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Tabled in the House of Commons
by the Honourable Marc Lalonde
Minister of Finance
February 15, 1984

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**Supplementary Information and
Notices of Ways and Means Motions
on the Budget**

**Tabled in the House of Commons
by the Honourable Marc Lalonde
Minister of Finance
February 15, 1984**



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Supplementary Information

Expansion of the Youth Opportunity Fund

Strong economic recovery has led to a substantial increase in the number of Canadians at work. Nevertheless, the government believes that direct action to create jobs remains essential. And young people, with unemployment rates significantly higher than those of other workers, are the highest priority.

The Speech from the Throne announced the establishment of a \$1 billion Youth Opportunity Fund to assist young people to acquire new skills and find jobs in the private, voluntary and public sectors. The budget includes a measure to allocate an additional \$150 million to the Fund in 1984-85.

Continued Wage and Price Restraint

In June of 1982 the government introduced the 6&5 Program as a means for significantly reducing the rate of inflation, which was around 12 per cent at the time. The 6&5 strategy called for "Canadians to lower their demands for income increases to 6 per cent during the 12 months ending in July 1983, and to 5 per cent in the following 12-month period". Although participation in the program was voluntary for most sectors of the economy, three elements were made mandatory:

- (i) under the Public Sector Compensation Restraint Act, wage rate increases of federal employees were restricted to 6 and 5 per cent respectively in the two contract years following the announcement of the program;
- (ii) by legislation, indexation factors applicable to personal income tax exemptions and tax brackets, family allowances, and old age security were limited to increases of 6 and 5 per cent respectively for the two years commencing January 1, 1983; the indexation of pensions of public servants was also limited;
- (iii) by Treasury Board directives, prices established under federal jurisdiction were limited, with exceptions only where justified, to increases of 6 and 5 per cent respectively for the two years following June 28, 1982.

In addition to these three binding elements, the government took two additional steps to enhance support for the 6&5 Program. First, the government initiated an active consultation process with other sectors of the economy, including the formation of a committee of business representatives. And second, the government, in its procurement and industrial assistance programs, asked its suppliers of goods, services, and capital, as well as firms receiving government assistance, to make best efforts to limit their price and wage increases to the 6&5 guidelines.

The 6&5 Program will begin to be phased out in July of 1984. Because of the phased nature of entry into the program, the process of exiting from it will be spread over the year following July. Although inflation is expected to average around 5 per cent in this period, continued restraint will be required to contain cost pressures and to reduce inflation even further.

Extending the 6&5 Program in its current form could create difficulties for many sectors of the economy. The government expects continued wage and price discipline to be exercised in the private sector and recognizes that a national guideline could introduce distortions into private sector wage and price decisions. For this reason, a new national guideline is not being proposed. As well, legislated limits on indexing transfer payments and the income tax system will not be extended. Effective January 1, 1985, family allowance payments, old age security payments, public service pensions, and income tax brackets and deductions will again be adjusted to reflect actual increases in the cost of living.

The government recognizes, however, that the public sector has an ongoing responsibility to exercise discipline in its wage and price decisions and this discipline can result only from firm policy guidance. The federal government will continue to meet this responsibility through the following steps:

- The existing policy of limiting price increases on goods and services sold by federal departments and agencies, federal Crown corporations and industries regulated by the federal government will be extended for a third year. The price guideline will be reduced from 5 per cent to 4 per cent for this period.
- Mandatory wage controls will not be extended. The government will return to collective bargaining. No catch-up payments will be allowed. The government will bargain with its employees in good faith according to the following four principles:
 - federal compensation settlements will contribute to reducing inflation and will be fiscally responsible;
 - compensation comparisons with the private sector will take into account not only wages, but also other conditions of employment such as job security, pensions, other benefits, hours of work, etc.;
 - federal compensation should not exceed compensation in the private sector for comparable jobs;
 - compensation packages will be designed to ensure that settlements encourage increased productivity, improve performance and recognize and reflect relative job responsibilities.

Should specific cases arise where public sector arbitration awards or settlements in Crown corporations are excessive when measured against these principles, or where reasonable settlements cannot be achieved without long and disruptive strikes damaging to the public interest, the government will ask Parliament to legislate a wage settlement.

- The President of the Treasury Board will undertake consultations with labour and other interested groups on proposals to amend the Public Service Staff Relations Act. This legislation, which sets the framework for collective bargaining in the federal public service, has not been updated since it was adopted in 1967. Both the government and public sector unions will wish to consider changes to modernize it.

Partnership for Competitiveness and Productivity

Employee Profit-Participation Plans

The budget proposes a measure that would provide tax assistance to Employee Profit-Participation Plans. Such plans are essentially arrangements whereby the employer agrees to share a part of business profits with his or her employees. Such arrangements have been found to lead to better labour-management relations, increased productivity growth and more effective control over costs and inflation. It is proposed that, starting in 1985, profits allocated to Employee Profit-Participation Plans be eligible for an income tax credit of about 10 per cent. This tax credit will be shared 60 per cent by the employees and 40 per cent by the employers.

To qualify for this tax credit, a plan must meet certain conditions. These minimum requirements will permit the flexibility in plan design necessary to suit the variety of circumstances faced by businesses.

- All employees must be eligible to participate.
- A labour-management committee must be established to advise on the definition of profits to be used and the profit-sharing formula. The committee will also review the operations of the plan.
- The plan must establish a formula which allocates at least 10 per cent of profits earned by the firm in a year to the plan. The definition of profits must be accepted by the labour-management committee and approved by Revenue Canada. No upper or lower dollar limits can be set on the amount of profit to be shared. The share of profits going to the plan may increase or decrease as profits increase, but if it decreases, the lowest rate of profit-sharing permissible on incremental profits will be 10 per cent.
- The profits must be distributed among the employees in an equitable and timely manner. In general, allocation of profits among members should be directly proportional to the relative size of their wages. Other allocation formulas could be approved as long as there is no bias favouring higher-paid employees. In any event, "top employees" as a group will be restricted to a maximum of 20 per cent of the profit share. Top employees are defined as employees not dealing at arm's length with the employer (such as relatives of the owner), employees owning more than a 10-per-cent interest in the company, or employees earning more than \$60,000 in the year.

By giving employees an opportunity to participate in the financial performance of their companies, Employee Profit-Participation Plans foster a climate in which workers are more willing to consider new techniques of operation because they share in the resulting benefits. In addition, these plans can contribute indirectly to greater

productivity by facilitating a more participative and co-operative relationship between employers and employees in the workplace.

It is proposed that legislation be introduced to allow such plans to begin operating in 1985.

Further details about the proposed tax assistance for Employee Profit-Participation Plans are contained in a separate discussion paper entitled *Gain Sharing for A Stronger Economy*.

Employee Stock Option Plans

Currently when an employee of a corporation, other than a Canadian-controlled private corporation, acquires a share pursuant to a share purchase option offered by his employer, he is treated as having received a benefit from employment, in the year he acquired the share, equal to the amount by which the fair market value of the share at the time the option is exercised exceeds the exercise price. Similar rules apply where the taxpayer sells the option rather than buying the shares offered under the option.

To encourage more widespread use of employee stock option plans which promote greater employee participation and increased productivity, the budget proposes that only 50 per cent of the benefit included in income be taxed. This treatment will apply where the option is a qualifying share purchase option granted after February 15, 1984. The existing special tax treatment of stock options granted to employees of Canadian-controlled private corporations will not be affected by this measure.

A share purchase option will qualify for this deduction if, at the time the option is granted, the exercise price for the share is not less than the fair market value of the share at that time, the employee deals at arm's length with the corporation, and the shares are equity shares falling within the definition of "qualifying shares" for the purposes of the share-purchase tax credit.

Simplifying Taxes for Small Businesses

A discussion paper entitled *Simplifying Taxes for Small Business*, presented with this budget, reviews the existing system of income taxation for small business corporations and presents a number of proposals to simplify that system. These proposals arise from extensive consultations over the past year with representatives of small business and tax practitioners involved with small business. Comments on the proposals are requested by April 15, 1984. In order to facilitate further consultation, the paper includes draft legislation required to implement the proposals contained in it.

The proposed changes to the small business tax system will have a number of important results. They will:

- simplify and shorten the corporate income tax form;
- reduce the costs of tax compliance for small businesses;

- increase access to tax savings for growing small businesses; and
- reduce, by over two-thirds, the amount of the legislation relating to the low tax rate for small business.

Currently, the low 25-per-cent small business tax rate is available on the first \$200,000 of annual income for eligible firms with less than \$1,000,000 of accumulated income. The cumulative income limitation is a source of considerable complexity in the small business tax system. Defining it results in complex and lengthy tax law. Provisions of the law relating to the “cumulative deduction account”, which are required for this purpose, are some of the most difficult provisions in the Income Tax Act. Keeping track of cumulative income also requires involved record keeping and calculation by some 290,000 small business corporations. The additional precision achieved by the cumulative limit is not justified in light of the complexity it creates. It is therefore proposed that this restriction on access to the low tax rate be eliminated. This means that the low small business tax rate would be available on up to \$200,000 of active business income a year earned by any Canadian-controlled private corporation.

The business income of certain Canadian-controlled private corporations is currently taxed at an intermediate tax rate of 33½ per cent. These businesses, referred to in the law as “non-qualifying businesses”, are the professional practices of accountants, dentists, lawyers, medical doctors, veterinarians, chiropractors and certain types of service businesses which have been incorporated. The rules relating to non-qualified business income were introduced before the enactment of the 12½ per-cent dividend distribution tax which achieves many of the same results for these businesses. These relatively complex rules can thus be repealed.

Changes to simplify the tax provisions affecting personal services businesses, specified investment businesses and corporate partnerships are also being proposed in the discussion paper.

In the case of personal services businesses and specified investment businesses, the rule requiring five “arm’s length” employees in order for income from such businesses to receive the small business tax rate will be modified to remove the arm’s length requirement. This will simplify compliance. In the case of corporate partnerships, the lengthy and complicated rule dealing with corporations that are members of several partnerships will be replaced by a generally-worded anti-avoidance provision.

It is proposed that these changes to the taxation of small business come into effect for taxation years ending in the calendar year following that in which the implementing legislation receives Royal Assent.

The consultative process also identified a number of areas, which, while not part of the small business tax provisions, imposed a particular compliance burden on small business. These problems arose in the area of tax instalment payments and the calculation of certain employee benefits. Changes to these and other provisions to simplify compliance are to be enacted immediately.

The total federal revenue cost of the changes to the small business tax system will be approximately \$150 million in the first full year.

Aid-Trade Fund

The budget establishes a fund which will support an expanded role for the private sector in Canada's international development efforts. By 1990, as much as \$1.3 billion may be allocated to the fund to provide financing for projects in developing countries for which Canadian firms are competitive and for which development assistance financing is required.

This new fund will be an important means of achieving the government's objective to increase its assistance to developing countries to 0.5 per cent of gross national product by the middle of the 1980s and 0.7 per cent by the end of the decade. As much as one-half of Canada's increased expenditures on development assistance will be allocated to the fund.

In establishing the new fund, the government is giving recognition to the need to ensure closer co-ordination of our development assistance and our export financing policies. This new instrument will be in line with facilities offered by other donor countries and in line with the needs of many developing countries.

Until the new fund is operational, the government will ensure, through the Special Recovery Export Financing Fund, that Export Development Corporation (EDC) resources are adequate to meet the demand for project financing on concessional terms. The Special Recovery Export Financing Fund of \$180 million was established in the April 1983 budget to enable the EDC to seek out new export opportunities.

The government will develop guidelines for the use of this fund in consultation with the business community.

Sales Tax Measures

The federal manufacturer's sales tax has been studied extensively over the past 30 years. All the studies have concluded that the majority of difficulties with the present system stem from the trade level at which the tax is imposed. These difficulties could be eased by changing the level at which the sales tax is levied either to the retail or wholesale levels. Given the difficulties in seeking a federal and provincial agreement on a common system for a retail sales tax, the government decided to examine the option of shifting the sales tax to the wholesale level.

On February 10, 1983, the government appointed the Federal Sales Tax Review Committee to allow a further opportunity for consultation and re-examination of the sales tax issues. The committee concluded that a shift in the tax to the wholesale trade level would produce only marginal improvements in the system and that these would not justify the disruption that it would cause.

The government accepts the basic recommendation of the committee not to proceed with the wholesale tax legislation. The tax will continue to apply at the manufacturer's level for most goods. Rather than changing the general application of tax, the government will review any identified inequities in the application of tax on a sector-by-sector basis and make appropriate changes in the trade level at which the tax is imposed in the given sector or for specific goods.

The government is proceeding with the committee's recommendation that a full and proper system of assessment, objection and appeal be enacted. The committee's recommendations to provide a refund of tax on sales that become bad debts, to credit interest on overdue tax refunds, and to correct other technical and administrative deficiencies in the Excise Tax Act are also being implemented.

A further issue that has received considerable discussion is the codification of current valuation rules in the Excise Tax Act. Given the complexity involved, the government does not propose to proceed with the codification of valuation rules in legislation at this time. Revenue Canada will continue its current practice of allowing taxpayers to base their sales tax liability on "established" and "determined" values where they make sales to retailers or consumers. Although this system does not have legal sanction, manufacturers are familiar with it and have found it satisfactory. It allows adequate flexibility to accommodate a wide variety of pricing practices.

The sales and excise tax changes proposed in this budget are described in greater detail below.

Wholesale Tax for Motor Vehicles

Motor vehicles produced in Canada now attract the 9-per-cent federal sales tax calculated on the basis of their sale price to retailers. Motor vehicles produced outside Canada attract the 9-per-cent tax calculated on the basis of their duty-paid value. These different tax bases cause imported and domestically produced vehicles sold in Canada to attract different sales tax burdens. An extensive survey of domestic and imported vehicles indicates that vehicles produced in North America attract \$100 to \$200 more tax than comparable vehicles produced in Japan or Europe.

To address this disparity, the budget proposes to shift the application of tax on highway vehicles, including motorcycles, from the manufacturer's level to the wholesale level. This will cause all highway vehicles to be taxed on their sale price to retailers in Canada irrespective of their origin. It does not change the burden on Canadian vehicles as they are already taxed on their sale price to automotive dealers. The change will lead to a reduction in tax on vehicles made in the United States of America and an increase on Japanese and European vehicles reflecting the current differences in the duty-paid value and the sale price to retailers of such vehicles in Canada. The net impact of the change will be a decrease in federal revenues of approximately \$10 million per annum. This measure will come into effect on March 1, 1984.

Interest Payments

Interest will be paid on all sales tax refunds and overpayments which are outstanding more than 60 days after a valid application for refund has been filed with National Revenue. This proposal responds to the concern that, although charges are levied on late sales tax remittances, interest has not been payable on taxes overpaid.

The current penalty of 1½ per cent per month imposed for late tax remittance will be separated into a penalty of ½ per cent per month and interest charged at a prescribed rate. A single rate of interest will be prescribed for both late tax remittances and tax refunds payable to taxpayers.

Bad Debts

Licensed manufacturers will have the opportunity to recover sales tax paid in respect of sales made on credit to customers from whom they are unable to collect payment in whole or in part. The provision will allow licensed manufacturers who have incurred debt losses to apply for a refund of sales taxes paid on sales accounts written off as bad debts.

Assessments and Appeals

The budget proposes that a formal system of assessment and appeals, similar to that proposed as part of the wholesale tax, be incorporated into the Excise Tax Act. The key elements of the new system are outlined below.

Upon completion of an audit, the Minister of National Revenue will issue a notice of assessment to the taxpayer. Except in cases of fraud, evasion or gross negligence, the assessment will be limited to transactions which occurred in the four-year period preceding the commencement of the audit. Amounts assessed will be payable within 30 days. Where, as a result of an audit, the Minister concludes that taxes have been overpaid, the assessment will indicate that no taxes are owing and a refund of the overpayment will be made.

If a taxpayer disagrees with an assessment or with the disallowance of all or part of a refund claim, he will have 180 days to file a notice of objection with National Revenue, Customs and Excise. The Minister will consider the taxpayer's objection with all due dispatch and either confirm the original assessment or disallowance of a refund, or issue a written notice varying or vacating the assessment or disallowance. The taxpayer will then have 90 days to initiate an appeal.

The current administrative practice of informal negotiation between a taxpayer and National Revenue on issues in dispute will be retained. A substantial number of problems can be resolved successfully through discussion without resort to formal appeals to the courts. Also, the existing practice of allowing taxpayers and their representatives to make direct representations to National Revenue concerning tax rulings and administrative procedures will continue unchanged.

Taxpayers will be allowed to appeal decisions of the Minister to either the Tariff Board or the Federal Court, Trial Division. The jurisdiction of the Tariff Board, which currently extends only to questions of exemptions and tax rates, will be expanded to include the status of a person as a producer or manufacturer. If a suitable system of notional values can be codified at some future time, the jurisdiction of the Tariff Board will be expanded to include all aspects of assessments and disallowances of refund claims. Appeals of Tariff Board declarations will be made to the Federal Court. Where the Minister of National Revenue appeals a declaration of the

Tariff Board and the amount in dispute is less than \$10,000, the legislation will require the Federal Court to award costs to the taxpayer, regardless of the outcome of the appeal. This will assist small taxpayers in defending their claims before higher courts.

Marginal Manufacturing

The provision regarding marginal manufacturing was introduced in January 1981 to cover a wide range of activities not all of which were specifically identified in the legislation. The Federal Sales Tax Review Committee and others in the business community have expressed concern about the lack of precision of this provision. The budget proposes to delete the phrase "otherwise prepares goods for sale" and add a specific category of persons who finish goods for sale by applying coatings or finishes to the goods. These changes will clarify the administration and interpretation of the provision.

Other Commodity Tax Changes

The budget proposes to remove criminal penalties for non-payment of sales and excise tax in circumstances which do not amount to tax evasion. Imposition of criminal penalties in such circumstances is recognized as being overly severe.

Amendments are proposed to clarify federal sales tax legislation with respect to the status of returnable containers for tax exempt goods, the status of X-ray equipment used for non-medical purposes, and time periods for the filing of refund claims. The current limitation on refunds to one year from the *date of application* in the case of a change in policy will be broadened to allow all taxpayers to recover taxes paid up to one year prior to *the date of change*, provided application is made within four years of when the tax was paid. This and other technical changes designed to bring the legislation into conformity with the policy intent are to be effective from October 29, 1980, the date on which these provisions were originally introduced.

The Excise Act will be amended to allow breweries to carry on a retail business on the same premises as their manufacturing operations. This will permit the introduction of a new concept of micro-breweries called "brew-pubs". These are breweries which have a tavern for the serving and selling of beer located in the same building as the brewery.

Improving the Fairness of Tax Administration

Canada's tax system is based on the principles of self-assessment and voluntary compliance. However, because of the complexity of our tax laws, taxpayers often experience difficulties in completing their returns. It is becoming increasingly difficult for them to be sure they are complying with the law and to be sure they are claiming all the tax relief to which they are entitled. Demands have thus increased for Revenue Canada to provide information, assistance in the preparation of returns, advance rulings and other similar services to taxpayers.

In recent years the number of taxpayers has increased. At the same time, the number of taxation measures and social and economic assistance programs which Revenue Canada has been required to administer has risen dramatically. The increased complexity of the tax system has costs in terms of taxpayer compliance as well as its administration by Revenue Canada.

With the objective of examining ways that Revenue Canada might enhance its service to the public and its administrative effectiveness, and to estimate the resources required, the Minister of National Revenue has announced the appointment of a consultant, W.A. Farlinger, a senior partner of Woods, Gordon, to undertake a major review of the operations of Revenue Canada (Taxation).

A number of the budget proposals directly address the problems of complexity, compliance with, and enforcement of the Income Tax Act. The proposals in the paper relating to the taxation of small business emerged from consultations following an extensive review of the provisions of the Income Tax Act affecting Canadian-controlled private corporations. These proposals will result in a major simplification of the law for this vital sector of the economy and a significant reduction in compliance costs. In the course of consultations, a number of other specific proposals relating to compliance with and administration of the income tax were suggested. A number of measures relating to the administrative provisions of the Income Tax Act are described below. Taken together, these various measures constitute a major step in improving the fairness of the income tax system by easing the burden of administration and compliance.

Income Tax Instalments

Two changes are proposed to rules relating to tax instalments. The first change will exempt individuals with federal taxes payable of \$1,000 or less from the requirement to make quarterly tax instalments. The present rule requires payment of quarterly tax instalments by individuals with federal taxes of more than \$400. In addition, the budget also proposes to extend the \$1,000 instalment threshold to corporations. These changes will apply to the 1984 and subsequent taxation years.

Approximately 350,000 senior taxpayers will now be exempted from having to make income tax instalment payments. For example, a married taxpayer over 65 years of age who fully utilizes the interest income deduction will now be free from any requirement to pay instalments unless the couple's combined income exceeds \$18,800. In addition, some 130,000 other Canadians and upwards of 50,000 corporations will be exempt from the obligation to pay tax instalments. Most of these corporations will be small businesses and family farm corporations.

The budget also proposes to introduce an exemption for interest payable on late or deficient instalments. Where interest of \$25 or less is calculated in respect of late or deficient federal and provincial tax instalments for a year, payments of interest will not be required.

Automobile Operation Costs

Under current law, an employee who makes personal use of an automobile provided by his employer is required to include in his income the amount of any personal benefit related to operating costs such as gas, repairs, and insurance paid for by his employer. Such an employee is also required to include as income a benefit in respect of the availability of the car, referred to as the standby charge. To compute the benefit in respect of operating costs, the employer must maintain records of the total operating costs incurred for each vehicle as well as the number of kilometres the automobile was driven for both personal and business purposes by each employee. The calculation of the operating cost benefit is both complex and time-consuming.

The budget proposes an optional but simplified method of calculating this benefit. Under this method the benefit related to operating costs is calculated as one-half of the taxable automobile standby charge. The amount of the standby charge is calculated monthly at a rate of 2 per cent of the capital cost of the automobile or two-thirds of the rental cost in the case of a leased automobile. Accordingly, the optional operating cost benefit will be 1 per cent per month of capital cost or one-third of the rental cost. As the standby charge is reduced pro rata for personal use of less than 1,000 kilometers per month, a similar reduction will apply for the proposed operating cost benefit.

By keying the amount of the operating cost benefit to the automobile standby charge, the costs of compliance will be significantly reduced for a large number of employers and employees.

Costs on Appeal

Under the existing law, there is a prohibition against the awarding of costs by the Tax Court of Canada to either party on a tax appeal. The budget proposes that the Tax Court of Canada be allowed, at its discretion, to order Revenue Canada to pay up to \$1,000 of the costs of a taxpayer's appeal. In no event will costs be awarded to the Minister of National Revenue. This measure recognizes the importance of increasing the access by taxpayers to a forum in which disagreements with tax assessments can be resolved in an expeditious manner.

The Federal Court of Canada is now required in certain circumstances to award a taxpayer the costs of an appeal against a decision of the Tax Court of Canada in his favour where the appeal is instituted by Revenue Canada. The award of costs is mandatory in these circumstances where the appeal relates to an amount of disputed tax not exceeding \$2,500 or the amount of a disputed loss not exceeding \$5,000. The budget provides for an increase in these limits to \$10,000 and \$20,000, respectively.

Payments of Taxes

Two further changes relate to payments of taxes. One change would require Revenue Canada to refund any overpayment of income taxes to a person resident in Canada resulting from a successful appeal to the Tax Court of Canada or the Federal Court, even if the Minister decides to appeal that decision.

The second change applies with respect to taxes in dispute and would give taxpayers the right to provide security satisfactory to the Minister of National Revenue rather than pay the tax. Under ordinary circumstances, as long as the security remains satisfactory, the taxpayer would not be required to pay the tax until either a court decides the issue or the dispute is otherwise resolved.

Notices of Objection

Current tax rules require taxpayers to object to an assessment or reassessment of tax within 90 days from the date of the assessment. This period is very often inadequate to enable a taxpayer and his professional advisors to consider fully the issues in dispute and to discuss them with officials at Revenue Canada. In order to allow greater opportunity for the settlement of disputed assessments without the expenditure involved in filing a formal objection, the budget proposes that the present 90-day period be extended to 180 days.

Waiver of Reassessment Period

There are circumstances in which a taxpayer may wish to keep open his tax return beyond the usual four-year period beyond which reassessments can no longer be made by the Minister of National Revenue. This may occur, for example, with respect to issues in dispute that cannot be resolved within the statutory limitation period. To permit the issue to remain open, the law provides the taxpayer with the opportunity to waive the four-year limitation period with respect to any issue. Under current law, a waiver leaves the matter in respect of which the waiver was filed open for reassessment indefinitely. The budget proposes to permit a taxpayer to specify an expiry date for a waiver.

Tax Elections

To facilitate business reorganizations, the Income Tax Act permits a rollover of assets from a shareholder to a corporation or between partners and a partnership, provided that an election form is filed with Revenue Canada, Taxation within a specified period. Amendments are proposed in the budget to permit the Minister of National Revenue to accept these and certain other elections where the taxpayer has missed the statutory deadlines. In addition, a mechanism will allow the Minister to accept modifications to elections already filed.

Treasury Board Directions

Section 246 of the Income Tax Act authorizes the Treasury Board to give such directions as it considers appropriate to counteract the improper avoidance or reduction of taxes under the Act. The wide authority so provided to the Treasury Board conflicts with the spirit of the *Canadian Charter of Rights and Freedoms*. Accordingly, the budget proposes the repeal of section 246 of the Income Tax Act.

Collections

Reasonable legal means should be available to facilitate the collection of amounts which taxpayers are liable to pay. In particular, there is a growing problem in cases where employers pay employees wages that are set at an amount net of taxes, CPP contributions and UIC premiums and do not actually deduct these amounts from gross pay or remit the amounts to Revenue Canada. A major difficulty arises in these situations where lenders hold security on the assets of the employer. A review is currently under way to consider strengthening Revenue Canada's capacity to collect these amounts, including the possibility of a more effective procedure for realizing on the accounts receivable of the employer. Before proceeding with any specific proposal, it is intended that this issue be the subject of consultation with employers, lenders and other affected parties to ensure that normal commercial lending practice is not disrupted.

Partnership for Economic Security

Improving Pensions for Canadians

The budget proposes an Action Plan for pension reform containing improvements to the Guaranteed Income Supplement (GIS), the Pension Benefits Standards Act (PBSA) and the Canada Pension Plan (CPP). These measures, together with proposed improvements to tax assistance for retirement saving, put into effect many of the major reform proposals in the government's Green Paper of 1982, *Better Pensions for Canadians*. They also provide an early response to the report of the Parliamentary Task Force on Pension Reform, released on December 15, 1983.

Increase in the Guaranteed Income Supplement

Legislation will be introduced shortly by the Minister of National Health and Welfare to increase GIS benefits for single pensioners by \$50 a month. The payment will increase by \$25 a month on July 1 of this year and a further \$25 a month on December 1. This raises the guaranteed income for elderly single individuals to more than 60 per cent of the amount paid to couples, as recommended by many labour, business and women's groups.

When GIS is combined with the universal old age pension, single pensioners will be assured of a monthly minimum income of \$600 or \$7,200 a year. About 750,000 single senior citizens, three-quarters of whom are women, will benefit from the increase. The additional government support will amount to \$460 million in a full year.

Increases in GIS Benefits for Partial Old Age Pensions

Provision will also be made so that persons receiving partial old age pensions, most of whom are immigrant Canadians, will have GIS benefits sufficient to give them the same minimum income as other pensioners. About 3,000 pensioners will benefit in the coming year. The number will rise to about 25,000 by the end of the 1980s.

Action Plan for Pension Reform

Parliament will be asked to enact an overhaul of the federal Pension Benefits Standards Act (PBSA) to provide for a major advance in the quality and extent of coverage in employer-sponsored pension plans in federal jurisdiction. These changes, together with proposals for improving public pensions, are described in detail in a budget discussion paper entitled *Action Plan for Pension Reform*. The paper is intended to be read in conjunction with a separate paper on *Improved Tax Assistance for Retirement Saving*.

The proposed amendments to the PBSA will cut to two years the time for vesting in employees the pension benefits deriving from employer contributions. They will pro-

vide for either portability of pension – through a locked-in registered pension account (RPA), or a transfer to a new plan – or indexed growth of deferred pension when an employee changes employers. There will be provisions for improved survivor benefits, equal treatment of women and men, splitting of pension credits on marriage breakdown, continued payment of survivor benefits after remarriage, better information disclosure, and worker participation on pension advisory committees. Membership in employer-sponsored plans, where they exist, will be compulsory for full-time and part-time workers who meet certain age and length-of-service criteria. In the future, pensions and deferred pensions will be adjusted annually by 60 per cent of the change in the consumer price index, to a maximum annual adjustment of 8 per cent. The federal government will urge the provinces to overhaul their pension standards acts in the same manner, in order to extend these advantages to the 3.5 million pension plan members in provincial jurisdiction.

The government will also bring forward specific CPP amendments providing for mandatory credit splitting on marriage breakdown or when the younger spouse reaches 65, and continuing survivor benefits on remarriage. The government will also ensure that the “year’s maximum pensionable earnings” reach the average industrial wage by January 1, 1987. The government will introduce legislation on these proposals in the coming months if the provinces agree. Provision of improved treatment for women is the main feature of the CPP changes.

A number of more extensive changes in the Canada Pension Plan will be discussed with the provinces beginning this summer. Among them are the introduction of a homemaker’s pension in the CPP as proposed by the Parliamentary Task Force. Other Task Force recommendations, such as those concerning survivor and disability benefits, increasing the number of low-earning years that can be omitted in calculating benefits, and CPP financing will also be discussed.

The government reaffirms its commitment to ensuring that all Canadians have adequate retirement income. It undertakes to monitor closely the reaction of provinces and the private sector to the proposals for pension reform presented in the budget, and it will be ready to discuss with them whatever additional steps may be required, and their nature and timing.

Improved Tax Assistance for Retirement Saving

The budget puts forth proposals, set out in detail in an accompanying discussion paper, for a fairer and more generous system of tax assistance for retirement saving. A new comprehensive deduction limit of 18 per cent of pensionable earnings to a maximum of \$15,500 per year is proposed to apply to all contributions to registered pension and retirement savings plans.

The present system of tax assistance for retirement savings, unchanged in its basic form for the past quarter century, has several shortcomings. It does not provide fair access to tax assistance for individuals in different employment situations. In particular, self-employed individuals and others without access to employer-sponsored registered pension plans (RPPs) are at a disadvantage. The current system does not provide the flexibility needed to accommodate those with irregular earnings patterns

over their working lives; only rarely does it permit individuals to make up for missed contributions in earlier years. The lack of adjustment of the limits in the face of inflation has also created problems for contributors and pension plan sponsors.

The proposed new system of tax assistance has four main elements which will enable it to overcome the shortcomings of the present system.

- A new updated career earnings concept is introduced as the base for the determination of target pensions and contribution levels for each tax filer. Target pensions are the maximum pensions for which tax assistance is extended under the proposed system, and will be equal to 2 per cent of total career earnings to a maximum of \$60,000 (indexed by the average industrial wage).
- An equivalence is established between pension accruals in defined benefit pension plans and amounts contributed to money-purchase pension plans and registered retirement savings plans (RRSPs). This would permit the comprehensive limit of 18 per cent of earnings to a maximum of \$15,500 to be applied to total savings in all plans and would ensure that tax filers in various employment circumstances are given comparable access to tax-assisted retirement savings vehicles.
- The system provides for the carry-forward of unused contribution room from prior years. This improvement in flexibility will ensure the availability of tax assistance to groups with irregular earnings patterns: for example, women who work part-time while raising children and certain groups of self-employed individuals such as artists and writers. It will benefit farmers or small business owners who find it impractical to contribute to retirement savings plans in early years while they are building up their farms or businesses.
- The new pension and contribution limits will be indexed to the average industrial wage to ensure that they continue to permit sufficient income replacement for Canadians to maintain their living standards in retirement.

To achieve these improvements, the proposed system will require new information to be recorded and reported by employers, tax filers and Revenue Canada. In particular, each year employers will be required to report to their employees the value of their accrued pensions in defined benefit pension plans. To give time for new reporting systems to be developed, a two-stage implementation scheme is proposed with Stage I beginning on January 1, 1985 and Stage II on January 1, 1988. The new limits for contributions to RRSPs and other money-purchase plans would be phased in during Stage I, with the annual dollar limit rising from the current level of \$5,500 to \$10,000 in 1985, to \$12,000 in 1986, to \$14,000 in 1987 and to \$15,500 in 1988. Stage II will extend the comprehensive contribution limits to all registered plans taken together, and provide for carry-forward of unused deduction entitlement. The indexation of maximum dollar pension and contribution limits will begin in 1989.

The proposals also call for the creation in Stage I of a registered pension account (RPA). The RPA is a new retirement savings vehicle designed to expand pension coverage and improve portability by accepting employer and employee contributions which are locked in until retirement. Apart from the lock-in feature, the RPA has the same characteristics as an RRSP.

It is estimated that individuals will save about \$160 million in federal taxes in the first year of Stage I. The tax savings under the mature system will be higher, in the order of \$300 million per annum. Individuals will receive additional reductions in provincial tax liabilities of approximately one-half the federal amounts.

An additional proposal described in detail later in this document provides tax assistance to farmers by allowing a rollover of taxable capital gains arising from the sale of farm property into an RRSP, effective January 1, 1984.

This major overhaul of the tax provisions for retirement savings will produce a fair and flexible system which is more effective in helping Canadians to avoid serious disruptions in their living standards upon retirement. The discussion paper invites comments on the proposals by June 30, 1984 in order to permit the introduction of Stage I measures in 1985.

Increasing Security for Homeowners

The budget puts forward proposals that would increase the security of homeownership and create a fairer and more flexible mortgage market.

First, it proposes the introduction of a Mortgage Rate Protection Plan whereby homeowners, upon payment of a fee, would be protected against substantial increases in monthly payments caused by extraordinary increases in mortgage rates. Second, it proposes new regulations to ensure that borrowers have complete disclosure of all terms and conditions regarding their mortgages. Third, it proposes legislation to give borrowers the right to prepay their mortgages at any time and establish a prepayment principle that is fair to both lenders and borrowers. The legislation will set out a basis for calculating the maximum prepayment penalty that lenders may collect as a result of prepayment of a mortgage.

To improve the flexibility of the mortgage market, it is also proposed that legislation be introduced to clarify the status of variable rate mortgages and index-linked mortgages, so that these instruments would be more widely available. Finally, the budget proposes that action be taken to create the conditions necessary for the private sector to develop a mortgage-backed securities market. This would assist the reintroduction of mortgages with terms longer than five years.

The details of these proposals are contained in a separate paper entitled *Improved Security for Homeowners: Proposals for a Fairer and More Flexible Mortgage Market*.

Other Tax and Tariff Changes

Personal Income Tax Measures

Moving Expenses

Currently, the Income Tax Act allows a deduction for moving expenses where a person ceases to be employed at one location in Canada and is required to move to a new residence to accept other employment. The budget proposes that this deduction be available to those persons who were unemployed and move after 1983 to a new location in order to take up employment or to start up a business.

Alimony, Maintenance and Other Support Payments

Under existing provisions of the Income Tax Act, support payments made by a taxpayer to or for the benefit of a spouse after a marriage breakdown are generally deductible to the payor and taxable to the spouse. However, there are a number of situations where this reciprocal tax treatment does not apply. The budget proposes several changes to these provisions.

Currently, support payments made before the date of a court order or written separation agreement are not deductible or included in calculating income. A number of taxpayers who had intended reciprocal tax treatment have been adversely affected by this restriction. This typically occurs when the taxpayer makes payments for spousal support and the maintenance of children following a marriage breakdown but before entering into a formal separation agreement.

The budget proposes to alter the rules for payments made before a court order or written agreement where the deductible and taxable treatment would have applied if they were paid after that date. Such payments will be deductible to the payor and included in the income of the spouse if the order or agreement so provides and the amount was paid in the year the order or agreement was made or in the immediately preceding year. This measure is to be effective with respect to payments made after 1983.

A further requirement that must be satisfied before a support payment qualifies for the deduction and inclusion is that the payment must be in the nature of an "allowance payable on a periodic basis". This requirement raises problems for payments that vary in amount and for many payments made to a third party for the benefit of the spouse or children. These problems often arise in cases where the payor has responsibility for variable or third party obligations to meet regular expenses – such as mortgage payments, tuition fees and medical expenses – but which technically do not qualify as an allowance.

The budget proposes that where the separated parties agree, a support payment that represents the payment or reimbursement of an expense incurred by or on behalf of the spouse or children will qualify as an allowance paid on a periodic basis. As a

result, the payment will be deductible to the payor and taxable in the hands of the recipient. This treatment will not apply to any expense that represents either the purchase price of a house or to mortgage payments except to the extent that mortgage principal and interest payments in a year do not exceed 20 per cent of the original principal. This measure is effective with respect to payments made after 1983.

Spousal Registered Retirement Savings Plans

The existing law allows a taxpayer to deduct contributions made, within prescribed limits, to a spouse's registered retirement savings plan (RRSP). The Income Tax Act provides a special rule to prevent the use of spousal RRSPs as an artificial method for transferring income between spouses. Under this rule, in any year when funds are withdrawn from an RRSP by one spouse, the other spouse is required to include in income any contribution made to the RRSP in that year and the two immediately preceding years.

The budget proposes that this rule not apply if as a result of marriage breakdown the two parties are living apart and separated at the time the funds are withdrawn. This measure applies for amounts withdrawn from an RRSP after February 15, 1984.

Joint Liability for Tax When Property is Transferred Between Spouses

When property has been transferred from one spouse to the other, the transferor may, pursuant to various attribution rules, be liable for the tax payable on any income that is subsequently derived from that property. Where the transferor is liable for tax on such income, the Income Tax Act provides rules which make the transferee spouse jointly and severally liable for the tax. These rules also make the transferee spouse jointly and severally liable, within certain limits, for tax arrears owing by the transferor at the end of the year in which the property was transferred, and are intended to prevent a taxpayer from becoming judgment-proof by transferring property to a spouse.

While these rules are generally appropriate, they should not apply if spouses have separated and the property is transferred pursuant to a court order or written separation agreement. The budget proposes that effective February 15, 1984 the rules relating to joint liability not apply as long as, at the time of the transfer, the husband and wife are living apart and separated as a consequence of the breakdown of their marriage.

Qualifying Medical Expenses

The list of items qualifying as deductible medical expenses is regularly reviewed and revised. New items have now been identified as appropriate for this recognition. These are hearing-ear dogs for profoundly deaf persons, cloth diapers and disposable briefs for incontinent adults and hydraulic wheelchair lifts for vehicles. The budget proposes amendments to the Income Tax Act to ensure that the purchase of such items will qualify as deductible medical expenses.

Special Medical Deduction

Currently, to qualify for the special medical deduction for persons confined to a bed or wheelchair, an individual must be so confined for a substantial part of each day throughout a 12-month period ending in the taxation year. Thus, an individual who becomes confined to a bed or wheelchair at some time after January 1 cannot qualify for this special deduction for that year.

The budget proposes an amendment to extend this deduction to those individuals who become confined to a bed or wheelchair in the taxation year and, in the opinion of a medical practitioner, will continue to be so confined for a period of at least 12 months. The amount of this special deduction for 1984 is \$2,480.

Dependent Nieces and Nephews

Under the present legislation, a taxpayer may claim a personal exemption in respect of a niece or nephew who is resident in Canada and wholly dependent upon the taxpayer provided that his or her parents meet certain conditions. The budget proposes an amendment to ensure that the personal exemption allowed to an individual for dependent nieces or nephews will no longer depend on conditions relating to the status of their parents.

Accrued Income on Life Insurance Policies and Annuities

The Income Tax Act requires that the income accumulating in certain annuities and life insurance policies held by individuals be reported on an accrual basis at least every three years. At his own option, the holder of such a policy or annuity may elect to report the income on an annual basis. This may be advantageous where the income would qualify for the annual \$1,000 investment income exemption. The budget proposes to reintroduce amendments to the annual election provision to:

- clarify that corporations and other entities, which are required under another provision to report such income on an annual basis, are not eligible for the election;
- allow the election to be made in respect of annuities under which payments have commenced; and
- ensure that it does not apply when the annuity contract becomes a prescribed annuity contract – generally a level payment annuity paid to an individual who is 60 years of age or over. Prescribed annuities are not intended to be subject to the income accrual rules.

Rollover of Benefits from Unregistered Pension Plans

At present, all pension benefits are excluded from taxable income if they are transferred to a registered pension plan or an RRSP. As such, benefits from an unregistered fund or plan may be transferred tax-free to an RRSP. Such a transfer is generally inappropriate since it enables a taxpayer to secure a tax-free transfer of contributions that have not been subject to the deduction limits that apply to regis-

tered pension plans or to the limitation on the amount of a retiring allowance that can be transferred tax-free to an RRSP.

The budget thus proposes that after February 15, 1984 only those benefits received out of registered pension funds or plans, or those attributable to services rendered in a period while not resident in Canada, will qualify for this tax-free transfer.

Offshore Investment Funds

The budget proposes a measure to deal with the avoidance or undue deferral of income tax through the use of non-resident investment funds. The rule is intended to apply primarily to portfolio investments held through investment funds subject to a relatively low rate of tax. Investments in non-resident entities whose principal business is a bona fide active business will not be affected by these rules.

The proposed measure will be in the form of a general anti-avoidance rule that will apply where a taxpayer invests in a non-resident investment fund and where one of the main reasons for the investment is to reduce or defer the tax liability that would have applied in respect of the income from the underlying assets of the fund if such assets had been held directly by the taxpayer. The rule will require the investor to include in his income an amount determined by multiplying the designated cost of his investment by the prescribed rate of interest. Details of the rules will be made available by way of draft legislation. This measure will not apply until January 1, 1985.

Charities

The budget includes proposals to implement the changes in the tax rules affecting charities announced in a December 20, 1983 press release. These changes, resulting from extensive consultations, will mainly affect charitable foundations and will have little impact on charitable organizations.

Some of the more significant changes will:

- require a charity to register as a charitable organization, a private foundation or a public foundation and to apply to the Minister of National Revenue in order to change its registered status;
- require each charitable organization and public foundation to have an independent board of directors and trustees and to have a broadly-based source of capital;
- require charitable foundations to disburse 80 per cent of their previous year's received donations, 100 per cent of gifts from other charities, and 4.5 per cent of the value of their investment assets;
- require private foundations to receive a minimum rate of return on their non-qualified investments;
- introduce rules to prevent charities from avoiding the disbursement rules by transferring funds within a group or by transferring a substantial portion of their capital;

- ensure that gifts out of the capital of an estate and endowments for periods of 10 years or more are excluded from a charity's receipted donations for the purposes of its disbursement requirements;
- extend from three to six months the time within which charities will be required to file information returns.

Tax Assistance to Farmers

Farm Capital Gain Rollover

The budget proposes a special rule that will allow farmers to better provide for their retirement. Under this rule a special deduction is provided for taxable capital gains of up to \$120,000 on the sale of qualifying farm property that is invested in an RRSP. An amendment will ensure that the same benefit is available to those individuals who would otherwise qualify but have exceeded the age limit of 71 years for making contributions to an RRSP.

