

THE SENATE

THE STANDING COMMITTEE ON BANKING AND COMMERCE

EVIDENCE

OTTAWA, Monday, March 20, 1967.

The Standing Committee on Banking and Commerce, to which was referred Bill C-259, to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act, met this day at 11.40 a.m., to give consideration to the bill.

Senator **SALTER A. HAYDEN** in the Chair.

The **CHAIRMAN**: May I have the usual motion that the proceedings be reported?

The committee agreed that a verbatim report be made of the committee's proceedings on the bill.

The committee agreed to report recommending authority be granted for the printing of 800 copies in English and 300 copies in French of the committee's proceedings on the bill.

The **CHAIRMAN**: We have as our witnesses this morning Mr. F. R. Irwin, Director, Tax Policy Division, in the Department of Finance, and Mr. D. R. Pook, Chief Technical Officer of the Department of National Revenue.

We are going to deal with the income tax amendments in Bill C-259. I was going to suggest that our usual practice in dealing with bills of this kind is that we start at Section 1 and go right through in order to get continuity, but you might say that there are three very important provisions in this bill covering a numbers of sections. I was going to suggest that perhaps Mr. Irwin should deal with those first, somewhat after the manner of my explanation of the bill in the Senate. In other words, the largest single item as to the number of paragraphs and possibly importance would be the deferred profit sharing plans and certainly those sections that bear on the Canadian Vessel Construction Assistance Act are very important in the effects which they have on various operations in Canada.

Would that be a convenient way so far as you are concerned, Mr. Irwin? Let us start with all the sections dealing with deferred profit sharing plans. You can enumerate them as we go along.

Senator **ROEBUCK**: Does that include these pension plans, about which I spoke to you this morning?

The **CHAIRMAN**: We were talking about deferred profit sharing plans. I suppose you might call it a kind of pension plan. The employer makes a contribution to a trustee and the employee is the beneficiary and usually it has some relationship to his retirement from service.

Senator **ROEBUCK**: Yes. Well, that is included in what we are taking up now.

The **CHAIRMAN**: That is right. Now, have I given a sufficient description of your duties in this regard, Mr. Irwin?

Mr. F. R. Irwin, Director, Tax Policy Division, Department of Finance: I think so, Mr. Chairman. The officials who have come here are anxious to be of