

Hon. Mr. CRERAR: What I am concerned about is whether the rule works both ways.

Hon. Mr. HAYDEN: Yes, it does.

Hon. Mr. McKEEN: Dr. Eaton, getting back to that other point, the recapture is only up to the amount of depreciation charged after 1949?

Dr. EATON: That is correct.

Hon. Mr. McKEEN: Anything over that is capital gain.

Hon. Mr. HAYDEN: However, if an individual has acquired a property and sells it later, under the new system of depreciation, as a result of which there would be recapture, he will be given relief to the extent of being able to spread the amount of the recapture over a period of five years?

Dr. EATON: Yes.

Hon. Mr. DuTREMBLAY: The recapture clause does not apply to depreciation taken before 1949?

Dr. EATON: That is correct.

Subsection (2) was agreed to.

The CHAIRMAN: Subsection (3) reads:—

Subsection (6) of the said section 20 is repealed and the following substituted therefor:

Then the new subsection (6) is given.

Dr. EATON: Subsection (6) offers an option to farmers and fishermen who in last year's amendment were excluded from the new system of write-off of capital costs. They may now elect, effective 1949, to come under the new system, and many have expressed their desire to do so. But if they once elect to come under the new system it will be impossible for them to revert to the old system.

Hon. Mr. DuTREMBLAY: Why is the same option not given to the rest of the population? Most of the people are not fishermen or farmers, and I do not see why the choice should be restricted to those two classes.

Hon. Mr. HAYDEN: Under the amendments made last year, farmers and fishermen were exempt from the new system.

The CHAIRMAN: Because they wished to be.

Hon. Mr. HAYDEN: Yes. But a lot of them have said they would like to come under the new system, to have the benefit of the new system, and this amendment allows them to elect to come under the new system, if they wish.

Hon. Mr. DuTREMBLAY: I still do not see why the choice should be given to farmers and fishermen alone.

Mr. EATON: Well, sir, I think the fact is that the government decided to change the system generally, and after having introduced the necessary amendments in the House of Commons there were objections from farming and fishing groups, who wished to be exempted.

Hon. Mr. DuTREMBLAY: But why are not other classes treated in the same way?

Hon. Mr. HAYDEN: No representations were made on behalf of other groups.

The CHAIRMAN: I heard the debate in the House of Commons last year, and, as I recall, no objection was made on behalf of other groups.

Hon. Mr. DuTREMBLAY: Legislation should be the same for everybody, and I do not see why the other classes are not allowed the same choice as farmers and fishermen are allowed. In some cases it is better for people to choose to come under the old system.