

Income Tax Act

area and had not got on with the job before the cessation of designation, they would lose their right to benefit.

The Chairman: Is it agreed that the French text should be revised?

[*Translation*]

Mr. Martineau: I can point out that the words "étaient possédés" appear several times in the text, and if a revision is made, they should be changed every time they are used. "Were owned" has been translated by "avaient été possédés". I recommend that the words "qui avaient appartenu" be substituted for the words "qui avaient été possédés".

[*Text*]

The Chairman: Is that agreed?

Mr. Gordon: Yes, and again I thank the hon. member for the close way in which he is watching these amendments.

Clause 13 agreed to.

Mr. Nowlan: I do not know whether any other members of the committee wish to speak on clause 14. The hon. member for Edmonton West was called to the telephone a few moments ago. I know he wished to speak briefly on it and I wonder whether we could pass it by for a minute or so and then return to it.

The Deputy Chairman: Shall we defer consideration of clause 14 for the time being?

Some hon. Members: Agreed.

On clause 15.

Mr. Monteith: I want to ask one question about this. I am assuming that a pension plan which becomes adjusted at the time old age security benefits become payable cannot be registered now; is that so?

Mr. Gordon: It could as far as old age security is concerned but, of course, it cannot be registered as far as the Canada pension plan is concerned.

Mr. Monteith: Well, the explanation reads:

The new rule will permit registration of a retirement savings plan which provides for the annuity payable under the plan to be reduced by an amount not in excess of payments under the Old Age Security Act.

So I am assuming this applies to old age security benefits which amount at present to \$75. I know that certain plans have, in the past, provided for the reduction of benefits once a recipient is eligible to receive old age security payments. I gather, from the wording of the explanation, that these are only now being allowed to register.

Mr. Gordon: Prior to this provision being made a plan could be registered, but the

amount of the reduction in the payment from the plan had to be exactly the amount the recipient received in old age security benefits. There was no flexibility attached to it. Now it can be reduced by any sum up to that amount.

Mr. Monteith: I see.

Clause agreed to.

Mr. Nowlan: Perhaps we could go back, now, to consideration of clause 14. I see my hon. friend is in his place again.

On clause 14.

Mr. Lambert: The other day I raised the subject of allowances for research in a number of questions which I put to the minister, and what prompted me to do so was the emphasis placed here on the year 1962. Moreover, I am wondering if we are not doing something which, in effect, undoes the incentives which were provided in years past. This applies primarily to work done outside the country. The main motivation for increasing the incentives in respect of research done within Canada has been provided in briefs submitted by the Canadian Manufacturers' Association, research groups, universities and others interested.

This was in an effort not only to develop research in this country but to try to retain so many highly trained research personnel who were, frankly, finding no outlet and no encouragement for their abilities here in Canada. For that reason we were placing the emphasis on the encouragement of research facilities in Canada. I remember the former minister of finance, Mr. Fleming, placing a great deal of emphasis on the encouragement of research facilities in this country even going to the point of granting a 150 per cent allowance in this regard. I fully subscribe to that. Also, I subscribe to incentives being granted to a firm in Canada which has to go outside the country to do some rather specialized research because facilities do not exist in Canada. The research involved may be in connection with a field so narrow that it is not possible to set up laboratories and obtain the personnel for this work. I agree that we should grant such firms incentives in this regard; perhaps not to the same extent, but at least to the extent of 100 per cent.

However, why at this stage do we say that for the taxation year 1962 and onwards we are going to make allowances for research for the benefit of the business of the taxpayer, whether the research is carried out in Canada or elsewhere? I frankly confess some difficulty in understanding this provision and am just wondering whether it is not to