

return, the agent being personally responsible, can, instead of deducting on the gross, deduct on the net and remit it to the department. But if the non-resident subsequently fails to carry out his undertaking the agent will be personally responsible. That is the chance he takes if he wants to take this election.

Hon. Mr. HAYDEN: It is beneficial.

The section was agreed to.

On section 42—administration of oaths.

The CHAIRMAN: This section deals with the administration of oaths.

Mr. GAVSIE: I am told that this provision is in other Dominion statutes, such as unemployment insurance. The minister may authorize officers of the department to take the oaths, rather than go say to the Superior Court and have a commission issued.

The section was agreed to.

On section 43—French version amended.

Mr. GAVSIE: This is a correction in the French version of the Act. It appears in the first line. The sense of the old Act was that if a person gives a release to a party after we have issued a so-called letter of garnishment—what it really meant was, if he pays his debt after he gets this letter he is still personally liable. In other words, having got the letter of garnishment from the department he cannot discharge his debt. The French version said that he grants a discharge when it really means that he discharges his obligation by paying. It is to correct the French version.

The section was agreed to.

On section 44—withholding taxes.

Mr. GAVSIE: The first part is made necessary because of the new Bankruptcy Act containing the priority or privilege, so we are now removing the reference to the Bankruptcy Act.

Subsection (1) was agreed to.

Mr. GAVSIE: Subsection (2) is to correct in inadvertent change that was made in the new act as compared to the old bill. It provided for a penalty on failure to remit the withholding tax. It provided a penalty of the amount of the tax, whereas in the case of a resident it should only be a percentage. That has been the penalty; and this puts it in line with the way it was under the Income War Tax Act.

The CHAIRMAN: This limits it to 10 per cent?

Mr. GAVSIE: That is right.

Subsections (2) and (3) agreed to.

The section was agreed to.

On section 45—"corporation" and "corporation incorporated in Canada".

The CHAIRMAN: This seems to deal with certain definitions.

Mr. GAVSIE: Yes, amendments to the definitions.

The CHAIRMAN: Which are contained in section 127 of the Income Tax Act.

Mr. GAVSIE: The amendment is required, since Newfoundland has come into Confederation, to make sure that "corporation" includes a corporation incorporated in any part of Canada before or after it became part of Canada.

Subsection (1) agreed to.

On subsection (2):

Dr. EATON: This is part of that amendment we spoke of some time ago, whereby Canadian holders of United States Steel and Chrysler, etc., would not be taxable in respect of capitalization or stock dividends declared or paid by a United States corporation.