

Excess profits tax; disposition of funds
borrowed on refundable portion

29. The Minister of National Revenue reported that, for the first time, the question had arisen of the expenditure abroad of funds borrowed upon the assignment of the refundable portion of taxes paid under the Excess Profits Tax Act.

A U.S. company had proposed to expend in Connecticut funds borrowed in Canada in this manner. The regulations stipulated no geographical limitation but it was thought undesirable to permit expenditure outside the country since the object of the borrowing provision had been to increase employment and assist in industrial reconversion in Canada. It was, therefore, proposed to rule in this sense.

30. The Cabinet, after discussion, noted with approval the Minister's intention in this respect.

A.D.P. Heeney,
Secretary to the Cabinet.

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