

making of loans? Of course, I am referring to definitions. Perhaps I am denser than some others, but to my way of thinking in no way does the definition, as contained in the explanatory note, of a life insurance corporation fit the definition of a financial corporation.

**Mr. Turner (Ottawa-Carleton):** I wonder if the definition to which the hon. member is referring might not be considered as reading this way: "... include a taxpayer that is a bank, credit union, life insurance corporation, trust company or any other corporation that borrows money from the public in the course of carrying on a business the principal purpose of which is the making of loans, or whose principal business is the making of loans." In other words, it is every corporation to which that principal relates. In that sense I think the hon. gentleman can be relieved of his anxiety.

**Mr. Lambert (Edmonton West):** Madam Chairman, I do not agree with the minister's interpretation. If I may paraphrase, the meaning of this definition is this. A financial corporation may be a life insurance corporation that borrows money from the public in the course of carrying on a business the principal purpose of which is the making of loans, or whose principal business is the making of loans. Is this not another way of saying that a financial corporation may be a life insurance corporation that borrows for these purposes? What kind of life insurance corporation carries on that kind of business?

**Mr. Turner (Ottawa-Carleton):** Madam Chairman, according to my interpretation, the qualifying phrase is "any other corporation." I will confer again with the Department of Justice to make sure that my interpretation is right. I have been advised surreptitiously that we cannot stand a subclause. We are standing the entire clause. But I will check the hon. gentleman's point.

**The Assistant Deputy Chairman:** Is it agreed that we stand clause 4?

**Some hon. Members:** Agreed.

Clause 4 stands.

On clause 5.

**Mr. Turner (Ottawa-Carleton):** Madam Chairman, I wish to move an amendment, which I have circulated and tabled. It would amend lines 5 to 11 on page 7 of the bill of the French translation, and make it correspond with the English version.

I move:

That clause 5 of the French version of Bill C-49 be amended by striking out lines 5 to 11 on page 7 and substituting the following:

que le gouvernement du Canada s'est engagé à payer (autre qu'un montant d'intérêt, de prime ou de principal dont le paiement a été convenu à la date d'émission de l'obligation conformément aux conditions de l'obligation) il inclut, dans le calcul de son revenu pour l'année.

Amendment (Mr. Turner (Ottawa-Carleton)) agreed to.

Clause, as amended, agreed to.

On clause 6.

**Mr. Lambert (Edmonton West):** Mr. Chairman, the part of the act to which this clause relates deals with

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depreciable property. The amendment, however, talks about a timber resource property of a taxpayer. Why has this change been introduced? Why has this change been made with regard to the disposition of depreciable property of a prescribed class? Is this provision limited to timber property?

**Mr. Turner (Ottawa-Carleton):** Madam Chairman, I am advised that this is the reason, that during the past few years, because of changes in licensing techniques and arrangements and cutting rights for timber, the existing income tax regulations have proven to be inadequate in providing for the amortization of the cost of timber rights, or cutting rights, and for the recovery of depreciation through amortization of subsequent dispositions. We need this authorization to provide for a substantial amendment to the income tax regulations which will provide for a rate of depreciation of 15 per cent on the reducing balance of timber resource property. In other words, the techniques and new techniques have outgrown the existing regulations. We need a wider authority.

● (2120)

**Mr. Lambert (Edmonton West):** My only comment is I read the new language of the amendment as compared to the language of the original section. I am just wondering what is the purpose. Is it to allow the regulations to be brought up to date, or are they just merely muddying the water much more? The language is difficult.

**Mr. Turner (Ottawa-Carleton):** It is not the best Shakespearean prose we can devise, but it does not change the burden of the tax one way or another. It just extends the present situation in new words because of the changing arrangements of the leasing of timber rights and cutting rights for timber.

**Mr. Lambert (Edmonton West):** On that point, when was the general classification of the depreciable property of a prescribed class changed merely to a timber lease? Are there not sand and gravel leases which might come under the same category? After all, a sand and gravel lease is a depreciable property in the same way as a timber lease.

**Mr. Turner (Ottawa-Carleton):** We have not had the same innovation in gravel leases as we have had in timber leases. These were representations to us from certain quarters.

**Mr. Lambert (Edmonton West):** National Revenue.

**Mr. Turner (Ottawa-Carleton):** No, from the industry. The regulations were no longer effective because of the new arrangements. I have an amendment, Madam Chairman, which I have tabled and circulated to all quarters of the House. The purpose of the amendment is to amend line 48 on page 13. It merely corrects the French translation to correspond with the English. I move:

That clause 6 of the French version of Bill C-49 be amended

(a) by striking out line 48 on page 13 and substituting the following:

"avant le 1<sup>er</sup> juillet 1975 ou non payé conformément au"

(b) by striking out line 21 on page 16 and substituting the following: