

(b) before that quadrennial or other survey was completed, the taxpayer sold the vessel or the vessel was lost or destroyed or any other circumstance arose that in the opinion of the Minister of National Revenue renders it improbable that the survey will be completed, 5
the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the taxpayer's income under Part I of *The Income Tax Act*, shall be included in computing his income under Part I of *The Income Tax Act* for the taxation year in which 10
the vessel was sold, lost or destroyed or in which such circumstance arose.

Application.

(4) This section is applicable to the 1949 and subsequent taxation years."

PART II.

2. Section 7 of the *Canadian Vessel Construction Assistance Act*, chapter 43 of the Revised Statutes of Canada, 1952, is amended by adding thereto the following subsections:

Recapture where survey completed.

"(2) In any case where

(a) a taxpayer has under subsection (1) made a deduction 20
in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel, and

(b) the quadrennial or other special survey in respect of which the deduction was made has been completed 25
to the extent that the vessel is permitted to proceed on a voyage,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the taxpayer's income under Part I of the *Income Tax Act*, shall be included in computing his income under Part I of the *Income Tax Act* for the taxation year in which the survey was so completed. 30

Recapture where survey not begun or completed.

(3) In any case where

(a) a taxpayer has under subsection (1) made a deduction 35
in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel, and

(b) before that quadrennial or other survey was completed, the taxpayer sold the vessel or the vessel was 40
lost or destroyed or any other circumstance arose that in the opinion of the Minister of National Revenue renders it improbable that the survey will be completed, the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing 45
the taxpayer's income under Part I of the *Income Tax Act*,