

Mr. CAHAN: The 4(k) provision, if I may refer to it in that way, will still apply, as before, to all companies which come within its description and which are not personal holding or investment holding companies?

Mr. DUNNING: Right.

Amendment agreed to.

10. That any enactment founded on the provisions of these resolutions shall be deemed to have come into force at the commencement of the calendar year nineteen hundred and thirty-five and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods, except as otherwise provided.

Sir GEORGE PERLEY: I think this is a suitable place for me to say a few words about the exemption allowed for minor children, in connection with which no change has been made. It has been represented to me that in these times of depression a great deal of hardship is caused through this exemption not operating after a child has reached the age of twenty-one years. The father has the benefit of the exemption during the minority of the child, but quite often the child is not able to get anything to do after he has reached the age of twenty-one. He still remains at home and must be supported by the father, and it has been represented to me that under such circumstances the exemption should be extended. I know there are many difficulties in the way of this being done, but I thought I would draw it to the attention of the minister.

Mr. DUNNING: Did the previous government consider it?

Sir GEORGE PERLEY: I was not the minister in charge of that department, and I do not remember. I realize there is a great deal of difficulty in the way, but I merely mention this in order to draw it to the attention of the government. I spoke to the minister personally about it, one day, and perhaps he can explain why this has not been done.

Mr. CAHAN: I should like also to suggest that consideration be given to this matter which is covered by section 5(i) of the Income War Tax Act.

Mr. DUNNING: It is the matter to which the hon. member for Argenteuil referred.

Mr. CAHAN: Only a few days ago a resident of Montreal in my own constituency, a man of a very high type indeed, whose revenues are somewhat limited, especially under present conditions, pointed out to me that he had grandchildren who were over twenty-one and who did not come within this qualification.

[Mr. Dunning.]

Take the parent or grandparent whose grandson or whose child, reaching the age of twenty-one, can find no immediate employment, when it is deemed necessary to keep such child or grandchild at school or college in order that he may qualify for one of the technical professions or for technical employment. Any payment made to one over twenty-one under such circumstances is not exempt. I am convinced that in these days when incomes have been cut down many men find it almost impossible to keep sons or grandsons dependent upon them at college or university or other training schools. If an exception could be made in such a case, which would enable boys and sometimes girls who are over twenty-one to enjoy the favour of exemption, even to the extent of this small amount of \$400, for such time or times as they were at school or college or any other school for technical training, it would be only fair and it would promote the desire of grandparents and parents to see their children and grandchildren qualify by special training for the work of life. I do not agree with many statements that have been made in this house that there is lack of employment in Canada for those who are fully qualified. That may be so in some of the rural districts and in the western part of the country, but I am sure that in a city like Montreal there are hundreds and even thousands of cases in which there is employment available for those who are qualified for the particular work.

Mr. HEAPS: What kind of work

Mr. CAHAN: The engineering, chemical and manufacturing trades find it absolutely impossible to procure a sufficient number of qualified young men at the present time, and never before in Canada has there been such a dearth of supply of qualified young men for such occupations. The fact is, there is great necessity in Canada for qualifying young men and women for the work of life. Many are not qualified, and by every expedient possible we are bringing in young men from other countries, who are thoroughly qualified, getting them in under every possible pretext, to fill the vocations which are open to such young men and women in the industrial life of Canada to-day. I submit that under the circumstances the minister might consider extending that exemption.

Mr. DUNNING: With respect to both pleas made by my two friends opposite, I would say that they are matters of revenue. Any addition to the exemptions is effective of course on the top level of the income. To a man paying a 45 per cent tax an additional exemption of \$1,000 means just \$450, because it is at the top of the schedule.