The maximum amount of the taxable half of any capital gain qualifying for the special deduction is determined by multiplying \$10,000 by the number of years between 1972 and 1983 inclusive that the taxpayer was a full-time farmer. Thus, for example, if an individual started up an active farming operation in 1976 and sold his farmland in 1985, the maximum amount of the taxable capital gain that could be contributed to an RRSP would be \$80,000 less any other contributions made to an RRSP or a registered pension plan for 1984 and 1985. For this purpose, a full-time farmer in a year is one who was actively engaged in the business of farming and who did not (or would not if the farm operations were unsuccessful) have a restricted farm loss in that year. In addition, an individual will be regarded as a full-time farmer if he or she held shares of a family farm corporation in which he or she, a spouse or any children were actively engaged. A person will also be considered a full-time farmer in those circumstances where he or she leased farmland to a spouse or a child who qualified as a full-time farmer or to a family farm corporation of any such person.

For gains to be eligible for transfer to an RRSP, the qualifying farm property must have been owned by the taxpayer or spouse on December 31, 1983. Qualifying farm property means farm land and buildings used in the business of farming either by the individual or spouse, children or family farm corporation of any such person. Qualifying property also includes shares of the capital stock of a family farm corporation or an interest in a family farm partnership. Family farm corporations and partnerships of an individual are defined in the Act and mean a corporation or partnership that carries on the business of farming in Canada in which it used all or substantially all of its property and in which that individual, spouse or child was actively engaged.

The requirement to reduce the amount eligible for the special transfer to an RRSP by post-1983 contributions to registered retirement savings plans and registered pension plans recognizes that a number of farmers have already taken advantage of these plans to set aside funds for their retirement. At such time as the proposals in the discussion paper *Improved Tax Assistance for Retirement Savings* are fully implemented, this requirement to reduce the special RRSP contribution by other contributions will

be eliminated. At that time the special contribution in a year will be reduced by what is referred to in that paper as the "target contribution" of the taxpayer at the end of the year. This represents the maximum contribution that may be made by or on behalf of the taxpayer for the year if he or she had not previously made any contributions to an RRSP or pension plan and is calculated by reference to his or her updated career earnings after 1984. These rules are fully described in the paper *Improved Tax Assistance for Retirement Savings*.

Family Farm Rollovers

The budget proposes several important technical amendments that will facilitate the transfer of family farms from one generation to another. The changes are in keeping with the government's commitment to the preservation of the family farm.

One change involves the extension of the meaning of a child of a taxpayer to include a person who, before attaining the age of 21, was under the custody and control of the taxpayer and wholly dependent on him or her for support.

Another change provides that, for transfers on death after 1983 of qualifying farm property, including land, buildings and other depreciable property used in the business of farming, and shares and interests in family farm corporations and partnerships, the transfer be permitted to be made at any amount between the property's cost amount and its fair market value. This will put family farm bequests and inheritances on the same basis as *inter vivos* transfers.

A further change will permit a rollover of a family farm from a child to a parent where the child obtained the farm from a parent and subsequently dies while having a surviving parent. This will allow the family farm to be restored to the child's parents without immediate tax liability.

An additional change will expand the types of property eligible for inter-generational farm transfers to include farm property leased by a taxpayer to his or her family farm corporation or to a family farm corporation or partnership of his or her spouse or child. This change, applicable to transfers after December 31, 1983, will address these circumstances where the farming activity is carried on within a family farm corporation but the farm property is owned personally and is leased or rented to the corporation.

The budget also proposes to extend the rollover of a family farm corporation from a spousal trust to a child of the settlor to include the transfer of a family farm holding corporation. This amendment will permit the rollover to a child of the shares of such a corporation where they were obtained by the spousal trust on a previous rollover.

Restricted Farm Losses

There has been some controversy surrounding the possible application of section 31 of the Income Tax Act to farmers. Farm losses are not in any way restricted for those farmers whose principal occupation is farming. This includes farmers who have taken jobs to provide an extra source of income, as many farmers do in order to support their farm operation.

At issue is the application of these rules to part-time or so-called hobby farmers who have full-time occupations, yet carry on farming activities. Concern has been expressed that changing the loss rules to benefit those persons could have an adverse impact on farm prices and provide an inappropriate incentive for speculation in farm land. The budget proposes the establishment of a consultative group to assess the impact that changes might have on the agricultural sector before any changes to the policy are made.

Tax Measures to Assist Business

Rollover of Shares of a Small Business Corporation

The budget proposes technical amendments that will facilitate the transfer of shares of a small business corporation from one generation to another.

One change involves the extension of the meaning of a child of a taxpayer to include a person who, before he attained 21 years of age, was under the custody and control of the taxpayer and wholly dependent upon him for support.

A further change will allow a full rollover on the transfer of shares of a small business corporation from a child to a parent where the child obtained the shares from a parent and subsequently dies while having a surviving parent. This will permit the shares to be restored tax-free to the parent on the death of the child.

Foreign Tax Credit

The budget proposes an extension of the foreign tax credit carryover period. Currently, unclaimed foreign business taxes may be carried forward for a period of five years. The new rules will provide a carryback period of three years for such taxes and extend the carry-forward period to seven years. They will take effect in calculating the credit for the 1984 and subsequent taxation years.

Capital Cost Allowance – Video Games and Tapes

Changes in electronics and communications technology have popularized the use of coin-operated electronic video games and videotape cassettes. The number of businesses specializing in the supply of video games has expanded dramatically and a new industry of renting videotape cassettes has developed. Because video games are widely used in amusement arcades they have a relatively short useful life. The useful life of videotape cassettes which are used for rental purposes is even shorter. Both of these properties are currently entitled to capital cost allowance at a rate of 20 per cent on a declining balance basis but, given their short useful lives, this rate is inadequate. Accordingly, the budget proposes amendments to the Income Tax Regulations to increase the capital cost allowance rate for these types of assets acquired after February 15, 1984. Coin-operated electronic video games and pinball machines will qualify under Class 16 and will be entitled to capital cost allowance at a rate of 40 per cent on a declining balance basis. Videotape cassettes for use in a rental business will qualify under Class 12 and will be entitled to capital cost allowance at a rate of 100 per cent.

Replacement Property Rollover

Where a taxpayer has disposed of a qualifying business property consisting of land and building, for the purposes of a capital gains rollover on the acquisition of a replacement property, he may elect to add to the cost of one part the excess of the proceeds of disposition of the other part over its replacement cost. The rule is intended to apply where the total cost of the replacement land and building is equal to or greater than the proceeds received for the land and building disposed of, but where the taxpayer would not enjoy rollover treatment because of the allocation of proceeds between land and building. This would occur, for example, where the taxpayer moves from downtown premises for which he receives relatively high proceeds for the land and low proceeds for the building to a suburban location where the building costs are typically high in relation to land costs.

The budget proposes a technical amendment to subsection 44(6) of the Income Tax Act to ensure that, under the replacement property rules, only the portion of the proceeds of disposition of a property as described above that represents a capital gain in respect of one property may be allocated to another such property. As well, the amendment will clarify that subsection 13(4) of the Act, relating to rollovers of recaptured depreciation, is intended to operate independently of the provisions of section 44 concerning capital gain rollovers.

Energy and Resource Taxes

Incremental Oil Revenue Tax

The Incremental Oil Revenue Tax (IORT) was introduced effective January 1, 1982. This tax generally applies to oil known to exist prior to 1981, and is payable at a rate of 50 per cent on revenues from prices exceeding those scheduled under the National Energy Program after allowing a deduction for government levies. Income subject to the IORT is not taxable for income tax purposes.

The *National Energy Program: Update 1982* announced the suspension of the IORT on conventional oil from June 1, 1982 to May 31, 1983. In the April 19, 1983 budget, the suspension was extended to May 31, 1984. In recognition of current industry conditions, this budget proposes to suspend the IORT for a further one-year period to May 31, 1985.

This measure, which will be effected by changes in regulations, will provide \$195 million of federal tax savings for the industry. The revenue cost to the federal government has been offset by a reduction in the authorized level of expenditures in the energy envelope.

The one-year suspension complements other recent tax announcements in the energy sector including the reduction in the Natural Gas and Gas Liquids Tax rate to zero, and the two-year postponement of the new Canadian exploration expense definition, which benefits gas producers and sponsors of enhanced oil recovery projects.

Recapture of Oil and Gas Depletion

The budget proposes tax relief for a taxpayer who after 1983 disposes of property, or supplies services, the cost of which when incurred was an oil or gas exploration expense that qualified for earned depletion. Currently, an additional 33 $\frac{1}{3}$ per cent of a taxpayer's proceeds from such a transaction is required to be included in income. Certain of these income inclusions are being eliminated as a result of the phase-out of earned depletion for oil and gas exploration expenditures.

This additional income inclusion is to be phased out by 1985 for proceeds that become receivable after 1983 in respect of a Canadian oil and gas exploration expense incurred on Canada lands. In such cases, the rate of additional income recapture will be reduced to 10 per cent for proceeds that become receivable in 1984 and will be eliminated thereafter. In addition, there will be no depletion recapture where proceeds become receivable after 1983 in respect of a Canadian oil and gas exploration expense incurred on other than Canada lands. The changes do not apply where the proceeds are in respect of Canadian oil and gas exploration expenses that relate to a qualified tertiary oil recovery project.

Oil and Gas Drilling Expenses

Under the existing tax law, the definition of Canadian exploration expenses was scheduled to be modified for drilling expenses incurred after 1983. This modification would treat all expenditures incurred after 1983 on wells (other than abandoned wells) that were drilled in a known accumulation of oil or gas or drilled to determine the extent or quality of a known accumulation, as development expenses. As such, they would be eligible for a 30-per-cent deduction rather than the 100-per-cent deduction available for exploration expenses. The Minister previously announced that the scheduled modification to the law would be postponed for two years until January 1, 1986. As a result, expenses incurred before January 1, 1986 in drilling production or delineation wells that are capped for 12 months will continue to qualify as exploration expenses.

Trust Resource Income

Where the income of a trust for a taxation year is paid out to its beneficiaries, they, rather than the trust, are subject to tax on such income. This ability of a trust to flow through its tax liability does not operate satisfactorily where the trust has income from certain natural resources. For example, where a trust makes non-deductible Crown royalty payments or payments under the Petroleum and Gas Revenue Tax Act, the result will very often be an amount of income for tax purposes in excess of the funds available for distribution. To allow trusts to flow through to their beneficiaries their tax liability in respect of such excess amounts, the budget proposes the introduction of a rule effective for the 1982 and subsequent taxation years that will permit a trust to allocate such excess as income to its beneficiaries.

Tax-Free Transfer of a Resource Property to a Corporation

The Income Tax Act allows for a tax-free rollover in most circumstances where property is transferred to a taxable Canadian corporation in exchange for shares. However, this rollover is not available in respect of the disposition of a resource property to a corporation that had previously carried on business. This limitation is no longer

necessary as a result of recent changes to the provisions relating to the deduction of resource expenses on a change of control. Accordingly, the budget proposes to repeal the limitation provided in subsection 85(1.1) of the Act and thereby remove this restriction in respect of dispositions of resource properties made after February 15, 1984.

Custom Tariff and Valuation Changes

Customs Valuation Code

The Customs Act is being amended to provide a new basis on which goods are valued for customs duty purposes. The new system will give effect to Canada's international commitment, made during the Tokyo Round of Multilateral Trade Negotiations, to implement the GATT Customs Valuation Code by January 1, 1985. These amendments, based on recommendations made by the Tariff Board, will establish the "transaction value" method as the primary basis for determining the value for duty. Accordingly, the value of imported goods will normally be based on the price paid or payable by the importer to the exporter. Canada's current method is based on the fair market value of like goods that are sold in the country of export. The new provision will provide a uniform and neutral system for valuing imported goods.

Tariff rate increases under some items are also being introduced to come into effect at the same time as the amendments to the Customs Act (i.e. January 1, 1985). These increases, which were recommended by the Tariff Board in line with Canada's GATT undertakings, are intended to maintain the same level of tariff protection that would apply if Canada were not moving to the new system.

Other Tariff Changes

Duty-free entry is being provided for five product categories, effective January 1, 1985. This will give effect to an international agreement to extend the product coverage of the GATT Agreement on Trade in Civil Aircraft. Canadian exports of products included in this agreement will receive similar duty-free entry to the markets of other signatories including the United States, the European Community, and Japan.

A number of tariff amendments are proposed to implement some of the recommendations contained in the Report of the Tariff Board entitled "Tariff Items Covering Goods Made/Not Made in Canada".

Other tariff amendments respond to representations received since the April 1983 budget; most of these provide for lower rates of duty on various goods that are not made in Canada. For example, a proposal is included to allow duty-free entry for capital equipment used in the manufacture of semiconductors. The limit for the duty- and tax-free entry of unsolicited gifts that are sent or brought into the country by non-residents or sent by Canadian residents to friends from abroad is also being increased to \$40 from the current level of \$25.

Apart from the proposals involving the implementation of the Customs Valuation Code and the GATT Agreement on Trade in Civil Aircraft, all other proposed changes are effective for goods imported on or after February 16, 1984.

Table 1

Federal Revenue Impact of Budget Tax Changes

	Effective date	Taxation years		
		1984	1985	1986
(millions of dollars)				
Tax changes affecting individuals				
Improved tax assistance for pensions	1985 tax year	—	-160	-225
Rollover of farm capital gains to an RRSP	1984 tax year	-70	-70	-70
Deduction of one-half of qualifying employee stock option benefits	budget day	-10	-10	-15
Changes relating to alimony and maintenance payments	1984 tax year	-5	-10	-10
Restrictions on tax deferral through offshore mutual funds	1985 tax year	—	20	20
Tax changes affecting individuals and businesses				
Tax credit for Employee Profit-Participation Plans	1985 tax year	—	-40	-80
Increase in exemption for tax instalments	1984 tax year	-5	-5	-5
Tax changes affecting businesses				
Simplification of small business tax measures	1985 tax year	—	-150	-160
Suspension of IORT	June 1, 1984 to May 31, 1985	-150	-45	0
Federal sales tax changes	Variable	-10	-10	-10
Other measures with small revenue impact				
Simplification of automobile operating cost benefits	Effective date			
Increase in capital cost allowance on video games and rental videotape cassettes	1984 tax year acquisition after budget day			
Changes relating to the medical expenses deductions	1984 tax year			
Extension of moving expense deduction to unemployed	1984 tax year			
Relieving changes in the provisions for inter-generational transfers of farm property	1984 tax year			
Restriction of tax-free rollover of benefits from unregistered pension plans	budget night			
Extension of carryback and carryforward of unused foreign tax credits	1984 tax year			

Consultation and the Budget Process

Recent budgets have been characterized by a new, more open approach. In fact, the methods used to develop budgetary proposals and to secure their enactment into law have undergone significant change over the past several years. This evolution of the budgetary process is the result of a need perceived by many previous Ministers of Finance to reform the budgetary process and to redefine the very ambiguous and restrictive concept of budgetary secrecy.

The issue of budgetary process reform was addressed in a green paper entitled *The Budget Process — A paper on budget secrecy and proposals for broader consultation* issued in April 1982 by the Honourable Allan J. MacEachen, then Minister of Finance. The document outlined proposals for more meaningful public involvement in the budgetary process at both the pre-budget stage and the subsequent stage when budget proposals are enacted and implemented. It also proposed a redefinition of the concept of budget secrecy. The paper helped focus public discussion on the ways in which the budget process could be improved.

Budget Secrecy

The current concept of budget secrecy originated in the United Kingdom in an era when the exclusive objective of a budget was raising government revenue by tariffs and excise taxes. Clearly, this concept has little relevance in today's world. The modern budget deals with a vast range of economic and social initiatives that can be fully developed only through an effective involvement of the private sector and all sectors of government.

The budget process has already evolved into one characterized by openness and consultation. The changes made to date have not only contributed to better understanding of certain measures, but in some instances have contributed to improvements in the tax system. In budget preparation, careful precautions have always been taken to ensure that no person is in a position to profit financially by having specific advance knowledge, on a privileged basis, of proposed tax and trade measures. The government will maintain these precautions. However, the government believes that only in this context of advance "inside" information of proposed measures conferring a potential financial benefit on the recipient should the concept of budget secrecy be relevant and applicable.

The government thus remains totally committed to ensuring meaningful and effective involvement of the private sector at all stages of the budgetary process. It will continue to study actively and, where possible, implement additional changes to the budgetary process for this purpose.

Other Measures

The green paper raised a number of other possibilities with respect to the pre-budget process. Some of these were:

- the establishment by the Minister of Finance of various types of **consultative bodies** (task forces or consultative groups) to which particular proposed budget measures might be referred for consideration;
- the increased issuance of **pre-budget materials**, whether green papers, white papers or other less formal documents, to achieve a more informed public discussion; and
- the establishment of a **regular budget time** each year in order to enable a more effective preparation of submissions – the proposed suggestion was an annual autumn budget.

With respect to the post-budget parliamentary process, the following ideas were presented:

- the publication of **draft legislation**;
- the issuance of **technical explanations** that would facilitate an understanding of the provisions;
- the use of a **Standing Committee** as well as the Committee of the Whole for certain parts of the Bill so that the legislation could be studied more effectively with the help of witnesses.

Substantially all of the proposals set out in the green paper to facilitate a more meaningful public involvement in both the pre-budget and the post-budget process have now been implemented by the government. The three budgets presented since the issue of the green paper, namely, those of June 28, 1982, April 19, 1983 and today's, have all been characterized by a dramatic increase in the use of task forces, advisory committees, discussion papers, draft legislation and technical explanatory notes. The measures have provided a direct and formal means for better public understanding and for debating income tax proposals.

This budget includes discussion papers on four current issues: pension reform, gain sharing, small business tax simplification and mortgages. The government expects that the review of these issues stimulated by the four papers will lead to a more informed discussion and implementation of better measures.

Budgetary Consultations

In addition, the Minister of Finance has led extensive consultations before and after the last two budgets. These consultations have been continued in the period leading up to the present budget. For example, before the present budget, ministers met some 50 organizations involving representatives of labour, business, youth, farmers and women's groups. These meetings have now become recognized and accepted as an integral and essential part of the budget process. They have provided interested

groups with an opportunity to make their views known to the Minister before a budget is presented. The pre-budget meetings have also become a forum in which to discuss specific economic issues on the basis of background material prepared by the Department of Finance. For example, before undertaking the last round of consultations, the Minister of Finance issued a paper for discussion entitled "After 6&5: Questions for Discussion".

The post-budget meetings have given interested groups and individuals the chance to offer ministers their reactions to the various budgetary initiatives. Public involvement has contributed to a significant improvement in the resulting income tax legislation. The impact of these changes can best be seen in the context of several recent specific tax initiatives such as small business tax simplification, tax changes affecting charities, the Indexed Security Investment Plan, R&D tax incentives and the manufacturer's sales tax. A description of the post-budget process adopted in each case follows.

Small Business Tax Simplification

During 1982, the desirability of tax simplification, particularly for small business, was raised by many groups in their meetings with the Minister of Finance and became a subject of considerable public discussion.

In the budget presentation of April 19, 1983, the Minister announced that the Canadian Tax Foundation had agreed to sponsor a national symposium on small business tax simplification. That symposium, held in July 1983, provided a detailed review and discussion by prominent tax specialists of the income tax provisions affecting small business. During the subsequent months, numerous meetings were held to obtain views on particular problem areas. Small businessmen, representatives of small business groups and individual accountants dealing directly with small businessmen all participated in the consultations. A session with l'Association québécoise de planification fiscale et successorale was particularly helpful in identifying and exploring alternative solutions.

Tax simplification was again raised by many of the groups consulted by the Minister of Finance, the Minister of State for Finance and other members of Cabinet in the recent pre-budget consultations. This budget presents a discussion paper entitled *Simplifying Taxes for Small Business* that sets out the nature of the corporate income tax structure facing the small business sector and proposes draft legislation that would effect a number of changes to reduce existing complexity.

Charities

Original proposals for amendments to the Income Tax Act provisions affecting charities were announced in the November 1981 budget. This was followed by extensive discussions with representatives of the charitable foundations and resulted in a press release (April 21, 1982) announcing changes to the tax rules affecting foundations. In May 1983 a departmental discussion paper was released providing detailed rules governing the taxation of all charities and again inviting discussion. This was followed

by extensive discussion across the country and meetings with an outside group of technical experts set up by the Canadian Centre for Philanthropy. On December 20, 1983 the Minister of Finance issued a press release which announced major modifications to the proposals in the discussion paper. Ways and Means motions tabled with this budget will lead to the enactment of the changes.

Indexed Security Investment Plan

The Minister of Finance issued a discussion paper with his budget presentation on June 28, 1982 entitled *Inflation and the Taxation of Personal Investment Income*. This paper was referred for study to a special advisory committee of private sector representatives under the chairmanship of Pierre Lortie, President of the Montreal Stock Exchange, which reported in September of that year. The recommendations of that committee led to the Indexed Security Investment Plan (ISIP). Draft legislation and a detailed technical explanation of ISIP were published in April 1983. Following extensive discussions with members of the investment community and the tax profession, the final legislation was made public in November 1983 and subsequently enacted.

Research and Development Tax Incentives

Early in 1983, Department of Finance officials consulted with a number of companies across Canada on the operation and effectiveness of R&D tax incentives. These consultations confirmed that there were issues with the existing system that required attention. Specific improvements in the R&D tax incentives were proposed by the Minister in the April 19, 1983 budget in a paper entitled *Research and Development Tax Policy – a Paper for Consultation*. The paper called for further comments on the details of the proposals. A number of suggestions for improvement were made.

In October, draft legislation for changes to the research and development tax measures was released by the Minister incorporating various recommendations made by industry. The amended R&D proposals were subsequently passed into law.

