

Therefore there are two groups of persons,—

First, those who have a residence in Canada and also may have a residence abroad, and

Second, those who have no residence at all in Canada and reside wholly abroad.

The government is not aware in either case of evasion of the Canadian income tax law. The former pay, as stated, on their total income from all over the world. The latter do not evade, they simply are not within the purview of the income tax law as residents of Canada. They only pay, as all non-residents of Canada throughout the world pay, namely on the income which has its source within Canada or on the profit, if any, from the carrying on of any business in Canada.

2. The government is aware that some persons give up their residence in Canada and take up residence outside of Canada, just as some persons give up their residence abroad and take up residence in Canada. Persons leaving Canada move into jurisdictions some of which have higher and some lower taxation laws than exist in Canada. The government is aware that some persons said to be well-to-do have left Canada and abandoned all residence therein.

3. A tax roll continually amended so as to keep it up to date is maintained in the income tax division showing all persons resident, ordinarily resident or carrying on business in Canada and as such liable to income tax.

4. The government is aware of a number of Canadians who have taken up residence in the Bahamas and other places and who at the same time maintain a residence in Canada. Such persons continue to pay tax in full as residents of Canada on their total income from sources throughout the world, even though they be personally absent from Canada for a substantial portion of each year.

The government is aware that some Canadians give up their residence in Canada and reside entirely abroad. Non-residents of Canada throughout the world are not liable to Canadian income tax except in respect of income that has its source in Canada.

5. See answer to Number 3.

6. If by "delinquents" is meant those who are delinquent in filing income tax returns, the tax roll section of the income tax division requires the filing of returns and if not filed the delinquents are prosecuted for failure so to do.

If by "delinquents" is meant those who do not pay their taxes in full, the collection section follows up the outstanding amount, demanding payment from the taxpayer and may enter upon such legal action as may be neces-

sary to effect collection. All ledger accounts are open to the auditor general for checking purposes.

7. See Auditor General's Report—1937, Vol. 1, p. 253, et seq.

8. Answered by Number 7.

9. At the rate of \$80,000 a year.

10. Steps were taken, to prevent personal companies incorporated abroad from being used to minimize taxation by requiring all persons resident or ordinarily resident in Canada who owned, directly or indirectly or through trusts, shares of companies incorporated in any part of the world outside of Canada, when the income of such company is derived from interest, rents, royalties, dividends or other similar income, to declare under the Canadian law in their individual income tax returns the income of such company or companies, whether the same is or is not in fact distributed, and as well all personal income from whatever source derived and to pay tax on the combined income. This was passed in 1926 applicable to 1925 and subsequent years. Any person who files a false return is subject to prosecution under Part 15 of the criminal code. No further steps are being taken to amend the acts referred to in the question.

11. No such representations have been made, therefore there is no correspondence to table.

OTTAWA PUBLIC WEIGH SCALES

Mr. DOUGLAS (Weyburn):

1. When was the last inspection of public weigh scales in the city of Ottawa?

2. What were the reasons of said inspection, and, (a) the number rejected; (b) the number passed?

3. Has the department adopted methods to reduce the capacity weighing of the Ottawa public weigh scales from 20,000 to 13,000 pounds?

4. If so, (a) what method has been used; (b) how many scales have been affected; (c) on whose authority was such action taken; (d) what was the reason for such action?

Mr. EULER:

1. January 18 to 22, 1938.

2. Request by city officials for quarterly inspection. (a) three (passed after minor adjustments); (b) eight.

3. Answered by 4 (a).

4. (a) The travel of the main saddle poise was restricted by a stop block; (b) Six; (c) No authority involved—suggestion by the department acted upon by the city; (d) To keep excess truck loads off the lighter scales.