

Mr. MACDONNELL (Muskoka-Ontario): I was paired with the hon. member for Outremont (Mr. Rinfret). Had I voted I would have voted for the amendment.

Mr. SPEAKER: On the point of order raised by the hon. member for London, I must rule that he was strictly in order.

Mr. BRACKEN: I move that your ruling be made unanimous.

Mr. HOWE moved the third reading of the bill.

Motion agreed to, on division, bill read the third time and passed.

On motion of Mr. Mackenzie the house adjourned at 5.55 p.m.

Thursday, June 6, 1946.

The house met at three o'clock.

TAXATION

AGREEMENT BETWEEN CANADA AND UNITED KINGDOM

Right Hon. L. S. ST. LAURENT (Acting Secretary of State for External Affairs): On behalf of the Secretary of State for External Affairs I wish to table copies of two agreements for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and with respect to duties on the estates of deceased persons between Canada and the United Kingdom, signed in London yesterday and being tabled in the House of Commons in London to-day. I understand that the Minister of National Revenue has a statement to make in regard to these agreements.

Mr. BRACKEN: Has the minister copies immediately available?

Mr. ST. LAURENT: Copies have been mimeographed, and I have tabled three of them.

Mr. COLDWELL: Could they be printed in *Votes and Proceedings* so that they would be available? Are they too long for that?

Mr. ST. LAURENT: They are quite long, they are printed in the treaty series of external affairs and will be available in pamphlet form for the convenience of members of the house.

Mr. COLDWELL: Thank you.

Hon. J. J. McCANN (Minister of National Revenue): I wish to make a statement with reference to the agreements which have just been tabled. The above mentioned agree-

ments, *inter alia*, affect, as to Canada, income tax, excess profits tax and succession duties; as to the United Kingdom, income tax, excess profits tax, national defence contributions, and estate duty.

Income tax, excess profits tax, national defence contributions:

(a) As to both countries, the industrial and commercial profits of a branch are to be initially taxed in the country of source, with credit for the tax so paid in the country of receipt, if the same profits are there subject to tax;

(b) Profits of ships and aircraft are taxed only in the country of residence of the taxpayer;

(c) Canada may deduct up to fifteen per cent at the source in respect of dividends, interest and other like income going to the United Kingdom;

The United Kingdom forgo their claim for surtax on income arising in the United Kingdom coming to Canada.

Each country will give credit for the taxes paid in the other;

(d) Both countries exempt copyright payments from taxation at the source, except rents and royalties in respect of motion picture films;

(e) The salaries of Canadian civil servants shall not be subject to tax in the United Kingdom, and vice versa;

(f) Canada will not tax a United Kingdom resident who earns income in Canada through personal presence in Canada if he is not in Canada over 183 days, and vice versa;

(g) Pensions and annuities arising in the United Kingdom, payable to residents of Canada, other than government pensions, shall be exempt from United Kingdom tax, and vice versa;

(h) Professors and teachers shall be exempt when temporarily in one of the countries for periods not exceeding two years;

(i) A student or business apprentice of one of the countries while in the other country for educational or training purposes, shall be exempt from tax on payments for his maintenance from the country of his permanent residence;

(j) There shall be reciprocal exchange of information on request but for reason either may refuse to give the information;

(k) The agreement may be extended to colonies or protectorates imposing taxes substantially similar to those mentioned herein, but the subsequent cancellation of any such agreement does not affect the agreement between the United Kingdom and Canada;