

Hon. Mr. KINLEY: At the same time you could spend the money in the other country.

Dr. EATON: Yes.

Hon. Mr. CRERAR: If I understand this section correctly from a hasty reading, it is this: you have a resident in Canada who has an income, say, in Great Britain but he cannot transfer that income to Canada.

Dr. EATON: That is correct.

Hon. Mr. CRERAR: But do you reserve the right to consider that as part of his taxable income in Canada?

Dr. EATON: The law says it is taxable income in Canada.

Hon. Mr. CRERAR: Well, do you make any concession if he wants to make an appeal?

Dr. EATON: Yes. That is the purpose of this section. It is to give relief.

Hon. Mr. CRERAR: It is in the judgment of the Minister of National Revenue?

Dr. EATON: That is correct.

Hon. Mr. CRERAR: Supposing in your judgment you tax him on it, although the income is still in Britain, and subsequently conditions arise which mean that he never gets the money transferred to Canada. Do you compensate him for the tax he has paid?

Dr. EATON: No, not unless the Minister has decided there is hardship.

Hon. Mr. ASELTINE: Who establishes what is a hardship?

The CHAIRMAN: That is in the opinion of the Minister.

Hon. Mr. CRERAR: Would that be subject to the Income Tax Appeal Board?

Dr. EATON: Mr. Gavsie, will you answer that question?

Mr. GAVSIE: The answer is, "no", Senator Crerar, I am not quite certain whether you follow the section. The tax is levied and he is assessed in the year in which the income was his, but this section provides for postponement of collection, and if the collection is postponed then no interest runs on during the period of postponement.

Hon. Mr. CRERAR: And if the postponement is continued and he never gets the revenue?

Mr. GAVSIE: Then he will never pay it.

Hon. Mr. EULER: Could you collect from him even though he did not get his dividend?

Mr. GAVSIE: Unless this section is passed the Minister will have no alternative but to collect or attempt to collect.

Hon. Mr. EULER: But this will still be an alternative. For instance, I may have an income from Jamaica or the United Kingdom and I declare a dividend, I cannot get that dividend because of a restriction in Jamaica or in the United Kingdom, but I will be assessed for that. Can I be compelled to pay for it?

Mr. GAVSIE: Yes.

Hon. Mr. EULER: Is there not still an option at the discretion of the Minister.

Mr. GAVSIE: No.

Hon. Mr. CRERAR: What would happen if I should get an income this year and I am assessed on it, but the income is not transferred to Canada for three years, say?

Mr. GAVSIE: You pay the tax for the year in which you receive it.

Hon. Mr. EULER: I am not clear about that. This amendment permits the Minister to postpone the payment of tax.