

**CONVENTION BETWEEN CANADA AND THE UNITED STATES OF AMERICA
FURTHER MODIFYING AND SUPPLEMENTING THE CONVENTION AND
ACCOMPANYING PROTOCOL OF MARCH 4, 1942,¹ FOR THE AVOIDANCE
OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION IN THE
CASE OF INCOME TAXES, AS MODIFIED BY THE SUPPLEMENTARY CON-
VENTION OF JUNE 12, 1950.²**

The Government of Canada and the Government of the United States of America, being desirous of further modifying and supplementing in certain respects the Convention and accompanying Protocol for the avoidance of double taxation and the prevention of fiscal evasion in the case of income taxes signed at Washington on March 4, 1942, as modified by the Supplementary Convention of June 12, 1950, have decided to conclude a Supplementary Convention for that purpose and have appointed as their respective Plenipotentiaries:

The Government of Canada:

Walter E. Harris, Minister of Finance in the
Government of Canada

The Government of the United States of America:

Livingston T. Merchant, Ambassador Extraordinary and Plen-
ipotentiary of the United States of America to Canada.

who, having communicated to one another their respective full powers, found in good and due form, have agreed as follows:

ARTICLE I

The provisions of the Convention and Protocol between Canada and the United States of America, signed at Washington on March 4, 1942, as modified by the Supplementary Convention of June 12, 1950, are hereby further modified and supplemented as follows:

(a) By inserting as the second paragraph of Article V, the following new paragraph:

"An enterprise of one of the contracting States engaged in the operation of motor vehicles, as a common carrier or as a contract carrier, shall be exempt from tax by the other contracting State in respect of income (if taxed by the former State in respect of such income) arising from the transportation of property for hire between points in one State and points in the other State."

(b) By amending Article VII to read as follows:

"1. A resident of Canada shall be exempt from United States tax upon compensation for personal (including professional) services performed during the taxable year within the United States of America if he is present therein for a period or periods not exceeding a total of 183 days during the taxable year and either of the following conditions is met—

(a) his compensation is received for such personal services performed as an officer or employee of a resident, or corporation or other entity of Canada or of a permanent establishment in Canada of a United States enterprise, or

¹ Canada Treaty Series 1942, No. 2.

² Canada Treaty Series 1951, No. 22.