

Mr. GAUSIE: If he was in receipt of an allowance he need not take it in his income.

Hon. Mr. HAYDEN: In other words, if he is on straight commission he gets expenses, if he is not on straight commission he gets the allowance.

Mr. GAUSIE: The allowance is not income, by virtue of the amendment in clause 1. If it is not income he is not to deduct it from his earnings. He cannot have it twice. He cannot have it excluded from income and then deduct it from his other income. That is the purpose of that paragraph.

The CHAIRMAN: In other words, he cannot get the allowance and the actual expenses as well.

Mr. GAUSIE: Yes.

Subsection (6) agreed to.

On subsection (7):

The CHAIRMAN: I think that is all right too.

Dr. EATON: It is simply a technical change in the preamble.

Subsection (7) agreed to.

On subsection (4):

The CHAIRMAN: This subsection makes it applicable to 1949 and subsequent years.

Subsection (4) agreed to.

On section 5—deductions allowed.

The CHAIRMAN: This also deals with deductions. It makes the amendment affecting clergymen applicable to 1948.

Section 5 was agreed to.

On section 6—inadequate considerations.

The CHAIRMAN: Section 6 deals with transactions between persons at arm's length for inadequate consideration.

Hon. Mr. HAYDEN: What the dickens is "not at arm's length"? I can understand the expression sometimes.

The CHAIRMAN: It is defined in the present act.

Hon. Mr. CAMPBELL: This section is intended just to complete the old section by providing that in the event of the rent being lesser than the normal amount—

Mr. GAUSIE: What you have in section 17 now is a sale or a purchase. The other was a lease one way. This is a lease the other way.

Hon. Mr. HAYDEN: You have got to push them the full arm's length away from you. You are strangers once you do that.

Hon. Mr. MACLENNAN: Arm's length has a legal significance.

Hon. Mr. HAYDEN: That is right.

Section 6 was agreed to.

On section 7—depreciation (etcetera).

The CHAIRMAN: Do you want to deal with sections 7 and 8 now?

Hon. Mr. HAYDEN: We may as well, because we run into the effect of them in other sections. Why should we not go right through?

The CHAIRMAN: All right: section 7, subsection (1). We are dealing with the whole section, subsections (1) to (6).

Hon. Mr. VIEN: Have you considered the possibility of adding after subsection (1), "or otherwise as provided by regulation"?