

By unanimous consent, it was ordered,—That the Analyses of Clauses (or Subclauses) appearing in Bill C-170 and not referred to in the Ways and Means motion be printed as an appendix to this day's *Hansard*.

[At 5.00 o'clock p.m., *Private Members' Business* was called pursuant to *Standing Order 15(4)*]

(Notices of Motions)

By unanimous consent, item numbered seven was allowed to stand.

Mr. Balfour, seconded by Mr. Towers, moved,—That, in the opinion of this House, the government should consider the advisability of introducing a measure to amend the Income Tax Act to provide that a taxpayer be entitled to deduct in computing his income for a taxation year, interest paid on money borrowed to finance the cost to build or purchase a home to be used by such taxpayer as his principal residence.—(*Notice of Motion No. 8*).

And debate arising thereon;

The hour for *Private Members' Business* expired.

The House resumed consideration in Committee of the Whole on Bill C-170, An Act to amend the statute law relating to income tax and further progress having been made and reported the Committee obtained leave to consider it again at the next sitting of the House.

By unanimous consent, Mr. Turner (Ottawa-Carleton), laid upon the Table,—Copies of Ways and Means motions and proposed amendments based on the provisions thereof in relation to Bill C-170, An Act to amend the statute law relating to income tax.

WAYS AND MEANS MOTION

That the Income Tax Act be further amended by adding thereto the following paragraphs:

“(64) That for the 1972 and subsequent taxation years, the said Act shall be amended to include a provision to the following effect: for the purposes of Part I,

where at any time after 1971 any land in Canada or depreciable property in Canada of a prescribed class of a taxpayer has been transferred by a taxpayer to a child of his who was resident in Canada immediately before the transfer, and the property was, immediately before the transfer, used by him, his spouse or any of his children in the business of farming, the following rules apply:

(a) where the property transferred was depreciable property of the taxpayer of a prescribed class, the taxpayer shall be deemed to have disposed of the property at the time of the transfer and to have received proceeds of disposition therefor equal to

(i) in any case to which neither subparagraph (ii) nor subparagraph (iii) applies, the proceeds of disposition otherwise determined,

(ii) if the proceeds of disposition otherwise determined exceeded the greater of

(A) the fair market value of the property immediately before the time of the transfer, and

(B) that proportion of the undepreciated capital cost to him immediately before the time of the transfer of all of the depreciable property of the taxpayer of that class that the fair market value at that time of the property so transferred was of the fair market value at that time of all of the depreciable property of the taxpayer of that class, the greater of the amounts referred to in clauses (A) and (B), or

(iii) if the proceeds of disposition otherwise determined were less than the lesser of the amounts referred to in clauses (ii)

(A) and (B), the lesser of those amounts;

(b) where the property transferred was land of the taxpayer, the taxpayer shall be deemed to have disposed of the property at the time of the transfer and to have received proceeds of disposition therefor equal to

(i) in any case to which neither subparagraph (ii) nor subparagraph (iii) applies, the proceeds of disposition otherwise determined,

(ii) if the proceeds of disposition otherwise determined exceeded the greater of

(A) the fair market value of the land immediately before the time of transfer, and

(B) the adjusted cost base to the taxpayer of the land immediately before the time of the transfer,

the greater of the amounts referred to in clauses (A) and (B), or

(iii) if the proceeds of disposition otherwise determined were less than the lesser of the amounts referred to in clauses (ii) (A) and (B), the lesser of those amounts;

(c) section 69 does not apply in determining the proceeds of disposition of the depreciable property or the land;

(d) the child shall be deemed to have acquired the depreciable property or the land, as the case may be, for an amount equal to the proceeds of disposition deemed to have