A number of responses from industry indicated problems in the definition of research and development, specifically in the computer software area. In response to these concerns, a task force was set up to gather suggestions and information from industry and to examine the feasibility of establishing guidelines in this area.

Manufacturer's Sales Tax

The November 1981 budget proposed a major reform to the sales tax by moving the taxation point from the manufacturer's level to the wholesale level. This proposal had been preceded by the release with the 1975 budget of a green paper on options for sales tax reform, followed by a special report in 1977 of the Commodity Tax Review Group assessing public reaction to the proposals in the original green paper. In June 1982 draft legislation was issued covering the proposals contained in the 1981 budget. Following extensive discussion, the Minister of Finance appointed a special

committee under the chairmanship of Dr. Wolfe Goodman, Q.C., which reported on May 27, 1983 and recommended against a move to the wholesale level. It made a number of recommendations for changes to the existing manufacturer's sales tax system. A special group of consultants was established in the fall of 1983 to review the appeal system under the Excise Tax Act. Sales tax decisions, taken after this extensive round of consultations and discussions extending over a number of years, are reflected in this budget.

Notice of Ways and Means Motion to Amend the Income Tax Act

Notice of Ways and Means Motion to Amend the Income Tax Act

That it is expedient to amend the Income Tax Act and to provide among other things:

Automobile Benefits

(1) That for the 1984 and subsequent taxation years, the amount of the benefit in respect of the operating costs of an automobile provided to an employee or shareholder be allowed to be computed at the rate of 50 per cent of the standby charge in respect of the automobile.

Employee Stock Options

(2) That, where an arm's length employee of a corporation exercises or disposes of an option granted to him after February 15, 1984 to acquire qualifying equity shares of his employer or a related corporation, one half of the resulting benefit included in his income from employment be allowed as a deduction in computing his taxable income provided that the exercise price for the shares is not less than their fair market value at the time the option was granted.

Life Insurance Policies and Annuities

(3) That for taxation years commencing after 1982, the provision of the Act allowing a taxpayer to elect to be taxed annually on income accrued on certain annuities and life insurance policies be amended

(a) to clarify that the election is not available to a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary,

(b) to allow the election to be made for annuities under which payments have commenced, and

(c) to provide that the election cease to apply for prescribed annuity contracts.

Replacement Property Rules

(4) That the replacement property rules be amended to provide that, for a disposition after February 15, 1984 of a former business property that is in part a building and in part land, a taxpayer may elect to reallocate to one part the proceeds of disposition of the other in an amount not exceeding the capital gain on that other part.

Alimony and Maintenance Payments

(5) That the provisions of the Act relating to the deduction and taxation of alimony and maintenance payments be extended to provide that amounts paid after 1983 by a taxpayer in a year in respect of expenses (other than a house purchase expense) incurred in the year or a preceding year for the maintenance of a qualifying person or that person's children be treated as allowances payable on a periodic basis where the taxpayer and the qualifying person have

agreed in writing to that treatment before the end of the year in which the payment is made and, for this purpose, a "house purchase expense" means any amount paid in respect of the acquisition or improvement of a dwelling unit, including any payment of principal or interest in respect of indebtedness incurred to finance such acquisition or improvement to the extent that the aggregate of all principal and interest payments made in a year on any such indebtedness exceeds 1/5 of its original principal amount.

(6) That for the purpose of the provisions of the Act relating to the deduction and taxation of alimony and maintenance payments, any such payments made after 1983 and before the making of an order or written separation agreement be deemed to be made pursuant to the order or agreement where the order or agreement so provides and the payments are made in the year in which such order or agreement was made or in the immediately preceding year.

Depletion Recapture

(7) That paragraph 59(3.3)(a) of the Act be amended

(a) to eliminate any income inclusion in respect of an amount described therein that becomes receivable by a taxpayer after 1983 where the amount would, if incurred as an expense, qualify as a Canadian oil and gas exploration expense (other than such an expense in respect of non-conventional lands where the amount is receivable by the taxpayer in 1984 or a drilling expense in respect of a qualified tertiary oil recovery project), and

(b) to require the inclusion in income of 10 per cent of an amount described therein that becomes receivable by a taxpayer in 1984 where the amount would, if incurred as an expense, qualify as a Canadian oil and gas exploration expense in respect of non-conventional lands (other than a drilling expense in respect of a qualified tertiary oil recovery project).

Rollover of Pension Benefits

(8) That the provisions of the Act allowing the tax-free transfer to a registered retirement savings plan or registered pension plan of amounts received from a pension fund or plan be restricted, for amounts received after February 15, 1984, to transfers from registered or certain foreign service pension funds or plans.

Moving Expenses

(9) That with respect to relocations within Canada occurring after 1983, the moving expense deduction be extended to individuals who were unemployed immediately before moving to a new employment or business.

Canadian Exploration Expenses

(10) That the provisions of the Act relating to expenses incurred before 1984 in drilling an oil or gas well in Canada that are included in the definition "Canadian exploration expense" be extended to such expenses incurred before 1986.

Elected Value for Farm Transfers

(11) That rules be provided to permit, on the death of a taxpayer after 1983, a transfer of his qualifying farm property, including an interest in his family farm partnership or shares of his family farm corporation, to his child for any value between the cost amount of the property and its fair market value.

Family Farm Holding Corporations

(12) That the provisions of the Act relating to the transfer by a spousal trust of shares of a family farm corporation to a child of the settlor be extended to apply to transfers after May 25, 1978 of shares of a family farm holding corporation.

Transfers to Parents

(13) That where a taxpayer, who has under the special rules relating to inter-generational transfers acquired a farm property, an interest in a family farm partnership or shares of a family farm corporation or of a small business corporation, dies after 1983, the property be permitted to be transferred to a parent of the taxpayer for any value between its cost amount and its fair market value.

Definition of Child

(14) That for the purpose of the provisions of the Act providing for the deferral of tax on transfers of property by a taxpayer to his child, the definition of "child" be amended for transfers after 1983 to include a person who, at any time before he attained the age of 21 years, was in law or in fact in the custody and control of the taxpayer and wholly dependent on him for support.

Leased Farm Property

(15) That farm property transferred after December 31, 1983 that is property leased by an individual to his family farm corporation or to a family farm corporation or partnership of his spouse or child be treated as property used by him in the business of farming for the purposes of the provisions of the Act relating to intergenerational transfers of farm property.

Late-Filed and Amended Elections

(16) That the Minister of National Revenue be permitted after February 15, 1984 to accept an election under section 85, 93, 97 or 98 of the Act after expiry of the late-filing period, or an amended election under those sections, where in his opinion it would be just and equitable to do so and the taxpayer pays a penalty, not exceeding \$8,000, with such election.

Transfer of Resource Properties

(17) That subsection 85(1.1) of the Act not apply with respect to dispositions of resource properties after February 15, 1984.

Offshore Investment Funds

(18) That an anti-avoidance rule be introduced with effect from January 1, 1985 requiring a taxpayer who has an investment in a taxation year in a non-resident investment fund to include in his income for the year an amount calculated by reference to the designated cost of his investment multiplied by the prescribed rate of interest.

Trust Resource Income

(19) That for the 1982 and subsequent taxation years, the Act be amended to permit a trust to allocate to its beneficiaries as income an amount not exceeding its Crown royalties and payments under the Petroleum and Gas Revenue Tax Act.

Dependent Nieces and Nephews

(20) That for the 1984 and subsequent taxation years, the personal exemption for dependent nieces and nephews be amended to remove the conditions that relate to the status of their parents.

Qualifying Medical Expenses

(21) That for the 1984 and subsequent taxation years, the costs in respect of dogs trained to alert profoundly deaf persons, the cost of hydraulic wheelchair lifts for vehicles as prescribed by a medical practitioner and the cost of cloth

diapers or disposable briefs for persons who are incontinent because of illness or affliction qualify for the purposes of the medical expense deduction.

Special Medical Deduction

(22) That for the 1984 and subsequent taxation years, the special deduction allowed under the Act to individuals confined to a bed or wheelchair for a substantial portion of each day for a 12-month period ending in the year be extended to persons who are so confined for a period beginning in the year and continuing to the end of the year and who, in the opinion of a medical practitioner, will be so confined for a 12-month period.

Donation of Real Property

(23) That the provision of the Act permitting a taxpayer to make a charitable gift of real property at less than its fair market value be extended to apply to gifts of Canadian real property made after February 15, 1984 by non-residents to prescribed non-resident charities where the use of that property will be in the Canadian public interest.

Foreign Tax Credit

(24) That in calculating foreign tax credits for the 1984 and subsequent taxation years, taxpayers be allowed to carry forward unclaimed foreign business-income taxes paid for the preceding seven years and be allowed to carry back such unclaimed taxes paid for the subsequent three years.

Spousal RRSPs

(25) That the special three-year rule requiring a taxpayer to include in his income amounts withdrawn from his spouse's registered retirement savings plan cease to apply in respect of amounts withdrawn after February 15, 1984 where, at the time of the withdrawal and as a result of the breakdown of the marriage, the taxpayer and his spouse were living apart and separated pursuant to a Court order or written separation agreement.

Farm Capital Gain Rollover

(26) That where an individual has, after December 31, 1983, disposed of a qualified farm property owned by him or by his spouse on that date, he be entitled to deduct in a taxation year a special contribution to a registered retirement savings plan to the extent that the total of all such special contributions for the year and preceding taxation years made by him or his spouse does not exceed the lesser of his taxable capital gains on such dispositions and the amount by which his farm contribution limit exceeds the total of his contributions (other than special contributions) to registered retirement savings plans and registered pension plans for the year and all preceding years after 1983 and for the purpose of this paragraph

(a) "qualified farm property" of an individual means any real property owned by him and used by him, his spouse, any of his children or a family farm corporation of any such person in the business of farming and includes shares of his family farm corporation and an interest in his family farm partnership,

(b) "farm contribution limit" of an individual means the product obtained when \$10,000 is multiplied by the number of years after 1971 and before 1984 in which the individual or his spouse was a full-time farmer, and

(c) "full-time farmer" in a year means an individual who was in the year a shareholder of his family farm corporation and an individual who in the year leased farmland to a full-time farmer who was his spouse or child or to a family farm corporation or partnership of his spouse or child and includes any other individual (other than an individual who in the year had or would have had, if he sustained sufficient farming losses, a restricted farm loss) who was in the year actively engaged in the business of farming in Canada.

Registration of Charities (27) That

(a) for taxation years commencing after 1983, the provisions relating to charities be amended to provide that a charity be required to be registered as a charitable organization, a private foundation or a public foundation, and

(b) for taxation years commencing after 1984, a charity not qualify as a charitable organization or public foundation where a majority of its directors, officers or trustees do not deal with each other at arm's length or further, in the case of a charity registered after February 15, 1984, where 50 per cent or more of its capital was contributed by one person or a group of persons who do not deal with each other at arm's length.

Exclusion from Received Donations

(28) That for taxation years commencing after 1983, endowments for periods of 10 years or more and gifts out of the capital of an estate not be treated as received donations for the purposes of a charity's disbursement quota.

Disbursement Quota of Charitable Foundation

(29) That for taxation years commencing after 1983, the disbursement quota of a charitable foundation be the total of

(a) 80 per cent of received donations received by it in its immediately preceding taxation year,

(b) 80 per cent (100 per cent in the case of a private foundation) of gifts from other charities received by it in its immediately preceding taxation year, and

(c) 4.5 per cent of the value of its investment assets at the beginning of the year.

Disbursement Quota

(30) That for the 1984 and subsequent taxation years, rules be provided to permit a carry-over of the disbursements of a charity in excess of its quota and to grant the Minister of National Revenue the discretion to reduce the disbursement quota of a charity.

Information Returns of Charities

(31) That for the 1984 and subsequent taxation years, the time within which a registered charity is required to file information and public information returns with the Minister of National Revenue be extended from three months to six months after the end of its taxation year.

- Non-qualified Investments of Charities** (32) That for taxation years commencing after 1983, certain shares and indebtedness held by a private foundation be defined as "non-qualified investments" and that a special tax be payable by the issuer or borrower where such an investment fails to yield a minimum annual rate of return to the foundation.
- Anti-avoidance Rules for Charities** (33) That for taxation years commencing after 1983, anti-avoidance rules be introduced
- (a) to prevent a group of charities from reducing or postponing its disbursement requirements by transferring funds within the group, and
- (b) to impose a special tax of 25 per cent where a foundation transfers more than 50 per cent of its capital to a charitable organization for the purpose of reducing or postponing its disbursement requirements.
- Accumulations By Charities** (34) That where in a taxation year commencing after 1983 a charity chooses not to use or fails to use for its intended purpose any property or income accumulated with the consent of the Minister of National Revenue, the amount thereof be deemed to be a receipted donation received by it in the year.
- Waiver of Reassessment Period** (35) That the provisions of the Act allowing a taxpayer to waive the four-year reassessment period be amended to permit him to specify an expiry date for waivers filed after February 15, 1984.
- Tax Instalments** (36) That for the 1984 and subsequent taxation years,
- (a) individuals and corporations not be required to pay tax instalments for a taxation year where the federal tax payable or the instalment base for the year is \$1,000 or less, and
- (b) interest on deficient tax instalments for a taxation year not be eligible where the combined federal and provincial interest payable in respect of such instalments is \$25 or less.
- Joint and Several Liability** (37) That the provision of the Act relating to the joint and several tax liability arising as a consequence of spousal property transfers be amended to provide that a transferee will not be liable or required to make any payment after February 15, 1984 in respect of amounts owed under the Act by the transferor where property is transferred pursuant to a Court order or written separation agreement if at the time the property was transferred the transferor and transferee were separated and living apart as a result of the breakdown of their marriage.
- Refund of Taxes** (38) That the Minister of National Revenue be required after February 15, 1984 to refund to a taxpayer resident in Canada any overpayment of tax and any interest or penalty thereon resulting from a decision in which a court vacates or varies the taxpayer's assessment or refers his assessment back to the Minister for reassessment notwithstanding an appeal of the decision by the Minister.

- Notice of Objection** (39) That a notice of objection to an assessment made after Royal Assent to any measure giving effect to this paragraph be permitted to be filed within 180 days after the date on which the assessment was made.
- Costs in Tax Court of Canada** (40) That the Tax Court of Canada be empowered to award costs of up to \$1,000 to a taxpayer on the disposition of an appeal after Royal Assent to any measure giving effect to this paragraph.
- Costs in Federal Court of Canada** (41) That the Federal Court of Canada be required to award to a taxpayer all reasonable and proper costs of an appeal instituted by the Minister of National Revenue that is disposed of after Royal Assent to any measure giving effect to this paragraph where the disputed amount of tax assessed or loss determined does not exceed \$10,000 or \$20,000 respectively.
- Foreign Property** (42) That for the purposes of the provision of the Act relating to property held by pension funds and other exempt persons, the definition of "foreign property" be amended to exclude a share of a Canadian corporation listed on a prescribed stock exchange and acquired after 1983 pursuant to the exchange or conversion in accordance with terms and conditions existing on December 31, 1983 of another such share issued before 1984.
- Security for Taxes Payable** (43) That for taxes in dispute that are payable at any time after February 15, 1984, taxpayers be permitted to provide security for payment thereof satisfactory to the Minister of National Revenue.
- Interest on Non-Resident Withholding Tax** (44) That, where the withholding tax required under Part XIII of the Act to be deducted by a taxpayer from any amount paid or credited to a non-resident is not remitted on or before the 15th day of the month following that in which the amount was so paid or credited, interest at the prescribed rate be payable by the taxpayer for the period after the later of that day and February 15, 1984.
- Tax Avoidance** (45) That effective after February 15, 1984, section 246 of the Act relating to directions of the Treasury Board to counteract the avoidance or reduction of taxes be repealed.

Notice of Ways and Means Motion to Amend the Excise Tax Act (3)

Notice of Ways and Means Motion to Amend the Excise Tax Act (3)

That it is expedient to introduce a measure to amend the Excise Tax Act and to provide among other things:

1. That the definition “manufacturer or producer” in subsection 2(1) of the Act be amended to include

(a) any person who imports into Canada new motor vehicles designed for highway use, or chassis therefor, and

(b) any person who sells new motor vehicles designed for highway use, or chassis therefor, otherwise than predominantly to consumers.

2. That a manufacturer or producer of new motor vehicles described in any enactment founded on this motion, who imports into Canada new motor vehicles designed for highway use, or chassis therefor, be deemed to be the manufacturer or producer in Canada of the new motor vehicles or chassis so imported and not the importer thereof, and that the goods so imported be deemed to be goods produced or manufactured in Canada and not imported goods.

3. That new motor vehicles sold by a manufacturer or producer thereof described in any enactment founded on this motion, be deemed to be goods produced or manufactured in Canada and not imported goods.

4. That the taxes imposed by Part III or V of the Act not be payable on new motor vehicles designed for highway use, or chassis therefor,

(a) imported by a person defined in any enactment founded on subparagraph 1(a) of this motion to be a manufacturer or producer, or

(b) sold to a person defined in any enactment founded on subparagraph 1(b) of this motion to be a manufacturer or producer

who is a licensed manufacturer under the Act.

5. That a person who coats or finishes goods for sale be included in paragraph (f) of the definition “manufacturer or producer” in subsection 2(1) of the Act and that the current inclusion in that definition of a person who prepares goods for sale by some process other than those specifically listed therein be deleted.

6. That goods imported by a person included in the definition “manufacturer or producer” pursuant to any enactment founded on paragraph 5 of this motion that are coated or finished in Canada for sale be deemed to be goods manufactured or pro-

duced in Canada and not imported goods and the current reference in the deeming provision in subsection 2(4) of the Act to the preparation of goods for sale by some process other than those specifically listed therein be deleted.

7. That goods to be coated or finished for sale be included in paragraph (b) of the definition "partly manufactured goods" in subsection 26(1) of the Act and that the reference to the preparation of goods for sale by some process other than those specifically listed therein be deleted.

8. That the penalty for default in payment or remittance of any tax payable or collectible under the Act within the time prescribed be replaced by a penalty of one-half of one per cent and interest at the prescribed rate, in respect of each month or part thereof during which the default continues, calculated on the total tax, penalty and interest outstanding and that the current provisions in the Act regarding recovery or collection of such penalty be extended to apply to penalty and interest.

9. That "prescribed rate" be defined as the rate of interest determined pursuant to regulation of the Governor in Council and that prior to the effective date of such determination, the rate be set at one per cent per month.

10. That authority to make regulations prescribing the method of determining the prescribed rate of interest, the frequency of such determination and the date on which such rate shall come into force, be vested in the Governor in Council, on the recommendation of the Minister of Finance.

11. That where a licensed manufacturer has sold goods, in respect of which he is the manufacturer or producer, on credit to a person with whom he is dealing at arm's length, as described in section 251 of the Income Tax Act, and subsequently establishes, in accordance with generally accepted accounting principles, that the debt owing to him in respect of the sale has become a bad debt, the Minister of National Revenue be authorized, on application by the manufacturer, to pay to him,

(a) where the debt in whole has become a bad debt, an amount equal to the aggregate of the ad valorem taxes paid in respect of the sale under Part III or V of the Act, or

(b) where the debt has become in part a bad debt, an amount equal to that portion of the aggregate of the ad valorem taxes so paid that such part of the debt is of the whole debt.

12. That no application by or payment to a licensed manufacturer may be made pursuant to any enactment founded on paragraph 11 of this motion if

(a) the debt has not been written off as a bad debt on the books of account of the manufacturer at the time he applies for payment,

(b) the fiscal period, as defined by subsection 248(1) of the Income Tax Act, of the manufacturer in which the debt has been written off has not ended, or

(c) the sale occurred before any enactment founded on paragraph 11 of this motion comes into force.

13. That a licensed manufacturer who recovers all or part of a bad debt in respect of which a payment pursuant to any enactment founded on paragraph 11 of this motion has been made be required to repay to Her Majesty an amount equal to the proportion of the amount paid to him in respect of the bad debt that the amount of the debt so recovered is of the amount of the debt in respect of which the amount was paid to him, and that the amount that he is required to repay be payable not later than the last day of the first month succeeding that in which the bad debt or part thereof was recovered.

14. That the Minister of National Revenue be required to pay interest at the prescribed rate on refunds or payments of taxes or monies, other than those under Part I of the Act, outstanding more than sixty days after an application for payment has been received by him, compounded monthly and paid in respect of each day from the sixty-first day after receipt of the application, except where the amount of the interest so calculated is less than one dollar.

15. That the authority of the Minister of National Revenue to authorize by regulation any person to make a return in respect of an accounting period of less than one month be replaced by the authority to authorize by regulation any person to make a return in respect of an accounting period of not less than twenty-one days and not more than thirty-five days.

16. That where a person is authorized to file a return pursuant to any enactment founded on paragraph 15 of this motion, such return be filed and the tax paid not later than the last day of the first authorized accounting period following the end of the accounting period to which the return relates and, upon default in payment of any tax, penalty and interest accrue from the day immediately following the last day of the first authorized accounting period following the accounting period to which the return relates.

17. That the provisions of subsection 55(1) of the Act whereby a person who fails to pay or collect taxes or other sums, or affix or cancel stamps, is guilty of an offence and subject to a penalty be limited to apply only to a person who willfully fails to collect or remit taxes or other sums as required pursuant to Part II of the Act.

18. That a person who manufactures or produces goods by contract for labour only from any article or material supplied by another person, other than a licensed manufacturer, for delivery to that other person, be deemed, for the purposes of Parts III and V of the Act, to have sold the goods at the time they are delivered to that other person, at a sale price equal to the charge made under the contract.

19. That the wording of the French version of subsection 27(5) of the Act be amended to conform with the English version thereof.

20. That section 26.1 of the Act be extended to apply to any licensed manufacturer in respect of goods that he sells in conjunction with goods of his manufacture or production in Canada or that are of the same class as goods he manufactures or produces in Canada.

