

churches, colleges and so on—that is under (ea); under paragraph (eb) will come all corporations and charitable foundations; the proposed amendment will add a further category of charitable trusts. So that the substance of this amendment to clause 10 is that we are adding a new category (ec) which will later by clause 21 be exempt from tax, and this amendment will exempt the individual who makes contributions to charitable trusts during the year, up to the ordinary ten per cent of income in respect of charitable contributions.

Hon. Mr. KINLEY: In the United States?

Dr. EATON: In Canada.

Hon. Mr. HAIG: Carry.

Hon. Mr. BEAUBIEN: Mr. Chairman, before the clause is carried may I ask Dr. Eaton whether any representations have been made to have donations to the Manitoba Flood Relief Fund allowed over and above the ten per cent and five per cent which are now allowed to be deducted as charitable donations? I ask the question for the reason that corporations are making large donations to this fund, and individuals are also making generous contributions. As I understand it, an individual can deduct only ten per cent.

Hon. Mr. BEAUBIEN: And a corporation 5 per cent?

Dr. EATON: That is correct.

Hon. Mr. BEAUBIEN: Have they made any exception? Have the department taken that into consideration, to put in an amendment to exempt anything voted to that particular fund from the limitations of 10 and 5 per cent?

Dr. EATON: Yes, sir. I believe I am at liberty to say that representations have been made to the Minister of Finance urging that that exception be made. But I understand also that they have given it careful consideration and have not agreed to the request. They are not prepared to accept an amendment to that effect.

The CHAIRMAN: It would be an amendment to the statute?

Dr. EATON: It would have to be an amendment to the statute. Contributions are now limited to 5 and 10 per cent. I believe the requests have come in in terms of this particular disaster. But careful consideration was given to the form in which the law would have to be stated: whether it would require ministerial discretion, and to have the Minister of National Revenue decide "yes" in this instance and "no" in that instance. That would be necessary unless you specifically stated in the law one particular disaster, and that of course would not take care of any future disaster. I think those are some of the considerations that the government had in mind when they refused to accept this amendment.

The CHAIRMAN: Is the section carried?

Hon. Mr. HAIG: Carried with the amendment as proposed.

Hon. Mr. McKEEN: I moved that amendment.

Section as amended agreed to.

On section 11: dividends from controlled resident corporation.

Hon. Mr. McKEEN: The amendment I have here is different from the one I had the other day, but this is satisfactory to the department, and it amounts to the same thing:

"That clause 11 be amended by adding thereto the following sub-clause:

- (3) Notwithstanding subsection (2), subsection (1) is not applicable in a case where control of the payer corporation has been, pursuant to a right which existed on or before May 10th—

That is the date of the bill coming in force.

—1950, acquired before June 30th, 1950.