

Dr. EATON: No.

Hon. Mr. CRERAR: Why the distinction?

Dr. EATON: The distinction arose during wartime. This provision was introduced in wartime, when there was particular concern over the oil supply. I might add, however, that the mining industry has certain provisions which are not available to the oil industry: for example, the three-year exemption in the case of the new mines. There is nothing comparable in the case of the oil industry.

The section was agreed to.

On section 47: application of 1949 (2 Sess.) C.11.

The CHAIRMAN: "The Canadian Vessel Construction Assistance Act is applicable to the computation of a taxpayer's income for the 1949 and subsequent taxation years." How long will that be in effect?

Mr. GAVSIE: This is alleviating. The Act was not brought into effect until 1950, and the purpose of this is to make it applicable to 1949.

The section was agreed to.

On section 48: gift to H.M. by wife or other dependent.

Dr. EATON: Section 48 is an alleviating measure. When the Income War Tax Act was repealed many taxpayers made gifts which under the new Act was unnecessary. They made the gifts through a misunderstanding. This is a specific provision whereby those gifts can be applied to the future tax liability of those taxpayers.

Hon. Mr. HAIG: Pass.

The section was agreed to.

Hon. Mr. HAIG: Senator Beaubien wants to bring up a point.

Hon. Mr. BEAUBIEN: I would like to have this matter clarified: supposing I am supporting a dependant, a non-blood relation incapable of earning her own living—related through marriage, or something like that—can I bring that person under the income tax law as a dependant and therefore exempt?

Mr. GAVSIE: There is no relationship?

Dr. EATON: Except by marriage.

Hon. Mr. BEAUBIEN: Supposing I am married but am supporting someone who has no means of support.

Mr. GAVSIE: Say a mother-in-law. She is a dependant.

Hon. Mr. BEAUBIEN: Can I support an aunt?

The CHAIRMAN: We are asking for the definition of a dependant.

Hon. Mr. HAIG: Whether it included the person the senator mentioned.

Hon. Mr. BEAUBIEN: What it includes. That is what I want to know.

Mr. MACLATCHY: It would depend on whether or not your wife was living. In the case of a man whose wife is living and who is supporting his aunt there would be no deduction. Now, as to a widower or an unmarried person who is supporting a self-contained domestic establishment, including a blood relation, he would be allowed to get the married exemption, but a person who has already got married exemption because he is married or because he is supporting a son and daughter would not get any further exemption for such person. You could get a deduction for the support of dependants such as your brothers and sisters under twenty-one years of age, or over twenty-one and infirm, and your parents and grand-parents, which includes your parents and grand-parents-in-law.