The Assistant Deputy Chairman: Order, please. The Hon. Member has made reference to those amendments having been moved. They have not yet been formally presented or proposed to the House.

Mr. Cosgrove: I was seeking the consent, Mr. Chairman, of Members opposite to deal with these amendments in the same way we dealt with the amendments on the last vote. That is, we have made them available to Hon. Members opposite, and we would ask that they be considered and agreed to as moved. If the Hon. Member wants some time to look at them, would he please advise us as soon as he can, in fairness to other Members who may feel there is something in the amendments to which they wish to address some questions.

Mr. Blenkarn: I am quite prepared to have the Minister move those amendments now and we will treat the Bill, as amended, as being the subject of what we are debating in the very same fashion as we treated the amendments in connection with Clause 4, Clause 5, and so on.

I think the way to handle this whole matter is for the Minister, at the beginning of discussion on a Clause, to move his amendments with respect to that Clause. The Clause is then presented to the House in the amended form. The debate will then be on the Clause in the amended form, so that when a vote is required at the termination of debate on the Clause, it will be on the Clause as amended.

Mr. Cosgrove: Mr. Chairman, I move, seconded by the Parliamentary Secretary to the Minister of Finance:

That Subclause 1(3) of Bill C-139 be amended by striking out line 43 on page 2 and substituting the following:

"employer or to the person related to the employer equal to the percentage there—"

I also move, seconded by the Parliamentary Secretary:

That Subclause 1(4) of Bill C-139 be amended

(a) by striking out line 12 on page 4 and substituting the following:

"the said Act preceding subparagraph (b)(i) thereof"

(b) by striking out line 24 on page 4 and substituting the following:

"read as a reference to "1½%"; and

(b) the cost to the employer of the automobile were the quotient obtained by dividing"

The Assistant Deputy Chairman: Order, please. Is it the pleasure of the Committee to adopt the amendment? The Hon. Member for Winnipeg-Assiniboine.

Income Tax

Mr. McKenzie: Mr. Chairman, we will have to study these amendments. We are not going to pass them at this particular time. I would like to carry on and get some more information with regard to these automobile standby charges.

Mr. Cosgrove: Mr. Chairman, the Hon. Member for Winnipeg-Assiniboine finished his first comment by asking for an opinion or some comment regarding what he referred to as a federal court decision. I do not know if that is a federal court decision of Canada or the United States. If the Hon. Member could provide us with the citation, I will have our solicitors obtain a copy, and I will attempt to give him an answer once we have had an opportunity to look at it.

Mr. McKenzie: Mr. Chairman, there is a complete write-up in the January 10, 1983 issue of the *Financial Times* with regard to this case. Perhaps the Minister could give us an opinion at a later date as to whether he is going to change anything regarding the standby charges due to this court case.

Now I would like to ask the Minister to calculate the standby charge on a fair value basis to the employee, not the cost to the employer. Right now the Government has raised this charge from 1 per cent of the original capital cost per month to 2 per cent. For example, when a car is four years old, the employee standby charge is still 2 per cent per month of the original capital cost, which cost never diminishes as the car depreciates. I ask the Minister if he will retain the present rules for a supplied automobile which is principally used for business. The proposed maximum of 12,000 kilometres for personal use is actually unfair. For example, even though the personal use is only 30 per cent and the business use is 70 per cent, the employee still incurs the maximum standby charge. It has been understood that with these proposed unfair tax changes, salesmen will use their second vehicle for personal use, thus eliminating any tax revenue for the Government. Perhaps the amendments the Minister has tabled will counter that. If not, perhaps he can give me his opinion on the question I have just asked.

Mr. Fisher: Mr. Chairman, the Member has asked a question which was raised in the Committee as well. His argument is that we should allow the standby charge to reduce as the car ages. Somehow the standby charge should reflect the lower value of the vehicle. He forgets that what we are trying to do here is to ensure that all taxpayers use after-tax dollars for their personal use of a vehicle. If the vehicle is the taxpayer's personal vehicle, then he has bought that car with after-tax dollars. In this case, it is an employer's vehicle which is being, in effect, lent to the taxpayer for personal use, and the standby charge has to reflect the original cost of the car and the fact that the taxpayer is going to be using after-tax dollars for personal use.

Mr. Blenkarn: No, he is not, the cars are written down.

The Assistant Deputy Chairman: Order, please. Perhaps the Hon. Member will allow the Chair to proceed with another formality.