

Division

Dionne	McGrath
Douglas (Nanaimo- Cowichan-The Islands)	McIntosh
Dumont	McKinley
Fairweather	McQuaid
Flemming	Mather
Forrestall	Matte
Fortin	Mazankowski
Gilbert	Monteith
Godin	Muir (Cape Breton- The Sydneys)
Gundlock	Nesbitt
Hales	Nystrom
Harkness	Paproski
Hees	Peddle
Howard (Skeena)	Ricard
Howe	Ritchie
Knowles (Winnipeg North Centre)	Rodrigue
Knowles (Norfolk- Haldimand)	Rondeau
Lambert (Edmonton West)	Rose
Laprise	Rynard
Latulippe	Saltsman
Lewis	Schreyer
Lundrigan	Schumacher
MacEwan	Scott
MacInnis (Mrs.)	Skoberg
MacLean	Skoreyko
Macquarrie	Stanfield
McCleave	Stewart (Marquette)
McCutcheon	Thomas (Moncton)
	Thompson (Red Deer)
	Winch
	Woolliams
	Yewchuk—75.

• (3:50 p.m.)

Mr. Speaker: I declare the motion carried.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Béchard in the chair.

The Deputy Chairman: Order. House in committee of the whole on Bill C-191, to amend the Income Tax Act.

On clause 1—*Insurance policy proceeds.*

Mr. Benson: Mr. Chairman, I simply want to indicate to the committee that there are a series of amendments to this bill. I have provided the table with copies of the proposed amendments as well as the house leaders and financial critics of the parties opposite. I have additional copies if anyone desires them. There will be an amendment to clause 1 that I should like to have moved. There will also be an amendment to clause 2. These amendments have been supplied to hon. members and there are additional copies if they would like them.

Mr. Knowles (Winnipeg North Centre): Did the minister send these amendments by mail?

Mr. Benson: No. As a matter of fact I gave them to your financial critic yesterday.

[Mr. Speaker.]

Mr. McIlraith: I move:

That Bill C-191, an act to amend the Income Tax Act, be amended by renumbering clause 1 on page 1 as subclause (1) of clause 1 and adding immediately after line 16 on page 1 the following subclause:

"(2) Paragraph (c) of subsection (5) of section 7 of the said Act is repealed and the following substituted therefor:

"(c) in satisfaction of the rights of the taxpayer under a life annuity contract, as defined by regulation, that was entered into before June 14, 1963 except to the extent that the amount so received exceeds the aggregate of

(i) the value of his rights under the contract on the second anniversary date of the contract to occur after October 22, 1968, and

(ii) the aggregate of premiums paid by the taxpayer under the contract after the said second anniversary date."

Amendment agreed to.

The Deputy Chairman: Shall clause 1 as amended carry?

Some hon. Members: Carried.

Clause as amended agreed to.

On clause 2—

Mr. McIlraith: I move:

That Bill C-191, an act to amend the Income Tax Act, be amended by renumbering clause 2 on page 1 as subclause (1) of clause 2 and by adding immediately after line 6 on page 2 the following subclauses:

"(2) Paragraph (m) of subsection (1) of section 11 of the said Act is repealed and the following substituted therefor:

"(m) where a taxpayer is an insurance corporation, such amounts in respect of payments made or credits allowed by the taxpayer to its policyholders as are permitted by section 74;"

(3) Subsection (3b) of section 11 of the said Act is repealed and the following substituted therefor:

"(3b) For greater certainty, it is hereby declared that where a taxpayer has used borrowed money

(a) to repay money previously borrowed, or

(b) to pay an amount payable for property described in subparagraph (ii) of paragraph (c) of subsection (1) previously acquired, the borrowed money shall, for the purposes of section 85J and paragraph (c) or (d) of subsection (1), be deemed to have been used for the purpose for which the money previously borrowed was used or was deemed by this subsection to have been used, or to acquire the property in respect of which the said amount was so payable, as the case may be."

Amendment agreed to.

The Deputy Chairman: Shall clause 2 as amended carry?

Some hon. Members: Agreed.

Clause as amended agreed to.