

I thought the conditions were, first, for the purpose of gaining income from a property, and second, producing income through a business, with a third category "for some other purpose".

Hon. Mr. MACLENNAN: You are getting sardonic.

Hon. Mr. HAYDEN: We know the meaning of it now—it means personal.

The CHAIRMAN: There isn't much doubt about that; it was a little broader perhaps.

Hon. Mr. HAYDEN: If, "for some other purpose" has some special significance, and that is what is meant in this paragraph, then let us keep it.

The CHAIRMAN: If there is any difference in the meaning.

Hon. Mr. HAYDEN: I do not know whether or not there is, but it indicates a plural, and I understood there were three categories: gaining income, producing income, and as a third category, for some other purpose.

Hon. Mr. CAMPBELL: Is not the plural correct in that case?

Hon. Mr. HAYDEN: I do not know. If it is, then it should be all plural.

Hon. Mr. STEVENSON: What is the difference between "for some purpose" and "for other purposes"?

Hon. Mr. HAYDEN: I do not know.

Hon. Mr. CAMPBELL: I move the section carried.

The CHAIRMAN: I declare paragraph (f) carried.

Hon. Mr. HAYDEN: Referring to this paragraph (h) I don't know whether Dr. Eaton or Mr. Gavsie can answer this, but I take it that any subsidy or assistance that might be received in connection with a property, whether it is from the federal authority or from the provincial authority or a municipality, would be a deduction from the capital cost of that property for depreciation purposes.

The CHAIRMAN: I think Mr. Gavsie will tell you that that is the situation at the moment. There is no change. You cannot write off a grant or subsidy.

Hon. Mr. MCLEAN: What about drydocks which get a subsidy for carrying on business?

The CHAIRMAN: You cannot set up a subsidy as part of the cost of your property to be depreciated.

Hon. Mr. HAYDEN: It says "in respect of or for the acquisition of property". It may be in respect of property or for the acquisition of property. "In respect of property" might very well be during the period of operation.

Hon. Mr. MCLEAN: Between wars we subsidize drydocks right along to keep them in business.

Mr. GAVSIE: That subsidy was not for the building of a drydock.

Hon. Mr. MCLEAN: They may use the subsidy to retire bonds.

Mr. GAVSIE: Yes, I was going to say, to pay the interest and take care of the sinking fund.

Hon. Mr. MCLEAN: I am not interested in any drydocks, but I know that it is very hard to make them pay between wars.

Mr. GAVSIE: Those are under the Drydock Subsidies Act, which was passed in 1908, long before income tax.

Hon. Mr. HAYDEN: Certainly, if in their bookkeeping and their financial statements they do not include that subsidy as part of the capital cost, there is no problem under (h).