21. That the Governor in Council be authorized to determine that a local authority is a municipality for purposes of the definition "municipality" in subsection 2(1) of the

Act and that any such determination come into force on a date prior to the date on which the determination is made, if the determination so provides.

22. That the requirements in section 30 of the Act to provide a written invoice stating separately the amount of the consumption or sales tax on goods be repealed.

23. That the authority of the Minister of National Revenue to delegate to the Deputy Minister of National Revenue for Customs and Excise or such other officer as he may deem expedient the exercise of powers conferred on him by the Act be broadened to include an officer of such class as the Minister may deem expedient.

24. That a refund of the taxes imposed by the Act may be granted where goods on which the tax has been paid are sold to a licensed manufacturer as partly manufactured goods.

25. That any reference to "registered mail" or "registered letter" be extended to include certified letter.

26. That the exemption from the consumption or sales tax for X-ray apparatus and X-ray film in section 21 of Part VIII of Schedule III to the Act be limited to X-ray apparatus and film for medical use.

27. That a person to whom the Minister of National Revenue has decided to make a payment under any of sections 44 to 47 and 49 of the Act, other than paragraph 44(1)(g), be permitted, in lieu thereof, on such terms and conditions as the Minister deems appropriate, to deduct from any tax, interest, penalty or other sum that he is liable or about to become liable to pay or remit under the Act, other than under Part I or IV.1, the amount that would otherwise be payable to him.

28. That where the Minister of National Revenue has decided to make a payment to a person licensed under any Part of the Act, other than Part I or IV.1, pursuant to an application under any of sections 44 to 47 and 49 of the Act, other than paragraph 44(1)(g), the Minister be authorized, at the request of the applicant, to grant a deduction in lieu of the payment, from any tax, interest, penalty or other sum payable under any Part of the Act, other than Part I or IV.1, that the applicant is liable or about to become liable to pay or remit, on such terms and conditions as the Minister deems appropriate.

29. That where the Minister of National Revenue has decided to make a payment to a person licensed under section 25.16 of the Act pursuant to an application under paragraph 44(1)(g) of the Act, the Minister be authorized to grant a deduction in lieu of the payment, from any tax, interest, penalty or other sum payable under Part IV.1 of the Act that the applicant is liable or about to become liable to pay or remit, on such terms and conditions as the Minister deems appropriate.

30. That every person who deducts an amount pursuant to any enactment founded on paragraph 27 of this motion be required to declare separately the amount so deducted in the return that is required by section 17 or 50 of the Act to be made in respect of the period in which the deduction is taken.

31. That a tax return containing a declaration as required by any enactment founded on paragraph 30 of this motion in respect of an amount deducted pursuant to any enactment founded on paragraph 27 of this motion be deemed to be an application in writing for the purposes of section 44 of the Act.

32. That where the Minister of National Revenue has specified a later day for the filing of a return or the payment of any tax or portion thereof under the Act, the person liable to pay such tax or portion be liable to pay in addition thereto, interest at the prescribed rate from the date from which that person was initially liable to pay the tax or portion thereof.

33. That the exemption from consumption or sales tax for machinery and apparatus described in paragraph 1(a) of Part XIII of Schedule III to the Act be limited to machinery and apparatus for use primarily in the activities described in that paragraph.

34. That containers designed for repeated use sold to or imported by manufacturers or producers that are not for use by them exclusively and directly in the manufacture or production of goods be added to the list of goods mentioned in Part XIII of Schedule III to the Act that are excluded from the exemption from the consumption or sales tax.

35. That where an amount is paid in error, whether by reason of a mistake of law, fact or otherwise, and is taken into account as if it were a tax payable under the Act, no refund thereof or payment of an amount equal thereto be granted unless an application in writing therefor is made to the Minister of National Revenue, by the person to whom the refund or payment may be made,

(a) within twelve months after the time the amount would have been payable if it were a tax payable under the Act, where it is established subsequent to the making of the application that the amount was not payable as a tax by a declaration under section 59 of the Act, an order or judgement of the Federal Court or any other court of competent jurisdiction, or a decision of the Minister or other duly authorized officer respecting the interpretation or application of the Act,

(b) within four years after the time the amount would have been payable if it were a tax payable under the Act, where the application is made subsequent to a declaration, order, judgement or decision referred to in any enactment founded on subparagraph 35(a) of this motion that establishes that the amount was not payable as a tax, except that no such refund or payment be granted or paid in respect of any amount that, if it were a tax, would have been payable more than twelve months prior to the making of such declaration, order, judgement or decision, or

(c) within four years after the time the amount was paid, in any other case.

36. That where any taxes imposed by the Act have been paid and a refund of the taxes or a payment of an amount equal to the taxes may be granted as a result of the occurrence of an event described in any of paragraphs 44(1)(b), (d), (e), (f) or (g) or sub-

sections 44(2), (3) or (3.1), no such refund or payment be granted unless an application in writing therefor is made to the Minister of National Revenue, by the person to whom the refund or payment may be made,

(a) within twelve months after the time the said event occurred, where it is established subsequent to the making of the application that the refund or payment may be made by a declaration under section 59 of the Act, an order or judgement of the Federal Court or any other court of competent jurisdiction, or a decision of the Minister or other duly authorized officer respecting the interpretation or application of the Act,

(b) within four years after the time the said event occurred, where the application is made subsequent to a declaration, order, judgement or decision referred to in any enactment founded on subparagraph 36(a) of this motion that establishes that the refund or payment may be made, except that no such refund or payment be granted where the said event occurred more than twelve months prior to the making of such declaration, order, judgement or decision, or

(c) within four years after the time the said event occurred, in any other case.

37. That any enactment founded on

(a) paragraphs 35 and 36 come into force on October 29, 1980 and that any limitation of rights or entitlements under the Act or any broadening of such rights or entitlements with respect to a refund of tax, a payment of an amount equal to tax or a payment or refund of a sum paid and taken to account as tax contained in any enactments founded on those paragraphs be effective as of that date with respect to any refund or payment where the application therefor is made on or after that date;

(b) paragraphs 5 to 7, 11 to 13, 18, 19, 26, 33 and 34 come into force on February 16, 1984; and

(c) paragraphs 1 to 4 come into force on March 1, 1984.

Notice of Ways and Means Motion to Amend the Excise Tax Act (4)

Notice of Ways and Means Motion to Amend the Excise Tax Act (4)

That it is expedient to introduce a measure to amend the Excise Tax Act to introduce a comprehensive system of assessments and appeals and to provide among other things:

1. That the Minister of National Revenue be required to consider, with all due dispatch, any written application for a refund of taxes paid or for a payment of an amount equal to taxes paid or of moneys paid or overpaid in error, to send notice of his decision in respect of the application to the applicant and, where he approves the application, to grant the refund or payment, subject to any right of Her Majesty to a deduction or set-off.
2. That the Minister of National Revenue be authorized to vary, vacate or confirm any decision in respect of an application for a refund or payment within one year of his original decision or within the time limited for making an assessment, whichever is the later, and that such new decision be subject to the same requirements, rights and remedies as the original decision.
3. That the Minister of National Revenue be authorized to assess any person for tax or any other sums payable under the Act where that person fails to keep proper records and accounts, to file or substantiate a return, or to pay the tax or other sums due as required by the Act or upon the completion of or at any time during an audit.
4. That an assessment and any audit or other examination upon which an assessment is based be completed with all due dispatch and, where an assessment is made, that notice of the assessment be sent to the person assessed.
5. That a notice of assessment set out the amount of tax and other sums due under the Act, that no taxes under the Act are owing or the amount of any refund due to the person assessed, as the case may require.
6. That where an assessment discloses that a refund is due to a person assessed, the Minister be required to pay the amount of the refund due, subject to any right of Her Majesty to a deduction or set-off.
7. That an assessment, subject to a re-assessment or to the final disposition of an objection or appeal, be valid and binding despite any error, defect or omission in the assessment or in any proceeding under the Act or under any enactment founded on this motion and that a person's liability for tax not be affected by an incorrect or incomplete assessment or by the fact that no assessment has been made.
8. That a person assessed for taxes or other sums due under the Act be required to pay any amounts assessed within 30 days, or in lieu thereof, to provide security acceptable to the Minister of National Revenue.

9. That the Minister of National Revenue be authorized to issue a re-assessment in respect of any period covered by an assessment.

10. That, except in the case of a misrepresentation or fraud by the person assessed, no assessment or re-assessment be authorized to be made more than four years after the tax or other sums payable under the Act first became payable, unless an audit or examination of the records and accounts of the person assessed is commenced within four years after the day the tax or other sums payable under the Act first became payable.

11. That a person assessed for taxes or other sums be entitled, within 180 days after a notice of assessment is sent to him, to serve a notice of objection on the Minister respecting the assessment.

12. That where an application for a refund or payment is rejected in whole or in part by the Minister, the applicant be entitled, within 180 days after the notice of decision is sent to him, to serve a notice of objection on the Minister respecting the decision.

13. That upon receipt of a notice of objection to an assessment or a decision in respect of an application for a refund or payment, the Minister be required

(a) to reconsider the assessment or decision to which the notice relates,

(b) to vacate, confirm or vary the assessment or decision,

(c) to send notice of his decision to the person objecting, and

(d) where he determines that an amount is owing to that person, to pay to him the amount owing, subject to any right of Her Majesty to a deduction or set-off.

14. That a person serving a notice of objection be permitted, where the Minister consents, to waive reconsideration by the Minister of any assessment or decision to which the notice relates and appeal directly to the Tariff Board or the Federal Court, Trial Division.

15. That where a person has served a notice of objection and the Minister

(a) in the case of an assessment, thereafter makes a re-assessment in respect of the taxes or other sums so assessed, and sends notice thereof to the person objecting, or

(b) in any case, fails to send notice of his decision to the person objecting within 180 days after receiving the notice of objection,

the person objecting be entitled to appeal directly to the Tariff Board or the Federal Court, Trial Division within 90 days after the Minister sent notice of the re-assessment to him or within 90 days after the expiry of the time period for sending such notice of his decision, as the case may be.

16. That any person who, having filed a notice of objection, disagrees with the Minister's decision in respect of the notice of objection be permitted to appeal to the Tariff Board or, in place thereof, to the Federal Court, Trial Division within 90 days after notice of the Minister's decision is sent to him.

17. That the Tariff Board and the Federal Court, Trial Division be given absolute and concurrent jurisdiction to hear any appeal brought pursuant to any enactment founded on paragraph 14, 15, 16 or 25 of this motion and be empowered to make any order, judgement, finding or declaration as the subject matter of the appeal may require.

18. That any party to an appeal before the Tariff Board be permitted to appeal from the decision to the Federal Court, Trial Division and that the Federal Court, Trial Division be empowered to make any order, judgement, finding or declaration as the subject matter of the appeal may require.

19. That every appeal before the Federal Court, Trial Division be deemed to be an action to which the Federal Court Act and the Federal Court Rules apply except as provided in any enactment founded on this motion.

20. That any party to an appeal before the Federal Court, Trial Division be permitted to appeal from the decision to the Federal Court of Appeal in accordance with the Federal Court Act and the Federal Court Rules.

21. That on the disposition of an appeal, the Federal Court be empowered to order, in its discretion, the payment of costs by any party.

22. That where an appeal is brought by the Minister from a decision of the Tariff Board and the amount of the tax, refund or payment in dispute does not exceed ten thousand dollars, the Federal Court be required to order the Minister to pay all reasonable and proper costs of the respondent in respect of the appeal.

23. That the Tariff Board or Federal Court, Trial Division be authorized to permit, in its discretion,

(a) any person to intervene in an appeal from a decision of the Minister and be joined as a party to the appeal if that person establishes to its satisfaction that he has a substantial interest in the subject matter of the proceeding, and

(b) any person, without adding that person as a party to the proceeding, to render assistance to it,

and that for that purpose, the Tariff Board or the Federal Court, Trial Division, as the case may be, be required to consider the possibility of undue delay or prejudice and such other matter as it deems appropriate in exercising its discretion and be authorized to make any order in respect of such intervention or assistance as it deems appropriate.

24. That where a disposition of an objection or an appeal establishes that the person objecting or appealing is entitled to a refund or payment, the Minister of National

Revenue be required to pay to him the amount of the refund or payment, notwithstanding an appeal by the Minister from a decision or judgement of the Tariff Board or Federal Court, subject to any right of Her Majesty to a deduction or set-off.

25. That any person who has purchased transportation by air or acquired goods from a person who has collected or paid tax in respect of the purchase or acquisition be entitled

(a) to object to a decision of the Minister rejecting an application for a refund or payment or to an assessment respecting the purchase or acquisition by serving a notice of objection on the Minister within 30 days after the time otherwise limited for doing so, or

(b) to appeal, within 30 days after the time otherwise limited for doing so, to the Tariff Board or, in place thereof, to the Federal Court, Trial Division from a decision of the Minister respecting a notice of objection served by the person who collected or paid the tax in respect of the purchase or acquisition

if the person who collected or paid the tax

(c) failed to serve a notice of objection on the Minister or to appeal from the decision of the Minister respecting the notice of objection, as the case may be, within the time limited for doing so, or

(d) waived, in favour of the person who made the purchase or acquisition, his rights to so object or appeal, as the case may be, and to receive a refund or payment.

26. That the Minister be permitted to refer any question of law, fact or mixed law and fact relating to the Act to the Federal Court, Trial Division for hearing and determination.

27. That no determination by the Minister in respect of the value for tax or the fair price on which tax should be imposed be subject to appeal.

28. That no decision of the Minister regarding an application for a refund or payment or a notice of objection and no assessment or re-assessment be subject to appeal or review or to be restrained, prohibited, removed, set aside or otherwise dealt with except as provided in any enactment founded on this motion.

29. That any enactment founded on this motion come into force on a day to be fixed by proclamation.

Notice of Ways and Means Motion to Amend the Excise Act (2)

Notice of Ways and Means Motion to Amend the Excise Act (2)

That it is expedient to introduce a measure to amend the Excise Act and to provide among other things:

1. That the restrictions in subsection 17(3) of the Act on the licensing of an excisable manufactory be repealed.
2. That any enactment founded on paragraph 1 come into force on February 16, 1984.

Notice of Ways and Means Motion: Customs Act

Notice of Ways and Means Motion: Customs Act

1. That sections 35 to 44 of the *Customs Act* be repealed and the following substituted therefor:

“35. (1) The value for duty of imported goods shall be determined in accordance with sections 36 to 44.1.

(2) In this section and sections 36 to 44.1,

“computed value” means, in respect of goods, the value of the goods determined in accordance with section 41;

“country of export” means, in respect of goods, the country from which the goods are shipped directly to Canada;

“deductive value” means, in respect of goods, the value of the goods determined in accordance with subsection 40(2);

“goods of the same class or kind”, in relation to goods being appraised, means imported goods that

(a) are within a group or range of imported goods produced by a particular industry or industry sector that includes identical goods and similar goods in relation to the goods being appraised, and

(b) for the purposes of

(i) section 40, were produced in any country and exported from any country, and

(ii) section 41, were produced in and exported from the same country as the country in and from which the goods being appraised were produced and exported;

“identical goods”, in relation to goods being appraised, means imported goods that

(a) are the same in all respects, including physical characteristics, quality and reputation, as the goods being appraised, except for minor differences in appearance that do not affect the value of the goods,

(b) were produced in the same country as the country in which the goods being appraised were produced, and

(c) were produced by or on behalf of the person by or on behalf of whom the goods being appraised were produced,

but does not include imported goods where engineering, development work, art work, design work, plans or sketches undertaken in Canada were supplied, directly or indirectly, by the purchaser of those imported goods free of charge or at a reduced cost for use in connection with the production and sale for export of those imported goods;

“import” means import into Canada;

“person” includes any corporation wherever and however incorporated, a partnership and an association;

“prescribed” means prescribed by regulation of the Governor in Council;

“price paid or payable”, in respect of the sale of goods for export to Canada, means the aggregate of all payments made or to be made, directly or indirectly, in respect of the goods by the purchaser to or for the benefit of the vendor;

“produce” includes grow, manufacture and mine;

“similar goods”, in relation to goods being appraised, means imported goods that

(a) closely resemble the goods being appraised in respect of their component materials and characteristics,

(b) are capable of performing the same functions as, and of being commercially interchangeable with, the goods being appraised,

(c) were produced in the same country as the country in which the goods being appraised were produced, and

(d) were produced by or on behalf of the person by or on behalf of whom the goods being appraised were produced,

but does not include imported goods where engineering, development work, art work, design work, plans or sketches undertaken in Canada were supplied, directly or indirectly, by the purchaser of those imported goods free of charge or at a reduced cost for use in connection with the production and sale for export of those imported goods;

“sufficient information”, in respect of the determination of any amount, difference or adjustment, means objective and quantifiable information that establishes the accuracy of the amount, difference or adjustment;

“transaction value” in respect of goods, means the value of the goods determined in accordance with subsection 37(4).

(3) For the purposes of this section and sections 36 to 44.1, where there are no identical goods or similar goods, as the case may be, in relation to goods being appraised but there are goods that would be identical goods or similar goods, as the case may be, if they were produced by or on behalf of the person by or on behalf of whom the goods being appraised were produced, those goods shall be deemed to be identical goods or similar goods, as the case may be.

(4) For the purposes of sections 36 to 44.1, persons are related to each other if

- (a) they are individuals connected by blood relationship, marriage or adoption within the meaning of subsection 251(6) of the *Income Tax Act*;
- (b) one is an officer or director of the other;
- (c) each such person is an officer or director of the same two corporations, associations, partnerships or other organizations;
- (d) they are partners;
- (e) one is the employer of the other;
- (f) they directly or indirectly control or are controlled by the same person;
- (g) one directly or indirectly controls or is controlled by the other;
- (h) any other person directly or indirectly owns, holds or controls five per cent or more of the outstanding voting stock or shares of each such person; or
- (i) one directly or indirectly owns, holds or controls five per cent or more of the outstanding voting stock or shares of the other.

36. (1) The value for duty of goods shall be appraised on the basis of the transaction value of the goods in accordance with the conditions set out in section 37.

(2) Where the value for duty of goods is not appraised in accordance with subsection (1), it shall be appraised on the basis of the first of the following values, considered in the order set out herein, that can be determined in respect of the goods and that can, under sections 38 to 41, be the basis on which the value for duty of the goods is appraised:

- (a) the transaction value of identical goods that meets the requirements set out in section 38;
- (b) the transaction value of similar goods that meets the requirements set out in section 39;
- (c) the deductive value of the goods; and
- (d) the computed value of the goods.

(3) Notwithstanding subsection (2), on the written request of the importer of any goods being appraised made prior to the commencement of the appraisal of those goods, the order of consideration of the values referred to in paragraphs (2)(c) and (d) shall be reversed.

(4) Where the value for duty of goods is not appraised on the basis of any of the values referred to in paragraphs (2)(a) to (d), the value for duty of those goods shall be appraised under section 42.

37. (1) Subject to subsection (6), the value for duty of goods is the transaction value of the goods if the goods are sold for export to Canada and the price paid or payable for the goods can be determined and if

(a) there are no restrictions respecting the disposition or use of the goods by the purchaser thereof, other than restrictions that

(i) are imposed by law,

(ii) limit the geographical area in which the goods may be resold, or

(iii) do not substantially affect the value of the goods;

(b) the sale of the goods by the vendor to the purchaser or the price paid or payable for the goods is not subject to some condition or consideration, in respect to the goods, in respect of which a value cannot be determined;

(c) where any part of the proceeds of any subsequent resale, disposal or use of the goods by the purchaser thereof is to accrue, directly or indirectly, to the vendor, the price paid or payable for the goods includes the value of that part of the proceeds or such price is adjusted in accordance with subparagraph (5)(a)(v); and

(d) the purchaser and the vendor of the goods are not related to each other at the time the goods are sold for export or, where the purchaser and the vendor are related to each other at that time,

(i) their relationship did not influence the price paid or payable for the goods, or

(ii) the importer of the goods demonstrates that the transaction value of the goods meets the requirement set out in subsection (3).

(2) In the application of paragraph (1)(d), where the purchaser and the vendor of goods being appraised are related to each other at the time the goods are sold for export and the officer who is appraising the value for duty of the goods has grounds to believe that the requirement set out in subparagraph (1)(d)(i) is not met, the officer shall notify the importer of the goods of such grounds and, on the written request of the importer, the notification shall be in writing.

(3) For the purposes of subparagraph (1)(d)(ii), the transaction value of goods being appraised shall, taking into consideration any relevant factors including, without limiting the generality of the foregoing, such factors and differences as may be prescribed, closely approximate one of the following values that is in respect of identical goods or similar goods exported at the same or substantially the same time as the goods being appraised and is the value for duty of the goods to which it relates:

(a) the transaction value of identical goods or similar goods in a sale of those goods for export to Canada between a vendor and purchaser who are not related to each other at the time of the sale;

(b) the deductive value of identical goods or similar goods; or

(c) the computed value of identical goods or similar goods.

(4) The transaction value of goods shall be determined by ascertaining the price paid or payable for the goods when the goods are sold for export to Canada and adjusting the price paid or payable in accordance with subsection (5).

