

included in the War Exchange Conservation Bill which will enable the Government to enter into agreements with certain exporters providing for special tax credits or special depreciation or depletion allowances under the tax laws in order to make possible expansions of exports that would not otherwise take place.

Under the proposed amendment to the "Special War Revenue Act" the excise tax on passenger automobiles will be increased from 10 per cent to 20 per cent on the first \$700 of the manufacturers' price, the progressively higher rates on the additional value above \$700 being left at the figures established in June. The existing tax rate of 10 per cent on cameras, phonographs, radios and radio tubes will be increased to 25 per cent on the manufacturers' price. This rate will also apply as a new excise tax on: electric and gas stoves, refrigerators, water heaters and light fixtures; slot and vending machines; and the following electrical appliances—washing machines, vacuum cleaners, toasters, grills, irons, curlers, razors and other minor items.

The Minister explained that it was not desired that the production of these mechanical types of durable consumers' goods should expand to meet the demand created by the restriction of imports, nor that prices and profits should be increased by simply restricting their production. Rationing to prevent increased prices, would be difficult for such articles. The demand for nearly all these things has already been increased considerably by wartime spending and it is believed that these taxes will not curtail production beyond the degree that is and will be required by the labour and material requirements of the Department of Munitions and Supply.

The Minister emphasized that these various measures were temporary wartime measures for the purpose of saving foreign exchange and not for protecting industry, and that no vested interest in them would be recognized. In order to ensure that advantage is not taken of the import restrictions to raise prices of Canadian produced goods, there is to be included in the Bill a provision to enable the Government to suspend these restrictions and any duties, upon imports of any commodity in respect of which it is found that domestic producers are raising or maintaining prices unjustifiably behind the protection of this measure and to enable the Government to involve direct penalties by way of special tax levies on any such profiteers.

4. REVISION OF FOREIGN EXCHANGE CONTROL BOARD REGULATIONS, EFFECTIVE JANUARY, 1, 1941

A new section has been added to the Foreign Exchange Control Order requiring every resident of Canada to obtain a permit from the Foreign Exchange Control Board before leaving Canada for any purpose. "Resident