

On clause 1.

Mr. Monteith: Mr. Chairman, I am assuming that the minister is going to give some explanation of this clause.

Mr. Sharp: Mr. Chairman, subclause 1 of clause 1 is intended to make clear what must be included in income as superannuation or pension benefits. It repeals the subparagraph which refers only to "superannuation or pension benefits" and introduces in its place a longer subparagraph which makes clear that income includes a pension or supplement under the Old Age Security Act and the amount of any similar payment under a provincial act. It makes clear that income includes the amount of any benefit under the Canada Pension Plan or a provincial pension plan. It also makes clear that the expression "superannuation or pension benefits" does not include any social assistance payment made on a means or a needs test basis under a prescribed program provided for by a federal or provincial act.

• (5:40 p.m.)

The important change made by this amendment and that provided by clause 2 is that certain social assistance payments need no longer be included in income. It is expected that prescribed programs would include payments under the Canada Assistance Plan, blind persons pensions, disabled persons pensions and provincial old age assistance payments. Section 10 of the act already provides exemption for a number of payments of this class.

Mr. Monteith: What about the additional \$30 beyond the \$75 old age security payment?

Mr. Sharp: That will be income and will be taxable.

Mr. Knowles: What about payments under the Canada Assistance Plan?

Mr. Sharp: Payments under the Canada Assistance Plan will not be taxable.

Clause agreed to.

Clause 2 agreed to.

On clause 3.

Mr. Monteith: I would ask the minister about this clause. Would he comment on the deductibility of interest that may be payable by a taxpayer on grants received by him under the program for the advancement of industrial technology or under the northern mineral exploration assistance regulations?

Income Tax Amendment

Mr. Sharp: I am sorry. I did not catch which clause the hon. member referred to.

Mr. Monteith: I was referring to clause 3, subclause 1. I refer to clause 3 in general.

Mr. Sharp: I am sorry. Have we passed all of clause 1?

An hon. Member: We are on clause 3 now.

Mr. Sharp: Subclause 1 of clause 3 provides for the deduction of interest that a taxpayer may be required to pay when he has to repay a grant received by him under the program for the advancement of industrial technology or under the northern mineral exploration assistance regulations. It is part of the arrangement that a company which receives a grant under the latter program or under the PAIT program shall have to repay the grant if the company sells or uses commercial products resulting from the research project. Grants made under the northern mineral explorations assistance regulations have to be repaid where the exploration project is successful. Interest has to be paid on the amount of the grants in each case to the date of repayment. This provision is for the deduction of such interest.

Clause agreed to.

Clauses 4 and 5 agreed to.

On clause 6.

Mr. Olson: Clause 6 appears to deal with payments to dental mechanics. On page 9 of the bill these are the words, "in respect of ...constructing and furnishing of a complete upper or complete lower denture."

I wonder why the word "complete" appears. Nothing is said about partial dentures or about repairs to dentures. Such things are excluded. If my interpretation of this clause is correct, what is the explanation for this? Is this clause not restrictive? It seems to me that sometimes the cost of a partial denture is greater than the cost of a whole denture. It may be a greater burden on the taxpayer. Should he not be allowed payments he has made for partial dentures or for repairs to dentures? This clause seems to exclude everything except a payment for a complete upper or a complete lower denture.

Mr. Sharp: The hon. member for Medicine Hat has raised a question that is unprecedented. The only case we have had has been in Alberta. We thought we had dealt with the situation adequately.