

assets, assets not actually employed in the production of profits, and assets producing tax-exempt income, shall not be included.

13. That there be allowed a tax credit in respect of the amount of excess profits tax or similar tax paid to the government of the United Kingdom or to the governments of other members of the British commonwealth of nations or to the governments of allies of the United Kingdom, if such governments allow a reciprocal credit for Canadian-paid excess profits tax.

14. That the act shall apply to the profits of the year 1940, and in the case of a fiscal period ending in 1940 prior to December 31, that the act shall apply to that proportion of the profits thereof which the number of days of the said fiscal period in the year 1940 bears to the total number of days of such fiscal period.

SPECIAL WAR REVENUE ACT

Resolved, that it is expedient to introduce a measure to amend The Special War Revenue Act, and the amendments thereto and to provide,

1. That section seventy-six of the said act be repealed and the following substituted therefor:—

“76. (1) Except as hereinafter provided, every manufacturer and every importer of matches shall affix to every package of matches manufactured by him or imported into Canada, an adhesive or other stamp of the value of one cent for each one hundred matches or fraction of one hundred matches contained in such package.

(2) When matches are put up in packages containing not more than fifty matches and not less than thirty-one matches each, the tax shall be payable at the rate of one-half of one cent for each package, and when matches are put up in packages containing not more than thirty and not less than twenty-six matches each, the tax shall be payable at the rate of three-tenths of one cent for each package, and when matches are put up in packages containing not more than twenty-five and not less than twenty-one matches each, the tax shall be payable at the rate of one-fourth of one cent for each package and when matches are put up in packages containing less than twenty-one matches each, the tax shall be payable at the rate of one-fifth of one cent per package.

(3) No manufacturer or importer shall sell or import matches unless they are in packages.”

2. That subsection one of section seventy-seven A of the said act be amended by providing that the excise tax on packets of cigarette papers be increased from two cents to five cents for each one hundred leaves or fraction thereof contained in such packet.

3. That subsection two of section seventy-seven A of the said act be amended by providing that the excise tax on packages of cigarette paper tubes be increased from two cents to five cents for each one hundred cigarette paper tubes or fraction thereof contained in each such package.

4. That subsection four of section eighty-six of the said act be amended by increasing the tax from eight per cent to twelve per cent upon the current market value of all furs dressed and/or dyed in Canada.

[Mr. Ralston.]

5. That the said act be amended by adding thereto after section eighty-eight the following section:

“88A. (1) In addition to any duty or tax that may be payable under this Act, or any other statute, there shall be imposed, levied and collected a war exchange tax of ten per cent on the value for duty of all goods imported into Canada, payable by the importer or transferee who takes the goods out of bond for consumption at the time when the goods are imported or taken out of warehouse for consumption.

(2) The tax imposed by this section shall not apply to any goods imported into Canada,—

(a) which are entitled to entry under the British preferential tariff, or under trade agreements between Canada and other British countries;

(b) Which are entitled to entry under Customs Tariff items 360, 460, 690, 690a, 696a, 700, 700a, 701, 702, 703a, 704, 705, 705a, 706, 707, 708, 709; or to fish caught by fishermen in vessels registered in Canada or owned by any person domiciled in Canada and the products thereof carried from the fisheries in such vessels.

(3) Where the Wartime Prices and Trade Board reports to the government in council that any producer or producers of goods have taken advantage of the tax imposed by this section to increase the price of such goods by an amount greater than is justified by any increases properly arising from such tax in the cost of materials or parts entering into the production of such goods or to maintain prices of such goods at levels greater than are so justified, the Governor in Council may, upon the recommendation of the said Board, impose upon all or any of the products of any such producer an excise tax at a rate not to exceed ten per cent of the selling price of such products for such period of time as he may determine, remove or reduce customs duties applicable thereto for such period of time as he may determine, fix the prices thereof and/or take such other measures and impose such penalties as he may determine.”

6. That the provisions of section eighty of the said act levying taxes on articles manufactured or produced in Canada enumerated in schedules I and II to the said act be amended to provide that the taxes mentioned therein shall apply at the time of delivery.

7. That schedule I to the said act be amended by repealing section one thereof and substituting therefor the following:—

“1. (a) Automobiles adapted or adaptable for passenger use, with seating capacity for not more than ten persons each, valued at

\$700 or less..... 10 per cent.

Over \$700 but not more

than \$900 10 per cent on \$700
plus 20 per cent
on the amount in
excess of \$700.

Over \$900 but not more

than \$1,200 10 per cent on \$700
plus 20 per cent
on \$200 plus 40
per cent on the
amount in excess
of \$900.

Over \$1,200 10 per cent on \$700
plus 20 per cent
on \$200 plus 40
per cent on \$300
plus 80 per cent
on the amount in
excess of \$1,200.