

MINUTES OF PROCEEDINGS

WEDNESDAY, May 31, 1950.

Pursuant to adjournment and notice the Standing Committee on Banking and Commerce met this day at 11.00 A.M.

Present: The Honourable Senators Beaubien, Crerar, Davies, Euler, Fogo, Gouin, Haig, Hardy, Hayden, Kinley, Lambert, McDonald, McGuire, McKeen, Paterson, Quinn, Robertson, Taylor and Wilson.—(19)

In the absence of the Chairman, the Honourable Senator McDonald was elected Acting Chairman.

In attendance:

Mr. J. F. MacNeill, Law Clerk and Parliamentary Counsel.

The official reporters of the Senate.

Bill 177, "An Act to amend The Income Tax Act", was considered.

The following were heard:

Dr. A. K. Eaton, Assistant Deputy Minister, Department of Finance.

Mr. D. R. Pook, Finance and Services Section, Taxation Division, Department of National Revenue.

Mr. E. S. MacLatchy, Assistant Director General, Legal Branch, Taxation Division, Department of National Revenue.

The following amendments, moved by the Honourable Senator McKeen, were carried:

1. *Pages 6 and 7:* Delete "corporations resident in Canada and exempt from tax under this Part by paragraph (eb)" in paragraph (a) of sub-clause (1) of clause 10, and substitute "corporations or trusts resident in Canada and exempt from tax under this Part by paragraph (eb) or (ec)."

2. *Page 9:* Add the following as new sub-clause (3) of clause 11:

"(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, 1950, acquired before June 30th, 1950."

Further consideration of the Bill was postponed.

At 12.30 P.M. the Committee adjourned to the call of the Chairman.

Attest.

JOHN A. HINDS,
Clerk of the Committee.