6. That a tax of five per centum be imposed upon Canadian residents with respect to all interest or dividends paid or payable by Canadian debtors in a currency which is at a premium in excess of five per centum in terms of Canadian funds.

7. (a) That the income accrued or earned during the life of any deceased person shall, when paid, be taxable income in the hands of his executors or trustees.

(b) That income received by executors or trustees and capitalized shall be taxable income of such executors or trustees.

8. (a) That the qualifications of personal corporations as set forth in the act shall be extended to include revenue derived from the hire of chattels or from charter party fees.

(b) That a company shall not be deemed to be a personal corporation if it carries on an active commercial or industrial business.

9. That as a means of insuring the collection of tax from non-resident transient persons who earn salary, fees, commissions or other remuneration in Canada, there shall be withheld an amount of fifteen per centum of such remuneration as a credit against the tax found due upon the filing of the income tax return of such person.

10. That the rate of tax applicable to rents and royalties payable to non-residents of Canada shall be on the gross amount thereof, and in the case of non-resident corporations the rate shall be fifteen per centum, and in the case of non-resident persons other than corporations the rate shall be five per centum, and the Canadian debtor shall withhold such tax before making payment to the non-resident.

11. That the rate of tax applicable to corporations shall be eighteen per centum (in the case of consolidated returns twenty per centum) on the profits of the year 1940, and in the case of fiscal periods ending in 1940 prior to December 31, the said rate 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.

12. That the section of the act in respect of depreciation be amended to provide for the elimination of duplicate depreciation in respect of assets after their transference to persons who have substantially the same equity or interest in the said assets after their transfer as they had before the transfer.

13. That the distribution of otherwise tax free profits of a family corporation made after 31st December, 1942, shall render such profits so distributed liable to income tax.

14. That the act be amended to prevent evasion by giving power to the treasury board to direct that a taxpayer be assessed without regard to any transaction or reorganization which in the opinion of the treasury board, is of a specious character designed to avoid or minimize tax, whether any such transaction or reorganization was entered into with persons or corporations resident outside or within Canada.

15. That in order to prevent evasion the Minister of National Revenue (hereinafter called the minister) shall have power to determine what are reasonable disbursements for advertising, repairs, salaries and other operating and administrative expenses.

16. That the amount paid by proprietors of a business, other than a corporation, by virtue

of the Excess Profits Tax Act shall be allowed as a deduction from their incomes for purposes of income tax in proportion to their interests in the said business.

17. (1) That the definition of income be clarified and extended to cover the amount of annuity payments made to life annuitants under purchased annuity contracts.

(2) That the exemption now accorded to dominion government annuities and like annuities sold by provincial governments and insurance companies shall not apply in respect of all contracts issued subsequent to June 24, 1940, nor to contracts or extensions of contracts made since that date to holders of options or contractual rights in existence at that date.

(3) That purchasers of annuities be entitled to deduct the annual amounts paid out by them in purchasing annuity contracts not to exceed $300 per year.

18. (1) That in addition to the income tax there be imposed a national defence tax on all persons in respect of their income,

(a) in the case of married persons, of two per centum on the total net income if the income exceeds $1,200 per year;

(b) in the case of single persons, of two per centum on the total net income if the income exceeds $600 and does not exceed $1,200 per year; or three per centum if the said income exceeds $1,200 per year.

Provided, however, that if the effect of such tax would be to reduce the income of any person below the relevant amount specified above, then to the extent it would so reduce the income the tax shall not be exigible;

Provided, further, that there shall be allowed a tax credit on an amount of $400 at a rate equal to two per centum in respect of each dependent child or grandchild, brother or sister of the taxpayer under twenty-one years of age, and each child, grandchild, brother, sister, parent, or grandparent over twenty-one years of age dependent on account of mental or physical infirmity and resident in Canada;

(2) That every employer be required to deduct the tax imposed in respect of earnings of the employee earned or accruing due during and after July, 1940;

(3) That every employer remit the tax collected at the source on the sixteenth day of September, 1940, and on the fifteenth day of each month thereafter;

(4) That incorporated companies paying interest on bonds or other like obligations registered as to interest, or paying dividends, irrespective of the amount, to persons on record in their office or that of their agents, be required to deduct and collect the taxes imposed from each payment made to residents of Canada, paid in the case of interest, and declared and paid in the case of dividends, after the twenty-fourth day of June, 1940;

(5) That each incorporated company remit the tax collected at the source in respect of interest and dividends on or before the fifteenth day of the month immediately following the date of payment, the first remittance however to be made on the sixteenth day of September, 1940;

(6) That every person liable to taxation in respect of whom the deduction of the national defence tax on the full income has not been made be required, on or before the thirtieth day of April in each year, to deliver to the minister a return of his total income during the preceding year and pay the tax as in the Income War Tax Act provided;