

*Income Tax*

**Mr. Turner (Ottawa-Carleton):** Mr. Chairman, we have a series of technical amendments to clause 53. The page numbers are 129, 130, 131, 132, 136 and 140. I move:

That clause 53 of Bill C-49 be amended

- (a) by striking out line 32 on page 129 and substituting the following:  
"tal property) before that time to the corpora-"
  - (b) by striking out line 36 on page 130 and substituting the following:  
"section 84(1), to have paid before that time on an"
  - (c) by striking out line 17 of the French version on page 131 and substituting the following:  
"(xiv), (xv) et (xviii) relativement à la"
  - (d) by striking out lines 15 to 17 on page 132 and substituting the following:  
"ration and,  
(A) at any time before those shares were so issued, any particular person, or the"
  - (e) by striking out line 28 on page 132 and substituting the following:  
"(B) at any time before the particular time, the particular person or group"
  - (f) by striking out line 50 of the French version on page 132 and substituting the following:  
"1. cette personne donnée,"
  - (g) by striking out lines 19 and 20 on page 136 and substituting the following:  
"property referred to in any of paragraphs 59(2)(c) (d) or (e),"
  - (h) by striking out lines 29 and 30 on page 136 and substituting the following:  
"erty referred to in any of paragraphs 59(2) (c) (d) or (e) owned by"
- and
- (i) by striking out line 19 of the French version on page 140 and substituting the following:  
"actions d'une corporation, aux fins de la disposition (1) d) (iv.1) (C), l'augmentation"

● (2120)

[Translation]

**Mr. Lambert (Bellechasse):** Mr. Chairman, I consider all these amendments to Bill C-49 extremely important. I understand that the Minister of Finance (Mr. Turner) is particularly familiar with the provisions which concern taxation since his role consists in ensuring that money is coming in to finance government expenses.

With all due respect, I would like to suggest that the amendments be read more slowly so that we may follow them very closely. I make this suggestion with all due respect so that we may really follow tonight's procedure.

**Mr. Turner (Ottawa-Carleton):** Mr. Chairman, I understand the hon. member and I sympathize with him. I distributed all the amendments about two weeks ago so that the committee could examine them. However, I shall try to read carefully and clearly, and the hon. member could perhaps ask the Chair for a series of copies of these amendments. I see that you have them.

[English]

Amendment agreed to.

Clause 53, as amended, agreed to.

On clause 54.

**Mr. Turner (Ottawa-Carleton):** I have one more amendment to this part of the bill, after which there are no amendments for a while. Perhaps the committee would

[The Chairman.]

turn to page 142 the bill. These are relieving provisions. I move:

That clause 54 of Bill C-49 be amended

- (a) by striking out line 24 on page 142 and substituting the following:  
"tion that has, before November 19, 1974, become"
  - (b) by striking out lines 30 to 34 on page 142 and substituting the following:  
"1971 capital surplus on hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 taxation year was the amount determined under clause 89(1)(c)(ii)(A) in respect of that class at that time,"
  - (c) by striking out lines 39 and 40 on page 142 and substituting the following:  
"hand if the paid-up capital of the corporation in respect of any class of shares of its capital stock at the end of its 1971 taxation year was the amount determined under subparagraph 89(1)(c)(ii) without reference to this subsection in respect of that class at that time,"
  - (d) by striking out line 45 on page 142 and substituting the following:  
"at any time after November 18, 1974 shall be"
- Amendment agreed to.  
Clause 54, as amended, agreed to.  
On clause 55.

**Mr. Stevens:** I think the Minister of Finance might help the committee by giving us some explanation of clauses 55 and 56, which I believe are related. In particular I would be interested to know what he feels would be the revenue implications.

**Mr. Turner (Ottawa-Carleton):** We do not have the revenue figures. The purpose of the amendment is to allow Canadian parent companies to operate abroad and only be taxable on that part of the income which is brought back into the country or not used in the legitimate business of a subsidiary. Revenue is very difficult to estimate since it depends on economic activities in the various countries in which the companies operate.

Clause 55, agreed to.

Clauses 56 to 68 inclusive agreed to.

On clause 69.

**Mr. Brisco:** I should like to ask the minister for clarification of this clause—I do not altogether follow the complexities of the tax structure. What is the deduction for which provision is made in paragraph 1 of Clause 69? Is it in the amount of \$1,000, or is it more than that figure? It has to do with deductions for handicapped people.

**Mr. Turner (Ottawa-Carleton):** This includes as a deductible expense amounts paid in respect of an individual, the taxpayer, his spouse, or a dependant, to a school, institution or other place equipped to provide training to persons who are handicapped. At present, the subparagraph restricts the deduction to amounts paid to a school or institution which takes only persons so handicapped. It is now being extended so as to apply to any school which may, among other things, deal with handicapped people.

**The Chairman:** Shall clause 69 carry?