

Income Tax

tion and they would have to react in order to give effect to the changes set out in the bill, changes which I am sure the hon. member would wish to see.

Mr. Ritchie: Presumably, then, this would be tested in court.

Mr. Cullen: It is not a question of testing it. The hon. member mentioned Manitoba. The law would apply and a provincial tax would be payable. I think we would want the provinces to amend their legislation so as to give the full benefit to their residents.

Mr. Alexander: I see that in subclause (2) there is reference to the Unemployment Insurance Act and to the Unemployment Insurance Commission. There is something here, too, with respect to computing income tax; provision for deducting fees and expenses incurred in preparing, instituting or prosecuting objections to rulings of the commission, and so on. I see the former minister of labour sitting over there. He has more wisdom in this field than I have. These are not familiar words to me. Are they to be found in the Unemployment Insurance Act? What do the words "instituting or prosecuting an objection" mean? Are we talking about a lawyer who acts on behalf of a disgruntled applicant? I may say I am in agreement with this provision, being familiar with all the bureaucratic red tape surrounding the monstrosity we now have.

Mr. Cullen: This covers the expenses of an appeal against a decision of the Unemployment Insurance Commission. It is a relieving amendment related to paragraph 60(o) under which a taxpayer when computing his income may deduct expenses incurred in appealing a decision of the Unemployment Insurance Commission, a board of referees or an umpire. It is, in effect, a relieving section. The hon. member might be interested to know that it does include lawyers' fees.

Mr. Alexander: Mr. Chairman, I am tempted to rise on a question of privilege. I was merely seeking information. However, since the hon. member has given me that information I can understand members of the legal profession taking greater interest in these matters.

Mr. Cullen: I never think of the hon. member as being a lawyer, but always as a member of parliament.

Some hon. Members: Hear, hear!

Clause agreed to.

On clause 31.

[Translation]

Mr. Macdonald (Rosedale): Mr. Chairman, I move:

That clause 31 of the French version of Bill C-49 be amended by striking out lines 27 and 28 on page 53 and substituting the following:

"60.1 Quand, après le 6 mai 1974, il est intervenu un"

Amendment agreed to.

[English]

Clause as amended agreed to.

Clauses 32 and 33 agreed to.

On clause 34.

[Mr. Cullen.]

Mr. Cullen: We have an amendment here, Mr. Chairman.

[Translation]

Mr. Mackasey: Mr. Chairman, I move:

That clause 34 of Bill C-49 be amended as follows:

(a) by striking out line 47 on page 54 and substituting the following:

"virtue of the disposition of a property to"

(b) by striking out line 10 on page 55 and substituting the following:

"taxation year, there may be deducted as a reserve in"

(c) by striking out line 23 on page 55 and substituting the following:

"the property that is not due until a day"

(d) by striking out line 27 on page 55 and substituting the following:

"(i) the amount deducted"

(e) by striking out line 29 on page 55 and substituting the following:

"(a) in respect of the property in computing the taxpayer's income for the immediately preceding taxation year, and"

(f) by striking out line 31 on page 55 and substituting the following:

"amount in respect of the property that is not due until a day"

and

(g) by striking out line 33 on page 55 and substituting the following:

"year and for greater certainty, no deduction may be made in respect of any amount or portion of any amount referred to in paragraph (a) or (b) by virtue of paragraph 20(1)(n)."

● (1530)

[English]

The Chairman: Order please. Just for the sake of clarity, let me point out that the minister has moved the French version of the amendment.

Mr. Paproski: Mr. Chairman, I rise on a point of order. I notice that in the English version it reads "line 47" but in the French version it reads "line 46". Is there a reason for this?

Mr. Mackasey: It sometimes happens in the translation that one version takes a little more space than the other.

Amendment (Mr. Mackasey) agreed to.

Clause 34 as amended agreed to.

On clause 35.

Mr. Cullen: Mr. Chairman, the Minister of Finance proposed an amendment to clause 35 on February 10, 1975. I would now like to move a new amendment to this clause and propose that we not proceed with the earlier amendment. The amendments were tabled earlier as a courtesy to hon. members. The Postmaster General will move the amendment to clause 35.

Mr. Mackasey: I move:

That clause 35 of Bill C-49 be amended

(a) by adding thereto immediately after line 24 on page 56 the following:

"(1.1) All that portion of subparagraph 66(3) (b)(ii) of the said act preceding clause (A) thereof is repealed and the following substituted therefor:

"(ii) the amount, if any, by which the aggregate of"

(b) by striking out lines 34 to 41 on page 56 and substituting the following:

"(D) the amount included in computing his income for the year by virtue of subsections 59(2) and (2.1)

exceeds