

War Charities Act

Mr. MacNICOL: And will the minister also receive the \$2,000 allowance for his car?

Mr. MACKENZIE KING: I think he would be terribly disappointed if he did not.

Resolution reported, read the second time and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 10, to amend the Salaries Act.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

WAR CHARITIES ACT

MEASURE TO PROVIDE FOR THE REGISTRATION OF CHARITIES

Right Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 11, relating to war charities.

Motion agreed to and bill read the first time.

Mr. LAPOINTE (Quebec East) moved the second reading of the bill.

Some hon. MEMBERS: Explain.

Mr. LAPOINTE (Quebec East): Mr. Speaker, I have been requested to give some explanation of this bill. During the last war, in 1917 it was found necessary to pass a similar bill for the purpose of registering all war charities and preventing abuses which had grown up in connection with subscriptions thereto. In many places throughout Canada people were being asked to subscribe to various charities which were not coordinated in any way. It was thought that it might not be necessary to introduce such a bill at the outset of the present war, and we had decided to wait until the regular session. However, people interested in these welfare subscriptions came to us and pointed out that legislation was absolutely essential. These gentlemen, many of whom were from Toronto, were quite frank in voicing their apprehension that people would be greatly embarrassed by promoters of alleged charities. Under the provisions of this bill no such fund can be started without its being registered. The present bill is much the same as the one enacted in 1917, except for a few changes suggested by those interested.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

EXCESS PROFITS TAX ACT

Hon. J. L. ILSLEY (Minister of National Revenue) moved for leave to introduce Bill No. 12, the Excess Profits Tax Act.

[Mr. Mackenzie King.]

Motion agreed to, bill read the first and second times, and the house went into committee thereon, Mr. Sanderson in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. MANION: Are the definitions in this bill the same as those in the previous bill, the definition of capital, for example?

Mr. ILSLEY: There are some changes as improvements have been made in the light of the experience gained under the other act. I have one or two amendments to suggest to section 2. The first sub-paragraph in subsection 2 of section 2 is lettered "(i)." I am suggesting that this be changed to a capital "A". Then in the last line but one on page 1 there is a sub-paragraph lettered "(ii)". This is to be changed to a capital "B". Then after the word "period" in line 22 on the first page the following words are to be added, "or deemed to have been received by shareholders thereof under section 13 of the Income War Tax Act." Then on page 2, line 9, the small "(i)" is to be changed to a capital "A". I will ask my colleague, the Minister of Transport to move these amendments.

Mr. HOWE: I move accordingly.

Mr. ILSLEY: The hon. member for Rose-town-Biggar (Mr. Coldwell) asked me for certain information which I said I would give him when we were considering the bill. As I understood his question, it was what the tax would be in connection with a profit of ten per cent made by a company having a capital of \$1,000. He wanted to know how much would be left in the hands of the corporation as a return. The combined income war tax and business profits tax would be \$21.20. This would leave \$78.80 in the hands of the corporation, or 7.88 per cent on the capital. Of course individual shareholders would again be taxed if their total income were sufficient.

The hon. member for York South (Mr. Lawson) asked if these changes in the rate of corporation income tax affected non-resident owned investment corporations, and I told him I thought not. I find that is not correct. I find that the non-resident rate is changed because the rate is one-half the corporation rate, and therefore moves up with the corporation rate. When the corporation rate is raised from 15 to 18 per cent, the non-resident rate moves from 7½ to 9 per cent.