(5) The price paid or payable in the sale of goods for export to Canada shall be adjusted

(a) by adding thereto amounts, to the extent that each such amount is not already included in the price paid or payable for the goods, equal to

(i) commissions and brokerage in respect of the goods incurred by the purchaser thereof, other than fees paid or payable by the purchaser to his agent for the service of representing him abroad in respect of the sale,

(ii) the packing costs and charges incurred by the purchaser in respect of the goods, including the cost of cartons, cases and other containers and coverings that are treated for customs purposes as being part of the imported goods and all expenses of packing incident to placing the goods in the condition in which they are shipped to Canada,

(iii) the value of any of the following goods and services, determined in the manner prescribed, that are supplied, directly or indirectly, by the purchaser of the goods free of charge or at a reduced cost for use in connection with the production and sale for export of the imported goods, apportioned to the imported goods in a reasonable manner and in accordance with generally accepted accounting principles:

(A) materials, components, parts and other goods incorporated in the imported goods,

(B) tools, dies, moulds and other goods utilized in the production of the imported goods,

(C) any materials consumed in the production of the imported goods, and

(D) engineering, development work, art work, design work, plans and sketches undertaken elsewhere than in Canada and necessary for the production of the imported goods,

(iv) royalties and licence fees, including payments for patents, trademarks and copyrights, in respect of the goods that the purchaser of the goods must pay, directly or indirectly, as a condition of the sale of the goods for export to Canada, exclusive of charges for the right to reproduce the goods in Canada,

(v) the value of any part of the proceeds of any subsequent resale, disposal or use of the goods by the purchaser thereof that accrues or is to accrue, directly or indirectly, to the vendor, and

(vi) the cost of transportation of, the loading, unloading and handling charges and other charges and expenses associated with the transportation of, and the cost of insurance relating to the transportation of, the goods to the place within the country of export from which the goods are shipped directly to Canada;

(b) by deducting therefrom amounts, to the extent that each such amount is included in the price paid or payable for the goods, equal to

(i) the cost of transportation of, the loading, unloading and handling charges and other charges and expenses associated with the transportation of, and the cost of insurance relating to the transportation of, the goods from the place within the country of export from which the goods are shipped directly to Canada, and

(ii) any of the following costs, charges or expenses if the cost, charge or expense is identified separately from the price paid or payable for the goods:

(A) any reasonable cost, charge or expense that is incurred for the construction, erection, assembly or maintenance of, or technical assistance provided in respect of, the goods after the goods are imported, and

(B) any duties and taxes paid or payable by reason of the importation of the goods or sale of the goods in Canada, including, without limiting the generality of the foregoing, any duties or taxes levied on the goods under the *Customs Tariff*, the *Excise Tax Act*, the *Excise Act*, the *Anti-dumping Act* or any other law relating to customs; and

(c) by disregarding any rebate of, or other decrease in, the price paid or payable for the goods that is effected after the goods are imported.

(6) Where there is not sufficient information to determine any of the amounts required to be added to the price paid or payable in respect of any goods being appraised, the value for duty of the goods shall not be appraised under this section.

38. (1) Subject to subsections (2) to (5), where the value for duty of goods is not appraised under section 37, the value for duty of the goods is, if it can be

determined, the transaction value of identical goods, in a sale of those goods for export to Canada, if that transaction value is the value for duty of the identical goods and the identical goods were exported at the same or substantially the same time as the goods being appraised and were sold under the following conditions:

- (a) to a purchaser at the same or substantially the same trade level as the purchaser of the goods being appraised; and
- (b) in the same or substantially the same quantities as the goods being appraised.

(2) Where the value for duty of goods being appraised cannot be determined under subsection (1) because identical goods were not sold under the conditions described in paragraphs (1)(a) and (b), there shall be substituted therefor, in the application of subsection (1), identical goods sold under any of the following conditions:

- (a) to a purchaser at the same or substantially the same trade level as the purchaser of the goods being appraised but in quantities different from the quantities in which those goods were sold;
- (b) to a purchaser at a trade level different from that of the purchaser of the goods being appraised but in the same or substantially the same quantities as the quantities in which those goods were sold; or
- (c) to a purchaser at a trade level different from that of the purchaser of the goods being appraised and in quantities different from the quantities in which those goods were sold.

(3) For the purposes of determining the value for duty of goods being appraised under subsection (1), the transaction value of identical goods shall be adjusted by adding thereto or deducting therefrom, as the case may be, amounts to account for

(a) commercially significant differences between the costs, charges and expenses referred to in subparagraph 37(5)(a)(vi) in respect of the identical goods and those costs, charges and expenses in respect of the goods being appraised that are attributable to differences in distances and modes of transport; and

(b) where the transaction value is in respect of identical goods sold under the conditions described in any of paragraphs (2)(a) to (c), differences in the trade levels of the purchasers of the identical goods and the goods being appraised or the quantities in which the identical goods and the goods being appraised were sold or both, as the case may be.

(4) Where there is not sufficient information to determine any amount referred to in subsection (3) or the adjustment therefor in relation to the transaction value of identical goods, the value for duty of the goods being appraised shall not be appraised on the basis of that transaction value under this section.

(5) Where, in relation to goods being appraised, there are two or more transaction values of identical goods that meet all the requirements set out in subsections (1) and (3) or, where there is no such transaction value but there are two or more transaction values of identical goods sold under the conditions described in any of paragraphs (2)(a) to (c) that meet all the requirements set out in this section that are applicable by virtue of subsection (2), the value for duty of the goods being appraised shall be determined on the basis of the lowest such transaction value.

39. (1) Subject to subsections (2) and 38(2) to (5), where the value for duty of goods is not appraised under section 37 or 38, the value for duty of the goods is, if it can be determined, the transaction value of similar goods, in a sale of those goods for export to Canada, if that transaction value is the value for duty of the similar goods and the similar goods were exported at the same or substantially the same time as the goods being appraised and were sold under the following conditions:

(a) to a purchaser at the same or substantially the same trade level as the purchaser of the goods being appraised; and

(b) in the same or substantially the same quantities as the goods being appraised.

(2) Subsections 38(2) to (5) apply to this section in respect of similar goods and wherever in those subsections the expression "identical goods" is referred to, there shall be substituted therefor the expression "similar goods".

40. (1) Subject to subsections (5) and 36(3), where the value for duty of goods is not appraised under sections 37 to 39, the value for duty of the goods is the deductive value of the goods if it can be determined.

(2) The deductive value of goods being appraised is

(a) where the goods being appraised, identical goods or similar goods are sold in Canada in the condition in which they were imported at the same or substantially the same time as the time of importation of the goods being appraised, the price per unit, determined in accordance with subsection (3) and adjusted in accordance with subsection (4), at which the greatest number of units of the goods being appraised, identical goods or similar goods are so sold;

(b) where the goods being appraised, identical goods or similar goods are not sold in Canada in the circumstances described in paragraph (a) but are sold in Canada in the condition in which they were imported before the expiration of ninety days after the time of importation of the goods being appraised, the price per unit, determined in accordance with subsection (3) and adjusted in accordance with subsection (4) at which the greatest number of units of the goods being appraised, identical goods or similar goods are so sold at the earliest date after the time of importation of the goods being appraised; or

(c) where the goods being appraised, identical goods or similar goods are not sold in Canada in the circumstances described in paragraph (a) or (b) but the goods being appraised, after being assembled, packaged or further processed in Canada, are sold in Canada before the expiration of one hundred and eighty days after the time of importation thereof and the importer of the goods being appraised requests that this paragraph be applied in the determination of the value for duty of those goods, the price per unit, determined in accordance with subsection (3) and adjusted in accordance with subsection (4), at which the greatest number of units of the goods being appraised are so sold.

(3) For the purposes of subsection (2), the price per unit, in respect of goods being appraised, identical goods or similar goods, shall be determined by ascertaining the unit price, in respect of sales of the goods at the first trade level after importation thereof to persons who

(a) are not related to the persons from whom they buy the goods at the time the goods are sold to them, and

(b) have not supplied, directly or indirectly, free of charge or at a reduced cost for use in connection with the production and sale for export of the goods any of the goods or services referred to in subparagraph 37(5)(a)(iii),

at which the greatest number of units of the goods is sold where, in the opinion of the Deputy Minister or any person authorized by him, a sufficient number of such sales have been made to permit a determination of the price per unit of the goods.

(4) For the purposes of subsection (2), the price per unit, in respect of goods being appraised, identical goods or similar goods, shall be adjusted by deducting therefrom an amount equal to the aggregate of

(a) an amount, determined in the manner prescribed, equal to

(i) the amount of commission generally earned on a unit basis, or

(ii) the amount for profit and general expenses, including all costs of marketing the goods, considered together as a whole, that is generally reflected on a unit basis

in connection with sales in Canada of goods of the same class or kind as those goods;

(b) the costs, charges and expenses in respect of the transportation and insurance of the goods within Canada and the costs, charges and expenses associated therewith that are generally incurred in connection with sales in Canada of the goods being appraised, identical goods or similar goods, to the extent that an amount for such costs, charges and expenses is not deducted in respect of general expenses under paragraph (a);

(c) the costs, charges and expenses referred to in subparagraph 37(5)(b)(i), incurred in respect of the goods, to the extent that an amount for such costs, charges and expenses is not deducted in respect of general expenses under paragraph (a);

(d) any duties and taxes referred to in clause 37(5)(b)(ii)(B) in respect of the goods, to the extent that an amount for such duties and taxes is not deducted in respect of general expenses under paragraph (a); and

(e) where paragraph (2)(c) applies, the amount of the value added to the goods that is attributable to the assembly, packaging or further processing in Canada of the goods.

(5) Where there is not sufficient information to determine an amount referred to in paragraph (4)(e) in respect of any goods being appraised, the value for duty of the goods shall not be appraised under paragraph (2)(c).

(6) In this section, "time of importation" means, in respect of goods, the date on which the collector or other proper officer authorizes, pursuant to this Act, the release of the goods for use in Canada.

41. (1) Subject to subsection 36(3), where the value for duty of goods is not appraised under section 37 to 40, the value for duty of the goods is the computed value of the goods if it can be determined.

(2) The computed value of goods being appraised is the aggregate of amounts equal to

(a) the costs, charges and expenses incurred in respect of, or the value of,

(i) materials employed in producing the goods being appraised, and

(ii) the production or other processing of the goods being appraised,

determined in the manner prescribed, including, without limiting the generality of the foregoing,

(iii) the costs, charges and expenses referred to in subparagraph 37(5)(a)(ii),

(iv) the value of any of the goods and services referred to in subparagraph 37(5)(a)(iii), determined and apportioned to the goods being appraised as referred to in that subparagraph, whether or not such goods and services have been supplied free of charge or at a reduced cost, and

(v) the costs, charges and expenses incurred by the producer in respect of engineering, development work, art work, design work, plans or sketches undertaken in Canada that were supplied,

directly or indirectly, by the purchaser of the goods being appraised for use in connection with the production and sale for export of those goods, apportioned to the goods being appraised as referred to in subparagraph 37(5)(a)(iii); and

(b) the amount, determined in the manner prescribed, for profit and general expenses considered together as a whole, that is generally reflected in sales for export to Canada of goods of the same class or kind as the goods being appraised made by producers in the country of export.

(3) For the purposes of this section, "general expenses" means the direct and indirect costs, charges and expenses of producing and selling goods for export, other than the costs, charges and expenses referred to in paragraph (2)(a).

42. Where the value for duty of goods is not appraised under sections 37 to 41, it shall be appraised on the basis of

(a) a value derived from the method, from among the methods of valuation set out in sections 37 to 41 that, when applied in a flexible manner to the extent necessary to arrive at a value for duty of the goods, conforms most closely to the requirements set out therein with respect to that method; and

(b) information available in Canada.

43. For the purposes of sections 35 to 44.1, where goods are exported to Canada from any country but pass in transit through another country, the goods shall, subject to such terms and conditions as may be prescribed, be deemed to be shipped directly to Canada from the first mentioned country.

44. The value for duty of imported goods shall be computed in Canadian currency in accordance with regulations made pursuant to section 13.1 of the *Currency and Exchange Act*.

44.1 The Governor in Council may make regulations prescribing anything that is, by sections 36 to 44, to be prescribed.

44.2 The importer of any goods, on his written request, shall be informed in writing of the manner in which the value for duty of the goods was determined."

2. That any enactment founded on paragraph 1 of this motion shall be deemed to come into force on the 1st day of January, 1985, and shall apply to all goods imported or taken out of warehouse for consumption on or after that day, and to apply to goods previously imported for which no entry for consumption was made before that day.

Notice of Ways and Means Motion: Customs Tariff

Notice of Ways and Means Motion: Customs Tariff

1. That subsection 2(1) of the *Customs Tariff* be amended by adding the following definition immediately after the definition of “p.c.”:

“ “photographer” means anyone using a photographic process, that is, a process which involves the formation of images directly or indirectly by action of light or other forms of radiation on sensitive surfaces;”

2. That paragraph 3(2.2)(a) of the said Act be repealed and the following substituted therefor:

“(a) in the case of goods enumerated in tariff items 16002-1, 16102-1, 17700-1, 17800-1, 23235-1, 53205-1, 53210-1 and 53215-1, the appropriate rate set opposite the relevant item in the schedule to this subsection;”

3. That the schedule to paragraph 3(2.2)(a) of the said Act be amended by adding under the column described as Tariff Item, immediately after tariff item 16102-1, the following tariff item, “17700-1” and by adding opposite that tariff item under the column described as Rate, the following: “on and after January 1, 1985 28.6 p.c.” and, by adding in item 17800-1, under the column Rate, immediately following “on and after January 1, 1982 20 p.c.”, the following: “on and after January 1, 1985 24.3 p.c.”.

4. That subsection 3(2.3) of the said Act be repealed and the following substituted therefor:

“(2.3) Television apparatus and parts thereof for use in community antenna television transmission lines classified under tariff items 44533-1 or 44533-8, audio-frequency electric amplifiers and parts thereof for use in community antenna television transmission lines classified under tariff item 44540-1 and goods classified under tariff items 2300-1, 14100-1, 14101-1, 14102-1, 42701-1, 42701-2, 42701-3, 42815-1 and 56805-1 are excluded from the operation of subsection (2.2).”

5. That paragraph 3.1(3)(a) of the said Act be amended by inserting immediately after the reference to “14100-1”, a reference to “14101-1, 14102-1,”.

6. That paragraph 5(3)(b) of the said Act be repealed and the following substituted therefor:

“(b) duties on goods that are classified under any of the following tariff items, namely:

Tariff items 17900-1, 18100-1, 20210-1, 28800-1, 32202-1, 32300-1, 36200-1, 41505-1, 41505-2, 41505-3, 43900-1, 44500-1, 51800-1, 51805-1, 51806-1, 52202-1, 52203-1, 53205-1, 53210-1, 53215-1, 53235-1, 53405-1, 53410-1, 54205-1, 54205-2, 54215-1, 55301-1, 55302-1, 55825-1, 55830-1, 55835-1, 56105-1, 56110-1, 56205-1, 56510-1, 56521-1, 56805-1, 56810-1, 56820-1, 56825-1, 56910-1, 56915-1, 57200-1, 57201-1, 57202-1, 57203-1, 57401-1, 57600-1, 59705-1, 59705-2, 61105-1, 61105-2, 61105-3, 61110-1, 61500-1, 61900-1, 63400-1, 64700-1, 65100-1, 65101-1, 65102-1, 65105-1, 65610-1, 65615-1 and 65620-1.”

7. That section 12 of the said Act be repealed and the following substituted therefor:

“12. The Governor in Council, on the recommendation of the Minister of Finance, may from time to time reduce or remove any duty applicable under any tariff item in Chapters 915, 928, 929 and 939 of Group XII of Schedule A, with the exception of tariff items 93901-61, 93901-71, 93901-75, 93902-61, 93902-71, 93902-75, 93903-71, 93903-75 and 93903-77, and *any item under heading 93907*, on any goods classified, for purposes of this Act, under any one of the said items, and the reduction or removal shall apply under such conditions and for such period as may be specified by the Governor in Council.”

8. That the said Act be further amended by adding thereto, immediately after section 22, the following section:

“23. (1) The rate of duty applicable under this or any other Act of Parliament, or under any regulation or order in council made thereunder, to goods that are used goods or less than prime quality goods is the rate of duty otherwise applicable to those goods increased by twenty-five per cent.

(2) The Governor in Council, on the recommendation of the Minister of Finance, may make regulations

(a) defining, for the purposes of this section, the expressions “used goods” and “less than prime quality goods”;

(b) excluding used goods and less than prime quality goods and any class or category thereof, in whole or in part, from the application of this section; and

(c) suspending the application of this section in respect of any used goods or less than prime quality goods or any class or category thereof.

(3) Sections 46 to 50 of the *Customs Act* apply, with such modifications as the circumstances require, to any importer affected by the application of this section.”

9. That Schedule A to the said Act be amended by striking out in the paragraph immediately following tariff item 8748-1 the reference to “weighing five pounds or less, each,” and by substituting therefor a reference to “weighing five pounds or 2.27 kilograms or less, each, or that are labelled, advertised, or sold as such.”

10. That Schedule A to the said Act be further amended by striking out tariff items:

14100-1, 17800-1, 17800-3, 18030-1, 18100-1, 18700-1, 19910-1, 22001-1, 23400-1, 28900-1, 28900-2, 32603-1, 35200-1, 35400-1, 41400-1, 41500-1, 41505-1, 41505-2, 41515-1, 42700-5, 42701-1, 43910-1, 43910-2, 44300-1, 44300-2, 44300-3, 44300-4, 44504-1, 44506-1, 44508-1, 44512-1, 44516-1, 44524-1, 44533-1, 44533-2, 44533-3, 44533-4, 44533-5, 44536-3, 44537-1, 44538-1, 44540-1, 44542-1, 44603-1, 44612-1, 51100-1, 51110-1, 51400-1, 51805-1, 51902-1, 54125-1, 61105-1, 61800-1, 61815-2, 62410-1, 62900-1, 64700-1, 71002-1, 71003-1, 71006-1, 91510-4, 93402-1, 93902-3, 93902-42, 93902-82 and 93907-1

and the enumerations of goods, the rates of duty set opposite each of those items and any paragraphs immediately following tariff items 14100-1, 42700-9, 42701-2, 44533-5 and 44540-1 and by inserting in Schedule A to the said Act the items, enumerations of goods and rates of duty and the paragraphs as specified in Schedule I to this motion.

11. That Schedule A to the said Act be further amended by striking out in tariff item 44548-1 the reference to “tariff items 44533-1, 44533-2, 44533-3, 44533-4, 44533-5, 44534-1, 44535-1, 44536-1, 44536-2, 44536-3, 44538-1 and 44540-1” and substituting therefor a reference to “tariff items 44533-1, 44533-2, 44533-3, 44533-4, 44533-5, 44533-6, 44533-7, 44533-8, 44534-1, 44535-1, 44536-1, 44536-2, 44536-3, 44536-5, 44538-3, 44538-4 and 44540-1”.

12. That Schedule A to the said Act be further amended by striking out in tariff item 44550-1 the reference to “tariff items 44533-1, 44533-2, 44533-3, 44533-4, 44533-5, 44534-1, 44535-1, 44538-1,” and substituting therefor a reference to “tariff items 44533-1, 44533-2, 44533-3, 44533-4, 44533-5, 44533-6, 44533-7, 44533-8, 44534-1, 44535-1, 44538-3, 44538-4,”.

13. That Schedule A to the said Act be further amended by striking out in tariff item 69605-1 the reference to “tariff items 41100-1, 42700-1, 42700-2, 42700-3, 42700-4, 42700-5, 42700-9, 42701-1, or 42701-2” and substituting therefor a reference to “tariff items 41100-1, 42700-1, 42700-2, 42700-3, 42700-4, 42700-5, 42700-9, 42700-10, 42700-11, 42700-12, 42700-13, 42700-14, 42700-15, 42700-16, 42701-1, 42701-2, or 42701-3”.

14. That Schedule A of the said Act be further amended by striking out in tariff item 69605-1 subparagraph (a)(iv) and in tariff item 69605-2 paragraph (d) the words “any school separately incorporated in Canada that offers” and by substituting therefor a reference to “any school, *either separately incorporated in Canada or, if not incorporated, not related in any manner to non-qualifying organizations, solely established to offer*”.

15. That Schedule A to the said Act be further amended by striking out tariff item 44062-1 and the enumeration of goods and the rates of duty set opposite that tariff item and by inserting in Schedule A to the said Act the item, enumeration of goods and rates of duty specified in Schedule II to this motion.

16. That Schedule A to the said Act be further amended by striking out tariff items:

6905-1, 6905-2, 17315-1, 17800-2, 19510-1, 19755-1, 41040-1, 41305-1, 42000-1, 42100-1, 42600-1, 43150-1, 43155-1, 43705-1, 43710-1, 44028-1, 44315-1, 44320-1, 44530-1, 44725-1, 46218-1, 46220-1, 46245-1, 46246-1, 49201-1, 49202-1, 51105-1, 51145-1, 59730-1, 65804-1, 65810-1, 65811-1, 65815-1, 69005-1, 69625-1, 69640-1 and 93811-3

and the enumerations of goods and the rates of duty set opposite each of those items and by inserting in Schedule A to the said Act the items, enumerations of goods and rates of duty specified in Schedule III to this motion.

17. That the French version of Schedule A to the said Act be amended by striking out in tariff item 19700-4 the reference to "ondulé, non coupé en fonction de dimensions ou de formes précises" and substituting therefor a reference to "*pour cannelure, non coupé en fonction de dimensions ou de formes précises*".

18. That the French version of Schedule A to the said Act be further amended by striking out in tariff item 50600-8 the reference to "moules en bois de plus d'un côté profilé" and substituting therefor a reference to "moules en bois de plus d'un profil".

19. That the English version of Schedule A to the said Act be amended by striking out in tariff item 50055-1 the reference to "not over six feet in length or over fifteen inches in width," and substituting therefor a reference to "*over fifteen inches in width and not over six feet in length*,".

20. That the English version of Schedule A to the said Act be further amended by striking out in Note 1. immediately following tariff item 50075-1 the reference to "siding and mouldings of wood having the same profile and cross-section throughout their length," and substituting therefor a reference to "siding and mouldings of wood having the same profile *in* cross-section throughout their length,".

