

Hon. Sir JAMES LOUGHEED: My honourable friend has the statute before him; he will see what it is. It is a very lengthy subclause.

Hon. Mr. BOSTOCK: Yes.

Hon. Mr. DANDURAND: If a dividend is declared in December and paid in the first days of January, is it part of the income of the year in which it is declared or the year in which it is paid?

Hon. Sir JAMES LOUGHEED: The dividend would be income in the year when it was declared, but it would be paid the following year.

Section 3 was agreed to.

On section 4—income from an estate or accumulating in trust:

Hon. Sir JAMES LOUGHEED: That is to make the tax payable annually instead of permitting the income to accumulate and become subject to the surtax.

Hon. Mr. GORDON: It has occurred to me that an income might be due and payable, and yet unobtainable. Take the case of a mortgage.

Hon. Sir JAMES LOUGHEED: This is simply dealing with estates, infant children, and so on. You make provision for the entire income during the year, so as to prevent accumulation at a future time when the surtax would become applicable and when it might possibly absorb the whole of the estate.

Hon. Mr. GORDON: An income might come from a mortgage or something of that description, and it might not be possible to collect it; yet you would have to pay a tax on it.

Hon. Sir JAMES LOUGHEED: In the statement of the income of the estate that would be shown.

Hon. Mr. GORDON: It might turn out to be an absolute loss.

Hon. Sir JAMES LOUGHEED: Then you would so stipulate in your statement.

Hon. Mr. PROUDFOOT: The latter part of the section says:

Income accumulating in trust for the benefit of unascertained persons, or of persons with contingent interests, shall be taxable in the hands of the trustees or other like persons acting in a fiduciary capacity, as if such income were the income of an unmarried person.

What means is there of collecting the money?

S—51½

Hon. Sir JAMES LOUGHEED: It must be in the hands of someone.

Hon. Mr. PROUDFOOT: There are millions of dollars in court, and the money accumulates for the benefit of the children. What authority would there be for the trustee to pay it out?

Hon. Sir JAMES LOUGHEED: He would have to make an application to the court. Because it is in court it does not follow that it is exempt.

Hon. Mr. PROUDFOOT: If it is in the hands of the trustee—

Hon. Sir JAMES LOUGHEED: If it is in the hands of the trustee he must pay it.

Hon. Mr. PROUDFOOT: Where is the justification for his making payment?

Hon. Sir JAMES LOUGHEED: If he is administering the estate he shall make application to pay it as he would any other taxes.

Hon. Mr. BELCOURT: What is the meaning of the words, "as if such income were the income of an unmarried person?" Is that as to the quantum?

Hon. Sir JAMES LOUGHEED: Yes.

Section 4 was agreed to.

Section 5 was agreed to.

On section 6—income tax and persons liable thereto:

Hon. Mr. McMEANS: I should like to ask whether there is going to be publicity given as to the number of people paying income tax? I understand that the proceedings are absolutely secret, and that you cannot find out anything about that.

Hon. Sir JAMES LOUGHEED: The policy of the department will be not to give information as to any particular individual—only as to the number paying the tax in defined areas.

Hon. Mr. McMEANS: Suppose you know of the case of a man who is evading his tax.

Hon. Mr. GORDON: Report it.

Hon. Mr. McMEANS: You are pretty sure that he is evading the tax, but you cannot report it until you get the information. I might have a very strong suspicion, but I cannot find out anything definite.

Hon. Mr. DANDURAND: Is there any country in the world which allows the publication of the amount of income on which a citizen is paying a tax?