

Hon. Mr. DAVIES: I know he is, but of course he does not.

Mr. GAVSIE: We send a notice or a letter explaining what his rights are on appeal.

Hon. Mr. DAVIES: I am talking now about the ordinary taxpayer, not a company.

Mr. GAVSIE: During the rush period we spend most of our time dealing with questions from the taxpayers. As a matter of fact, during such period, in the Toronto office we handle approximately 20,000 inquiries a week from people who come into the office with different problems.

Hon. Mr. DAVIES: Can they get this information free?

Mr. GAVSIE: We make no charge for any information we hand out. It is contrary to the law.

Hon. Mr. ASELTINE: If I do not understand a certain section I can write in and they tell me what the amendment is?

Mr. GAVSIE: Yes, or if a person wants to take the trouble to come to the office and discuss a certain question if he does not understand the section. We provide that service. As a matter of fact, we go further. During this time of the year we send men to different towns. For instance, we send people to Flin Flon. They are available throughout the different towns for the purpose of dealing with any questions the taxpayers want to ask.

The section was agreed to.

On Section 32—Disposal of appeals.

The CHAIRMAN: This section deals with how appeals are disposed of.

Some Hon. SENATORS: Carried.

The section was agreed to.

On Section 33—Cross-appeal.

The CHAIRMAN: Is there any question here?

Some Hon. SENATORS: Carried.

The section was agreed to.

On Section 34—Corporation election.

The CHAIRMAN: Would you explain this, Mr. Gavsie?

Mr. GAVSIE: The first amendment is consequential upon the second amendment.

The CHAIRMAN: That is right.

Mr. GAVSIE: So if I deal with the second amendment perhaps that will explain the first. The second amendment extends the right of a company to elect to pay the 15 per cent tax on its undistributed income. At the moment a controlled corporation has not the right to elect under section 95A(2); that is, to pay the 15 per cent tax on an amount equal to the amount of the dividends it paid out in the years preceding the year in which it wishes to elect.

Hon. Mr. DAVIES: Who has permission to do that?

Mr. GAVSIE: A controlled corporation has not that right.

Hon. Mr. DAVIES: What do you mean by a controlled corporation?

Mr. GAVSIE: A corporation in which 50 per cent or more of the shares are owned by another corporation. The new amendment to this section permits a subsidiary controlled corporation, that is subsidiary to a personal corporation, to make an election on the same basis as corporations that are not controlled subsidiaries. A subsidiary controlled corporation to a personal corporation