21. That any enactment founded on paragraphs 1, 9, 14 and 16 to 20 inclusive of this motion shall be deemed to have come into force on the 16th day of February, 1984, and to have been applied to all goods mentioned in the said paragraphs imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

22. That any enactment founded on paragraphs 2 to 8 inclusive, 10 to 13 inclusive and 15 of this motion shall come into force on the 1st day of January, 1985, and shall apply to all goods mentioned in the said paragraphs imported or taken out of warehouse for consumption on or after that day, and shall apply to goods previously imported for which no entry for consumption was made before that day.

Schedule I

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
14100-1	Sugar candy and confectionery, n.o.p., including sweetened gums, candied popcorn, candied nuts, flavouring powders, custard powders, jelly powders, sweetmeats, sweetened breads, cakes, pies, puddings and all other confections containing sugar.....	13 p.c.	16.8 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	16.3 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1986	13 p.c.	16.1 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	15.6 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1987	13 p.c.	15.5 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	15 p.c.	35 p.c.	7.5 p.c.
14101-1	<i>Liquorice candy</i>	14.3 p.c.	18.1 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	16.3 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1986	14.3 p.c.	17.4 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	15.6 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1987	14.2 p.c.	16.7 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	15 p.c.	35 p.c.	7.5 p.c.
14102-1	<i>Toffee</i>	13.9 p.c.	17.7 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	16.3 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1986	13.8 p.c.	16.9 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	15.6 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1987	13.8 p.c.	16.3 p.c.	35 p.c.	7.5 p.c.	12.5 p.c.	15 p.c.	35 p.c.	7.5 p.c.
<p>Except in the case of goods classified under tariff items 14100-1, 14101-1 and 14102-1 that are the growth, produce or manufacture of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man, or the Republic of Ireland, the Most-Favoured-Nation Tariff applies.</p>									
17700-1	<i>Advertising catalogues</i>per pound	5 cts.	2.5 cts.	15 cts.	Free	5 cts.	2.5 cts.	15 cts.	Free
	but not less than	—	30.5 p.c.	35 p.c.		—	21.3 p.c.	35 p.c.	
	on and after January 1, 1986								
	per pound	5 cts.	1.25 cts.	15 cts.	Free	5 cts.	1.25 cts.	15 cts.	Free
	but not less than	—	29.5 p.c.	35 p.c.		—	20.6 p.c.	35 p.c.	

Rates in Effect Prior to
Rates Proposed in this Motion

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
	ing exclusively to products or services of such countries, but not relating to Canadian products or services.								
18030-1	Plans and drawings, related specifications, any substitute therefor, reproductions of the foregoing, n.o.p.; maps and charts, n.o.p.....	12.6 p.c.	12.6 p.c.	27.5 p.c.	Free	12 p.c.	12 p.c.	27.5 p.c.	Free
	on and after January 1, 1986	11.7 p.c.	11.7 p.c.	27.5 p.c.	Free	11.1 p.c.	11.1 p.c.	27.5 p.c.	Free
	on and after January 1, 1987	10.7 p.c.	10.7 p.c.	27.5 p.c.	Free	10.2 p.c.	10.2 p.c.	27.5 p.c.	Free
18100-1	Bank notes, bonds, bills of exchange, cheques, promissory notes, drafts and all similar work, unsigned, and cards or other commercial blank forms printed or lithographed, or printed from steel or copper or other plates; printed matter, n.o.p.....	14.6 p.c.	14.6 p.c.	35 p.c.	9.5 p.c.	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	13.4 p.c.	13.4 p.c.	35 p.c.	8.5 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	12.2 p.c.	12.2 p.c.	35 p.c.	8 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.
18700-1	Albumenized and other papers, textile fabrics and films, n.o.p.; all the foregoing chemically prepared for photographers' use.....	Free	12.2 p.c.	30 p.c.	Free	Free	12 p.c.	30 p.c.	Free
	on and after January 1, 1986	Free	11.3 p.c.	30 p.c.	Free	Free	11.1 p.c.	30 p.c.	Free
	on and after January 1, 1987	Free	10.4 p.c.	30 p.c.	Free	Free	10.2 p.c.	30 p.c.	Free
18701-1	Microfilm, unexposed.....	Free	13.3 p.c.	30 p.c.	Free	Free	12 p.c.	30 p.c.	Free
	on and after January 1, 1986	Free	12.3 p.c.	30 p.c.	Free	Free	11.1 p.c.	30 p.c.	Free
	on and after January 1, 1987	Free	11.3 p.c.	30 p.c.	Free	Free	10.2 p.c.	30 p.c.	Free
	Tarred paper and prepared roofings (including shingles), tiles and lay-in panels for ceilings, fibre-								

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
ters, liniments, salves, ointments, pastes, drops, waters, essences and oils	10.4 p.c.	10.4 p.c.	25 p.c.	6.5 p.c.	10 p.c.	10 p.c.	25 p.c.	6.5 p.c.
on and after January 1, 1986	10.3 p.c.	10.3 p.c.	25 p.c.	6.5 p.c.	9.9 p.c.	9.9 p.c.	25 p.c.	6.5 p.c.
on and after January 1, 1987	9.5 p.c.	9.5 p.c.	25 p.c.	6 p.c.	9.2 p.c.	9.2 p.c.	25 p.c.	6 p.c.
Any article in this item containing more than forty per cent of proof spirit shall be rated for duty at	\$1.50	\$1.50	\$2.00	\$1.00	\$1.50	\$1.50	\$2.00	\$1.00
and	11.1 p.c.	11.1 p.c.	25 p.c.	7 p.c.	10.7 p.c.	10.7 p.c.	25 p.c.	7 p.c.
on and after January 1, 1986								
per gallon	\$1.50	\$1.50	\$2.00	\$1.00	\$1.50	\$1.50	\$2.00	\$1.00
and	10.3 p.c.	10.3 p.c.	25 p.c.	6.5 p.c.	9.9 p.c.	9.9 p.c.	25 p.c.	6.5 p.c.
on and after January 1, 1987								
per gallon	\$1.50	\$1.50	\$2.00	\$1.00	\$1.50	\$1.50	\$2.00	\$1.00
and	9.5 p.c.	9.5 p.c.	25 p.c.	6.5 p.c.	9.2 p.c.	9.2 p.c.	25 p.c.	6 p.c.
23400-1 Perfumery, including toilet preparations, non-alcoholic, namely: hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin	14.5 p.c.	14.5 p.c.	40 p.c.	9.5 p.c.	13.5 p.c.	13.5 p.c.	40 p.c.	9 p.c.
on and after January 1, 1986	13.4 p.c.	13.4 p.c.	40 p.c.	8.5 p.c.	12.4 p.c.	12.4 p.c.	40 p.c.	8 p.c.
on and after January 1, 1987	12.2 p.c.	12.2 p.c.	40 p.c.	8 p.c.	11.3 p.c.	11.3 p.c.	40 p.c.	7.5 p.c.
28900-1 Baths, bathtubs, basins, closets, closet seats and covers, closet tanks, lavatories, urinals, sinks and laundry tubs of earthenware, stone, cement, clay or other material, n.o.p.	12.6 p.c.	13.6 p.c.	35 p.c.	Free	12.5 p.c.	13.5 p.c.	35 p.c.	Free
on and after January 1, 1986	12.5 p.c.	12.5 p.c.	35 p.c.	Free	12.4 p.c.	12.4 p.c.	35 p.c.	Free
on and after January 1, 1987	11.4 p.c.	11.4 p.c.	35 p.c.	Free	11.3 p.c.	11.3 p.c.	35 p.c.	Free

Rates in Effect Prior to
Rates Proposed in this Motion

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			General Prefer- ential Tariff
						B.P. Tariff	M.F.N. Tariff	General Tariff	
28900-2	Toilet bowls and tanks and combinations thereof of china.....	12.6 p.c.	13.6 p.c.	35 p.c.	9 p.c.	12.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	12.5 p.c.	12.5 p.c.	35 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	11.4 p.c.	11.4 p.c.	35 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.
32603-1	Demijohns or carboys, bottles, flasks, phials, jars and balls, of glass, not cut, n.o.p.; lamp chimneys of glass, n.o.p.....	13.6 p.c.	13.6 p.c.	32.5 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	32.5 p.c.	9 p.c.
	on and after January 1, 1986	12.5 p.c.	12.5 p.c.	32.5 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	32.5 p.c.	8 p.c.
	on and after January 1, 1987	11.4 p.c.	11.4 p.c.	32.5 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	32.5 p.c.	7.5 p.c.
35200-1	Brass and copper nails, tacks, rivets and burrs or washers; bells and gongs, n.o.p.; and manufactures of brass or copper, n.o.p.....	12.1 p.c.	12.1 p.c.	30 p.c.	8 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	11.2 p.c.	11.2 p.c.	30 p.c.	7 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.3 p.c.	10.3 p.c.	30 p.c.	6.5 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
35400-1	Manufactures of aluminum, n.o.p.....	12.1 p.c.	12.1 p.c.	30 p.c.	8 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	11.2 p.c.	11.2 p.c.	30 p.c.	7 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.3 p.c.	10.3 p.c.	30 p.c.	6.5 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
41400-1	Typewriters.....	Free	5.2 p.c.	25 p.c.	Free	Free	5 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	2.6 p.c.	25 p.c.	Free	Free	2.5 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free
	Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts of all the foregoing, including suction hose, n.o.p.:								
41500-1	Other than the following.....	5 p.c.	15 p.c.	25 p.c.	5 p.c.	5 p.c.	15 p.c.	25 p.c.	5 p.c.
	on and after January 1, 1986	5 p.c.	14 p.c.	25 p.c.	5 p.c.	5 p.c.	14 p.c.	25 p.c.	5 p.c.
	on and after January 1, 1987	5 p.c.	12.5 p.c.	25 p.c.	5 p.c.	5 p.c.	12.5 p.c.	25 p.c.	5 p.c.

Rates in Effect Prior to
Rates Proposed in this Motion

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
41500-2	<i>Commercial or industrial vacuum cleaners.....</i>	5.1 p.c.	15.1 p.c.	25 p.c.	5.1 p.c.	5 p.c.	15 p.c.	25 p.c.	5 p.c.
	on and after January 1, 1986	5.1 p.c.	14.1 p.c.	25 p.c.	5.1 p.c.	5 p.c.	14 p.c.	25 p.c.	5 p.c.
	on and after January 1, 1987	5.1 p.c.	12.6 p.c.	25 p.c.	5.1 p.c.	5 p.c.	12.5 p.c.	25 p.c.	5 p.c.
	Refrigerators and combination refrigerator-freezers, domestic or store, completely equipped or not:								
41505-1	<i>Domestic, electric, with refrigerator capacity of not less than 0.38 m³.....</i>	15.7 p.c.	15.7 p.c.	30 p.c.	10 p.c.	15.5 p.c.	15.5 p.c.	30 p.c.	10 p.c.
	on and after January 1, 1986	14.2 p.c.	14.2 p.c.	30 p.c.	9 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	12.6 p.c.	12.6 p.c.	30 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.
41505-2	<i>Domestic, n.o.p.</i>	15.5 p.c.	15.5 p.c.	30 p.c.	10 p.c.	15.5 p.c.	15.5 p.c.	30 p.c.	10 p.c.
	on and after January 1, 1986	14 p.c.	14 p.c.	30 p.c.	9 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.
41505-3	<i>Store</i>	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1986	12.4 p.c.	12.4 p.c.	30 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1987	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.
	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines:								
41515-1	<i>Other than the following.....</i>	15 p.c.	15.5 p.c.	35 p.c.	10 p.c.	15 p.c.	15.5 p.c.	35 p.c.	10 p.c.
	on and after January 1, 1986	14 p.c.	14 p.c.	35 p.c.	9 p.c.	14 p.c.	14 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1987	12.5 p.c.	12.5 p.c.	35 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	35 p.c.	8 p.c.
41516-1	<i>Complete parts of electric washing machines</i>	15.1 p.c.	15.6 p.c.	35 p.c.	10 p.c.	15 p.c.	15.5 p.c.	35 p.c.	10 p.c.
	on and after January 1, 1986	14.1 p.c.	14.1 p.c.	35 p.c.	9 p.c.	14 p.c.	14 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1987	12.6 p.c.	12.6 p.c.	35 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	35 p.c.	8 p.c.

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			General Prefer- ential Tariff
						B.P. Tariff	M.F.N. Tariff	General Tariff	
	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing:								
42700-5	Household machines, electric motor driven, including knives, knife sharpeners, floor polishers, humidifiers, air conditioners, tooth brushes, can openers, hair dryers, food mixers, food blenders, food grinders, food choppers, garbage disposal units, <i>portable</i> dishwashers, shoe polishers, clothes brushes, massagers, and combinations thereof; accessories, attachments, control equipment and tools for use therewith; parts of the foregoing	2.5 p.c.	13.5 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	13.5 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	2.5 p.c.	13 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	13 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	2.5 p.c.	12.5 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	12.5 p.c.	35 p.c.	2.5 p.c.
42700-10	<i>Parts of portable air compressors</i>	4.8 p.c.	13 p.c.	35 p.c.	4.8 p.c.	2.5 p.c.	10.7 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	4.6 p.c.	12 p.c.	35 p.c.	4.6 p.c.	2.5 p.c.	9.9 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	4.4 p.c.	11.1 p.c.	35 p.c.	4.4 p.c.	2.5 p.c.	9.2 p.c.	35 p.c.	2.5 p.c.
42700-11	<i>Electric dishwashers, not including electric portable dishwashers, household, n.o.p.</i>	4.2 p.c.	15.2 p.c.	35 p.c.	4.2 p.c.	2.5 p.c.	13.5 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	4.1 p.c.	14.6 p.c.	35 p.c.	4.1 p.c.	2.5 p.c.	13 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	4.1 p.c.	14.1 p.c.	35 p.c.	4.1 p.c.	2.5 p.c.	12.5 p.c.	35 p.c.	2.5 p.c.
42700-12	<i>Parts of electric dishwashers enumerated in tariff item 42700-11, other than parts otherwise entitled to entry under tariff items 42700-5, 42700-6 or 42700-8</i>	2.5 p.c.	13.5 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	13.5 p.c.	35 p.c.	2.5 p.c.

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
	on and after January 1, 1986	2.5 p.c.	13 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	13 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	2.5 p.c.	12.5 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	12.5 p.c.	35 p.c.	2.5 p.c.
42700-13	<i>Parts of food mixers enumerated in tariff item</i>								
	42700-5	3.2 p.c.	14.2 p.c.	35 p.c.	3.2 p.c.	2.5 p.c.	13.5 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	3.1 p.c.	13.6 p.c.	35 p.c.	3.1 p.c.	2.5 p.c.	13 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	3.1 p.c.	13.1 p.c.	35 p.c.	3.1 p.c.	2.5 p.c.	12.5 p.c.	35 p.c.	2.5 p.c.
42700-14	<i>Vending machines for hot or cold beverages, ice cream or cigarettes.....</i>	2.5 p.c.	10.7 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	10.7 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	2.5 p.c.	9.9 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	9.9 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	2.5 p.c.	9.2 p.c.	35 p.c.	2.5 p.c.	2.5 p.c.	9.2 p.c.	35 p.c.	2.5 p.c.
42700-15	<i>Vending machines for candy</i>	3 p.c.	11.2 p.c.	35 p.c.	3 p.c.	2.5 p.c.	10.7 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	3 p.c.	10.4 p.c.	35 p.c.	3 p.c.	2.5 p.c.	9.9 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	3 p.c.	9.7 p.c.	35 p.c.	3 p.c.	2.5 p.c.	9.2 p.c.	35 p.c.	2.5 p.c.
42700-16	<i>Vending machines, n.o.p.</i>	2.9 p.c.	11.1 p.c.	35 p.c.	2.9 p.c.	2.5 p.c.	10.7 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	2.9 p.c.	10.3 p.c.	35 p.c.	2.9 p.c.	2.5 p.c.	9.9 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	2.8 p.c.	9.5 p.c.	35 p.c.	2.8 p.c.	2.5 p.c.	9.2 p.c.	35 p.c.	2.5 p.c.

Except that in the case of the importation into Canada of any goods enumerated in tariff items 42700-1, 42700-2, 42700-3, 42700-4, 42700-5, 42700-9, 42700-10, 42700-11, 42700-12, 42700-13, 42700-14, 42700-15 and 42700-16, the Governor in Council on the recommendation of the *Minister of Regional Industrial Expansion* may, whenever he considers that it is in the public interest and that the goods are not available from production in Canada, remit the duty specified in these items

Tariff Item	British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff	
applicable to the goods, and subsections 17(2), (3), (4), (5) and (8) of the <i>Financial Administration Act</i> apply in the case of a remission granted under this provision.									
Articles which otherwise would be classified under tariff items 42700-1 to 42700-4, namely: compressor sets, electricity generating sets, fork lift trucks, front-end loaders or tractor shovels, gear reducers, pumps and pump sets, motor operated valves, positive displacement blowers and vacuum pumps, metal working lathes, metal working milling machines, cutting tools for use with metal working machines, articulated folding boom-type cranes designed for mounting on trucks; accessories, attachments and control equipment for use therewith; parts of the foregoing:									
42701-1	Other than the following.....	2.7 p.c.	10.9 p.c.	35 p.c.	2.7 p.c.	2.5 p.c.	10.7 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	2.6 p.c.	10 p.c.	35 p.c.	2.6 p.c.	2.5 p.c.	9.9 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	2.6 p.c.	9.3 p.c.	35 p.c.	2.6 p.c.	2.5 p.c.	9.2 p.c.	35 p.c.	2.5 p.c.
42701-3	<i>Factory or warehouse fork lift trucks, powered by liquefied petroleum gas</i>	2.7 p.c.	10.9 p.c.	35 p.c.	2.7 p.c.	2.5 p.c.	10.7 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1986	2.7 p.c.	10.1 p.c.	35 p.c.	2.7 p.c.	2.5 p.c.	9.9 p.c.	35 p.c.	2.5 p.c.
	on and after January 1, 1987	2.7 p.c.	9.4 p.c.	35 p.c.	2.7 p.c.	2.5 p.c.	9.2 p.c.	35 p.c.	2.5 p.c.

Except that in the case of the importation into Canada of any goods enumerated in tariff items 42701-1, 42701-2 and 42701-3 that are the manufacture of the United Kingdom of Great Britain and

Rates in Effect Prior to
Rates Proposed in this Motion

Tariff Item	British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
Northern Ireland, the Channel Islands, the Isle of Man, or the Republic of Ireland, the Most-Favoured-Nation Tariff applies.								
Except that in the case of the importation into Canada of any goods enumerated in tariff items 42701-1, 42701-2 and 42701-3, the Governor in Council on the recommendation of the <i>Minister of Regional Industrial Expansion</i> may, whenever he considers that it is in the public interest and that the goods are not available from production in Canada, remit the duty specified in these items applicable to the goods, and subsections 17(2), (3), (4), (5) and (8) of the <i>Financial Administration Act</i> apply in the case of a remission granted under this provision.								
Cars and trailers including house trailers, n.o.p., wheelbarrows, trucks, road or railway scrapers and hand carts:								
43910-1	<i>Cars, travel trailers, tent trailers, non-commercial snowmobile, utility, boat and commercial horse trailers, trailers for use as permanent mountings for machinery or equipment; wheelbarrows, trucks and hand carts; road or railway scrapers.....</i>							
	10 p.c.	12 p.c.	30 p.c.	8 p.c.	10 p.c.	12 p.c.	30 p.c.	8 p.c.
	10 p.c.	11.1 p.c.	30 p.c.	7 p.c.	10 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	10 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.	10 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
43910-3	<i>Road maintenance graders, self propelled</i>							
	10.1 p.c.	12.1 p.c.	30 p.c.	8 p.c.	10 p.c.	12 p.c.	30 p.c.	8 p.c.
	10.1 p.c.	11.2 p.c.	30 p.c.	7 p.c.	10 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	10.1 p.c.	10.3 p.c.	30 p.c.	6.5 p.c.	10 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
43910-4	<i>Other</i>	10.2 p.c.	12.2 p.c.	30 p.c.	8 p.c.	10 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	10.2 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.	10 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.2 p.c.	10.4 p.c.	30 p.c.	6.5 p.c.	10 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
43910-5	Mobile homes and truck trailers, n.o.p.	10 p.c.	15.6 p.c.	30 p.c.	10 p.c.	10 p.c.	15.6 p.c.	30 p.c.	10 p.c.
	on and after January 1, 1986	10 p.c.	15.3 p.c.	30 p.c.	10 p.c.	10 p.c.	15.3 p.c.	30 p.c.	10 p.c.
	on and after January 1, 1987	10 p.c.	15 p.c.	30 p.c.	10 p.c.	10 p.c.	15 p.c.	30 p.c.	10 p.c.
44034-3	<i>Sportsmen's fishing lines in retail packages</i>	Free	12.7 p.c.	30 p.c.	Free	Free	12 p.c.	30 p.c.	Free
	on and after January 1, 1986	Free	11.7 p.c.	30 p.c.	Free	Free	11.1 p.c.	30 p.c.	Free
	on and after January 1, 1987	Free	10.8 p.c.	30 p.c.	Free	Free	10.2 p.c.	30 p.c.	Free
44126-1	<i>Pump or slide-action shotguns</i>	Free	6.1 p.c.	30 p.c.	Free	Free	6 p.c.	30 p.c.	Free
	on and after January 1, 1986	Free	5.9 p.c.	30 p.c.	Free	Free	5.8 p.c.	30 p.c.	Free
	on and after January 1, 1987	Free	5.6 p.c.	30 p.c.	Free	Free	5.5 p.c.	30 p.c.	Free
	Apparatus, and parts thereof, for cooking or for heating buildings, not to include commercial food processing machines, namely, continuous pressure and atmospheric preheaters and cookers, and parts thereof, for sterilizing or for cooking or for both sterilizing and cooking food products in hermetically sealed containers:								
44300-1	<i>Other than the following</i>	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1986	12.4 p.c.	12.4 p.c.	30 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1987	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.
44300-2	<i>Commercial microwave ovens</i>	13.9 p.c.	13.9 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1986	12.7 p.c.	12.7 p.c.	30 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1987	11.5 p.c.	11.5 p.c.	30 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
44300-3	<i>Parts, other than heating elements, of electric stoves or ranges.....</i>								
	13.6 p.c.	13.6 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.	
	on and after January 1, 1986	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1987	11.4 p.c.	11.4 p.c.	30 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.
44300-4	<i>Parts of gas stoves or ranges.....</i>								
	14.4 p.c.	14.4 p.c.	30 p.c.	9.5 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.	
	on and after January 1, 1986	13.3 p.c.	13.3 p.c.	30 p.c.	8.5 p.c.	12.4 p.c.	12.4 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1987	12.1 p.c.	12.1 p.c.	30 p.c.	8 p.c.	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.
	Apparatus for cooking, designed for household use; parts thereof:								
44300-10	<i>Other than the following.....</i>								
	15.1 p.c.	15.6 p.c.	30 p.c.	10 p.c.	15 p.c.	15.5 p.c.	30 p.c.	10 p.c.	
	on and after January 1, 1986	14.1 p.c.	14.1 p.c.	30 p.c.	9 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	12.6 p.c.	12.6 p.c.	30 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.
44300-11	<i>Electric coffee makers.....</i>								
	17.3 p.c.	17.8 p.c.	30 p.c.	11.5 p.c.	15 p.c.	15.5 p.c.	30 p.c.	10 p.c.	
	on and after January 1, 1986	16 p.c.	16 p.c.	30 p.c.	10 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	14.3 p.c.	14.3 p.c.	30 p.c.	9.5 p.c.	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.
44300-12	<i>Parts of gas stoves or ranges.....</i>								
	16.1 p.c.	16.6 p.c.	30 p.c.	10.5 p.c.	15 p.c.	15.5 p.c.	30 p.c.	10 p.c.	
	on and after January 1, 1986	15 p.c.	15 p.c.	30 p.c.	10 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	13.4 p.c.	13.4 p.c.	30 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.
44300-20	Apparatus for heating buildings, designed for household use; parts thereof.....								
	14.4 p.c.	14.4 p.c.	30 p.c.	9.5 p.c.	14.4 p.c.	14.4 p.c.	30 p.c.	9.5 p.c.	
	on and after January 1, 1986	13.4 p.c.	13.4 p.c.	30 p.c.	8.5 p.c.	13.4 p.c.	13.4 p.c.	30 p.c.	8.5 p.c.
	on and after January 1, 1987	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.
44300-30	Mechanical popcorn cookers and parts thereof.....								
	Free	Free	30 p.c.	Free	Free	Free	30 p.c.	Free	

