

(2) Where, in the opinion of the Minister of Justice, any person is indebted in any specific sum of money on account of taxes payable to any province, and an agreement exists between Canada and the province whereby Canada is authorized to collect the tax on behalf of the province, the Treasury Board may authorize the Minister of Finance to retain by way of deduction or set-off, out of any sum of money that may be due or payable by His Majesty in right of Canada to such person, the amount of such indebtedness, but the amount so retained shall not exceed the amount that might under the laws of the province be seized or attached under execution or garnishee proceedings.

(3) Where, in the opinion of the Minister,

(a) any person is indebted to a province in any specific sum of money by reason of his having received from the province a payment, in respect of which Canada has contributed under the provisions of any Act, to which he was not entitled, and

(b) the province has made reasonable efforts to effect recovery of the amount of such indebtedness,

the Treasury Board may authorize the Minister to retain by way of deduction or set-off the amount of such indebtedness out of any sum of money that may be due and payable by His Majesty in right of Canada to such person, and the amount so deducted less the portion thereof that in the opinion of the Minister is proportionate to the contribution in respect thereof made by Canada, may be paid to the province out of the Consolidated Revenue Fund.

Carried.

Mr. WRIGHT: Could we get some explanation of what additions there are in this section 95? I see that (3), (a), and (b), are new.

Mr. BALLS: Well, Mr. Chairman, the new provision gives the Treasury Board authority to authorize the Minister of Finance to retain out of any money due and payable by His Majesty in right of Canada to any person, any specific sum of money for which such person is indebted to a province by reason of his having received from the province a payment in respect of which Canada has contributed under the provisions of any Act and to which he is not entitled and in respect of which the province has made reasonable efforts to effect recovery of the amount of such indebtedness. This is the type of case in which a person may have a debt due to the Crown in the right of a province but in respect of money in which the federal government has made some contribution.

Mr. WRIGHT: Such as old age security?

Mr. BALLS: Old age security, for instance, where overpayment has been made by a province to an individual, part our money and part provincial. This section would help to collect it.

Mr. WRIGHT: What is that?

Mr. BALLS: It would help collect the over-payment out of the money we would be paying to that particular person.

Mr. KIRK (*Digby-Yarmouth*): In similar cases in the past was the only method of collection through the provincial authorities or through the courts?

Mr. BALLS: Yes, but now we will be able to do it by withholding the amount from moneys that we would otherwise have to pay out.

Mr. CLARK: We had no such law in the past.

The CHAIRMAN: Shall section 95 carry?

Carried.