

Hon. Mr. KINLEY: The explanatory note says:

Subsection (6) of section 9 is not re-enacted. This is the provision that gave the Minister of National Revenue authority to notify the corporation that its undistributed income on hand is excessive.

The CHAIRMAN: Is this carried?

Some Hon. SENATORS: Carried.

The CHAIRMAN: That takes in the whole of page 19, does it?

Some Hon. SENATORS: Yes.

The CHAIRMAN: Then we go to page 20, new section 73A.

Dr. EATON: Section 73A, sir, consists of definitions.

Some Hon. SENATORS: Carried.

The CHAIRMAN: Then we go to page 22, new section 73B.

Dr. EATON: This is a codification of the interpretation under the Income War Tax Act with respect to prospectors and persons who back prospectors. Under the Income War Tax Act they had been regarded as exempt, but in the Income Tax Act there was no provision for their exemption. This section 73B establishes a code of exemption for prospectors and those who back them, in respect of the proceeds they receive from the disposition of mining claims.

Some Hon. SENATORS: Carried.

The CHAIRMAN: That takes us to page 23, section 29 of the bill.

Mr. GAVSIE: This will permit one member of the Tax Appeal Board to hear a case by himself.

Section 29 was agreed to.

The CHAIRMAN: Section 30.

Mr. GAVSIE: Sections 30 and 31 are consequently upon the changes made with respect to appeals to the Exchequer Court.

Sections 30 and 31 were agreed to.

The CHAIRMAN: Section 32, page 24.

Dr. EATON: This is the main provision for the 15 per cent tax, which has already been so thoroughly discussed, Mr. Chairman.

Hon. Mr. HAIG: Mr. Chairman, I want to congratulate the government upon this section. A serious problem was created in this country because a company which had a surplus and distributed it had to pay 38 per cent on it before it could get into the hands of the shareholders. This cuts the tax down to 15 per cent, which I personally think is reasonable.

The CHAIRMAN: I agree with what you say. Your Chairman has been afraid to die.

Hon. Mr. McKEEN: This is a further step towards single taxation.

Hon. Mr. HAIG: I hope, Mr. Chairman, that you do not die before we get this bill through. You are doing good work.

The CHAIRMAN: I don't mind so much now, because I am assured that this will save me.

Hon. Mr. McKEEN: The bill has not passed yet, though, Mr. Chairman.

The CHAIRMAN: Shall section 32 carry?

Some Hon. SENATORS: Carried.

The CHAIRMAN: The next is section 33, on page 26 of the bill.

Dr. EATON: This is a technical amendment with respect to the taxation of non-residents. We have a law which imposes a 15 per cent tax on interest