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
	<i>graph facsimile apparatus</i>	Free	12 p.c.	30 p.c.	Free	Free	12 p.c.	30 p.c.	Free
	on and after January 1, 1986	Free	11.1 p.c.	30 p.c.	Free	Free	11.1 p.c.	30 p.c.	Free
	on and after January 1, 1987	Free	10.2 p.c.	30 p.c.	Free	Free	10.2 p.c.	30 p.c.	Free
44506-3	<i>Complete parts of all the foregoing</i>	Free	12 p.c.	30 p.c.	Free	Free	12 p.c.	30 p.c.	Free
	on and after January 1, 1986	Free	11.1 p.c.	30 p.c.	Free	Free	11.1 p.c.	30 p.c.	Free
	on and after January 1, 1987	Free	10.2 p.c.	30 p.c.	Free	Free	10.2 p.c.	30 p.c.	Free
	Electric telephone apparatus and complete parts thereof:								
44508-1	<i>Other than the following</i>	10.3 p.c.	17.8 p.c.	30 p.c.	10.3 p.c.	10 p.c.	17.5 p.c.	30 p.c.	10 p.c.
44508-2	<i>Telephone hand sets, video telephones and telephone intercommunication systems</i>	10 p.c.	17.5 p.c.	30 p.c.	10 p.c.	10 p.c.	17.5 p.c.	30 p.c.	10 p.c.
44508-3	<i>Complete parts of all the foregoing</i>	10.1 p.c.	17.6 p.c.	30 p.c.	10.1 p.c.	10 p.c.	17.5 p.c.	30 p.c.	10 p.c.
44512-1	Electric and galvanic batteries, n.o.p., and complete parts thereof, including separator walls of wood, cut to size or not.....	12.7 p.c.	12.7 p.c.	27.5 p.c.	8 p.c.	12 p.c.	12 p.c.	27.5 p.c.	8 p.c.
	on and after January 1, 1986	11.7 p.c.	11.7 p.c.	27.5 p.c.	7.5 p.c.	11.1 p.c.	11.1 p.c.	27.5 p.c.	7 p.c.
	on and after January 1, 1987	10.8 p.c.	10.8 p.c.	27.5 p.c.	7 p.c.	10.2 p.c.	10.2 p.c.	27.5 p.c.	6.5 p.c.
44516-1	Electric motors, and complete parts thereof, n.o.p....	10.8 p.c.	10.8 p.c.	37.5 p.c.	7 p.c.	10.7 p.c.	10.7 p.c.	37.5 p.c.	7 p.c.
	on and after January 1, 1986	10 p.c.	10 p.c.	37.5 p.c.	6.5 p.c.	9.9 p.c.	9.9 p.c.	37.5 p.c.	6.5 p.c.
	on and after January 1, 1987	9.3 p.c.	9.3 p.c.	37.5 p.c.	6 p.c.	9.2 p.c.	9.2 p.c.	37.5 p.c.	6 p.c.
	Electric apparatus and complete parts thereof, n.o.p.:								

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
44524-1	<i>Other than the following</i>	12.2 p.c.	12.2 p.c.	30 p.c.	8 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	11.3 p.c.	11.3 p.c.	30 p.c.	7.5 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.3 p.c.	10.3 p.c.	30 p.c.	6.5 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
44524-7	<i>Electric receptacle boxes and covers, of metal</i>	12.8 p.c.	12.8 p.c.	30 p.c.	8.5 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	11.8 p.c.	11.8 p.c.	30 p.c.	7.5 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.9 p.c.	10.9 p.c.	30 p.c.	7 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
44524-8	<i>Electric junction boxes</i>	13.6 p.c.	13.6 p.c.	30 p.c.	9 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	11.5 p.c.	11.5 p.c.	30 p.c.	7.5 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
44524-9	<i>Industrial control-type switches</i>	12.9 p.c.	12.9 p.c.	30 p.c.	8.5 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	11.9 p.c.	11.9 p.c.	30 p.c.	7.5 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.9 p.c.	10.9 p.c.	30 p.c.	7 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
44524-10	<i>Commercial battery chargers</i>	12.3 p.c.	12.3 p.c.	30 p.c.	8 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	11.4 p.c.	11.4 p.c.	30 p.c.	7.5 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.5 p.c.	10.5 p.c.	30 p.c.	7 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
44524-11	<i>Burglar alarms</i>	12.5 p.c.	12.5 p.c.	30 p.c.	8 p.c.	12 p.c.	12 p.c.	30 p.c.	8 p.c.
	on and after January 1, 1986	11.5 p.c.	11.5 p.c.	30 p.c.	7.5 p.c.	11.1 p.c.	11.1 p.c.	30 p.c.	7 p.c.
	on and after January 1, 1987	10.6 p.c.	10.6 p.c.	30 p.c.	7 p.c.	10.2 p.c.	10.2 p.c.	30 p.c.	6.5 p.c.
	Radio and television apparatus and parts thereof, n.o.p.:								
44533-1	<i>Other than the following</i>	Free	11 p.c.	25 p.c.	Free	Free	10.7 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	10.2 p.c.	25 p.c.	Free	Free	9.9 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	9.5 p.c.	25 p.c.	Free	Free	9.2 p.c.	25 p.c.	Free

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
44533-2	Domestic radio receiving sets, including radio receiving sets for motor vehicles, <i>other than receiver-tuner-amplifier combinations</i> ; parts of <i>domestic radio receiving sets</i>	Free	3.8 p.c.	25 p.c.	Free	Free	3.8 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	1.9 p.c.	25 p.c.	Free	Free	1.9 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free
44533-3	<i>Receiver-tuner-amplifier combinations of domestic radio receiving sets, including radio receiving sets for motor vehicles</i>	Free	4.7 p.c.	25 p.c.	Free	Free	3.8 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	2.4 p.c.	25 p.c.	Free	Free	1.9 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free
44533-4	Domestic colour television receiving sets, <i>other than 19 inch screen</i> ; parts of <i>domestic colour television receiving sets</i>	Free	10 p.c.	25 p.c.	Free	Free	10 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	8.8 p.c.	25 p.c.	Free	Free	8.8 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	7.5 p.c.	25 p.c.	Free	Free	7.5 p.c.	25 p.c.	Free
44533-5	<i>Domestic colour television receiving sets, 19 inch screen</i>	Free	11 p.c.	25 p.c.	Free	Free	10 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	9.7 p.c.	25 p.c.	Free	Free	8.8 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	8.2 p.c.	25 p.c.	Free	Free	7.5 p.c.	25 p.c.	Free
44533-6	Monochrome television receiving sets and parts thereof	Free	3 p.c.	25 p.c.	Free	Free	3 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	1.5 p.c.	25 p.c.	Free	Free	1.5 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free
44533-7	Colour television cameras and parts thereof	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
44533-8	<i>Domestic receiving antennae, and mountings there- for, for radio or television, not including citizens band radio</i>	Free	11.4 p.c.	25 p.c.	Free	Free	10.7 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	10.5 p.c.	25 p.c.	Free	Free	9.9 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	9.8 p.c.	25 p.c.	Free	Free	9.2 p.c.	25 p.c.	Free
	Except that in the case of television apparatus and parts thereof, for use in community antenna television transmission lines, classified under tariff items 44533-1 or 44533-8, that are the manufacture of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man, or the Republic of Ireland, the Most-Favoured-Nation Tariff applies.								
44536-3	Turntables.....	2 p.c.	2 p.c.	25 p.c.	1 p.c.	1.9 p.c.	1.9 p.c.	25 p.c.	1 p.c.
	on and after January 1, 1986	1 p.c.	1 p.c.	25 p.c.	0.5 p.c.	0.9 p.c.	0.9 p.c.	25 p.c.	0.5 p.c.
	on and after January 1, 1987	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free
44536-5	Tone arms.....	1.9 p.c.	1.9 p.c.	25 p.c.	1 p.c.	1.9 p.c.	1.9 p.c.	25 p.c.	1 p.c.
	on and after January 1, 1986	0.9 p.c.	0.9 p.c.	25 p.c.	0.5 p.c.	0.9 p.c.	0.9 p.c.	25 p.c.	0.5 p.c.
	on and after January 1, 1987	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free
44537-1	Parts and materials for use in the manufacture or repair of the goods enumerated in tariff items 44536-1, 44536-2, 44536-3 and 44536-5.....	Free	Free	25 p.c.	Free	Free	Free	25 p.c.	Free

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
	Recorders, reproducers and dictation recording and transcribing equipment using magnetizable tape as a recording medium; parts thereof, n.o.p.:								
44538-3	<i>Other than the following</i>	9.1 p.c.	9.1 p.c.	25 p.c.	6 p.c.	9.1 p.c.	9.1 p.c.	25 p.c.	6 p.c.
	on and after January 1, 1986	8.6 p.c.	8.6 p.c.	25 p.c.	5.5 p.c.	8.6 p.c.	8.6 p.c.	25 p.c.	5.5 p.c.
	on and after January 1, 1987	8 p.c.	8 p.c.	25 p.c.	5 p.c.	8 p.c.	8 p.c.	25 p.c.	5 p.c.
44538-4	<i>Video tape recorders and reproducers other than those used in television broadcasting</i>	9.5 p.c.	9.5 p.c.	25 p.c.	6 p.c.	9.1 p.c.	9.1 p.c.	25 p.c.	6 p.c.
	on and after January 1, 1986	8.9 p.c.	8.9 p.c.	25 p.c.	5.5 p.c.	8.6 p.c.	8.6 p.c.	25 p.c.	5.5 p.c.
	on and after January 1, 1987	8.3 p.c.	8.3 p.c.	25 p.c.	5.5 p.c.	8 p.c.	8 p.c.	25 p.c.	5 p.c.
44540-1	Loudspeakers; audio-frequency electric amplifiers; parts thereof, n.o.p.	Free	11.4 p.c.	25 p.c.	Free	Free	10.7 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	10.5 p.c.	25 p.c.	Free	Free	9.9 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	9.8 p.c.	25 p.c.	Free	Free	9.2 p.c.	25 p.c.	Free

Except that in the case of audio-frequency electric amplifiers and parts thereof, for use in community antenna television transmission lines, that are the manufacture of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man, or the Republic of Ireland, the Most-Favoured-Nation Tariff applies.

Electron tubes, except X-ray tubes;
Bases, beaded assemblies, cages, guns, mounts, stems and wire-wound grids, all for use in the manufacture of electron tubes, except X-ray tubes:

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
44542-1	<i>Other than the following</i>	Free	10.7 p.c.	25 p.c.	—	Free	10.7 p.c.	25 p.c.	—
	on and after January 1, 1986	Free	9.9 p.c.	25 p.c.	—	Free	9.9 p.c.	25 p.c.	—
	on and after January 1, 1987	Free	9.2 p.c.	25 p.c.	—	Free	9.2 p.c.	25 p.c.	—
44542-2	<i>Television picture tubes, colour</i>	Free	10.8 p.c.	25 p.c.	—	Free	10.7 p.c.	25 p.c.	—
	on and after January 1, 1986	Free	10 p.c.	25 p.c.	—	Free	9.9 p.c.	25 p.c.	—
	on and after January 1, 1987	Free	9.3 p.c.	25 p.c.	—	Free	9.2 p.c.	25 p.c.	—
	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, n.o.p.:								
44603-1	<i>Other than the following</i>	10.1 p.c.	12.1 p.c.	35 p.c.	8 p.c.	10 p.c.	12 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1986	10 p.c.	11.1 p.c.	35 p.c.	7 p.c.	10 p.c.	11.1 p.c.	35 p.c.	7 p.c.
	on and after January 1, 1987	10 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.	10 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.
44612-1	Bottles or cylinders of steel for use as high-pressure containers for gas	Free	12.4 p.c.	25 p.c.	Free	Free	12 p.c.	25 p.c.	Free
	on and after January 1, 1986	Free	11.5 p.c.	25 p.c.	Free	Free	11.1 p.c.	25 p.c.	Free
	on and after January 1, 1987	Free	10.6 p.c.	25 p.c.	Free	Free	10.2 p.c.	25 p.c.	Free
51100-1	Racquets and racquet frames; baseball bats; <i>hollow practice golf balls</i> ; balls of all kinds for use in sports, games or athletics, n.o.p.; <i>finished parts of golf clubs</i>	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.
51101-1	<i>Golf balls, n.o.p.</i>	14.7 p.c.	14.7 p.c.	35 p.c.	9.5 p.c.	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	12.3 p.c.	12.3 p.c.	35 p.c.	8 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
51101-2	<i>Golf clubs</i>	14.5 p.c.	14.5 p.c.	35 p.c.	9.5 p.c.	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	13.3 p.c.	13.3 p.c.	35 p.c.	8.5 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	12.1 p.c.	12.1 p.c.	35 p.c.	8 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.
51110-1	<i>Skis</i>	13.6 p.c.	13.6 p.c.	35 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	12.5 p.c.	12.5 p.c.	35 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	11.4 p.c.	11.4 p.c.	35 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.
51400-1	<i>Coffins and caskets, n.o.p.; metal parts of coffins and caskets</i>	15 p.c.	15 p.c.	25 p.c.	10 p.c.	15 p.c.	15 p.c.	25 p.c.	10 p.c.
51400-2	<i>Caskets and coffins, metal</i>	19.5 p.c.	19.5 p.c.	25 p.c.	13 p.c.	15 p.c.	15 p.c.	25 p.c.	10 p.c.
51805-1	<i>Billiard tables, with or without pockets</i>	17.9 p.c.	18.5 p.c.	35 p.c.	12 p.c.	15.7 p.c.	16.3 p.c.	35 p.c.	10.5 p.c.
	on and after January 1, 1986	17.7 p.c.	17.7 p.c.	35 p.c.	11.5 p.c.	15.6 p.c.	15.6 p.c.	35 p.c.	10 p.c.
	on and after January 1, 1987	17 p.c.	17 p.c.	35 p.c.	11 p.c.	15 p.c.	15 p.c.	35 p.c.	10 p.c.
51806-1	<i>Billiard cues, balls, cue-racks and cue-tips</i>	15.7 p.c.	16.3 p.c.	35 p.c.	10.5 p.c.	15.7 p.c.	16.3 p.c.	35 p.c.	10.5 p.c.
	on and after January 1, 1986	15.6 p.c.	15.6 p.c.	35 p.c.	10 p.c.	15.6 p.c.	15.6 p.c.	35 p.c.	10 p.c.
	on and after January 1, 1987	15 p.c.	15 p.c.	35 p.c.	10 p.c.	15 p.c.	15 p.c.	35 p.c.	10 p.c.
	House, office, cabinet or store furniture of wood, iron or other material, and parts thereof, not to include forgings, castings, and stampings of metal, in the rough:								
51901-2	<i>Wooden bedroom furniture, not upholstered, not including cribs and bunk beds</i>	15.3 p.c.	16.6 p.c.	45 p.c.	11 p.c.	15 p.c.	16.3 p.c.	45 p.c.	10.5 p.c.
	on and after January 1, 1986	15.3 p.c.	15.9 p.c.	45 p.c.	10.5 p.c.	15 p.c.	15.6 p.c.	45 p.c.	10 p.c.
	on and after January 1, 1987	15.3 p.c.	15.3 p.c.	45 p.c.	10 p.c.	15 p.c.	15 p.c.	45 p.c.	10 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
51901-3	Wooden office furniture, not including desks, visible record equipment, typewriter stands and tables.....	16.2 p.c.	17.5 p.c.	45 p.c.	11.5 p.c.	15 p.c.	16.3 p.c.	45 p.c.	10.5 p.c.
	on and after January 1, 1986	16.1 p.c.	16.7 p.c.	45 p.c.	11 p.c.	15 p.c.	15.6 p.c.	45 p.c.	10 p.c.
	on and after January 1, 1987	16.1 p.c.	16.1 p.c.	45 p.c.	10.5 p.c.	15 p.c.	15 p.c.	45 p.c.	10 p.c.
51901-4	Metal filing cabinets.....	14.1 p.c.	14.1 p.c.	45 p.c.	9 p.c.	13.8 p.c.	13.8 p.c.	45 p.c.	9 p.c.
	on and after January 1, 1986	13.3 p.c.	13.3 p.c.	45 p.c.	8.5 p.c.	13.1 p.c.	13.1 p.c.	45 p.c.	8.5 p.c.
	on and after January 1, 1987	12.7 p.c.	12.7 p.c.	45 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	45 p.c.	8 p.c.
51901-5	In chief part by value of metal, n.o.p.....	13.9 p.c.	13.9 p.c.	45 p.c.	9 p.c.	13.8 p.c.	13.8 p.c.	45 p.c.	9 p.c.
	on and after January 1, 1986	13.2 p.c.	13.2 p.c.	45 p.c.	8.5 p.c.	13.1 p.c.	13.1 p.c.	45 p.c.	8.5 p.c.
	on and after January 1, 1987	12.6 p.c.	12.6 p.c.	45 p.c.	8 p.c.	12.5 p.c.	12.5 p.c.	45 p.c.	8 p.c.
52307-1	Men's ski jackets made from woven fabrics wholly of cotton.....	30 p.c.	30 p.c.	35 p.c.	—	22.5 p.c.	22.5 p.c.	35 p.c.	—
54125-1	Cordage, exceeding 2.5 cm in circumference, n.o.p....	17.6 p.c.	20.1 p.c.	25 p.c.	—	17.5 p.c.	20 p.c.	25 p.c.	—
56301-1	Polyester-cotton percale bedsheets, not fitted	22.5 p.c.	27.5 p.c.	50 p.c.	—	20 p.c.	25 p.c.	50 p.c.	—
56831-1	Disposable gloves made of materials described in headings 93901 to 93906 inclusive	20.5 p.c.	25.5 p.c.	45 p.c.	17 p.c.	20 p.c.	25 p.c.	45 p.c.	16.5 p.c.
	Carpets, tufted, in rolls, otherwise classified under tariff item 57200-1:								
57201-1	Other than the following.....	18.7 p.c.	20.7 p.c.	40 p.c.	13.5 p.c.	18 p.c.	20 p.c.	40 p.c.	13 p.c.
	and per square metre		18.3 cts.	\$2.15	12.2 cts.		1.7 cts./ft ²	20 cts./ft ²	1.1 cts./ft ²
	but not in excess of				18.7 p.c.				18 p.c.
	on and after January 1, 1986	18.7 p.c.	20.7 p.c.	40 p.c.	13.5 p.c.	18 p.c.	20 p.c.	40 p.c.	13 p.c.
	and per square metre		8.6 cts.	\$2.15	5.7 cts.		0.8 ct./ft ²	20 cts./ft ²	0.5 ct./ft ²

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
	but not in excess of on and after January 1, 1987 and per square metre	18.7 p.c.	20.7 p.c.	40 p.c. \$2.15	18.7 p.c. 13.5 p.c.	18 p.c.	20 p.c.	40 p.c. 20 cts./ft ²	18 p.c. 13 p.c.
57202-1	Nylon.....	18.1 p.c.	20.1 p.c.	40 p.c. \$2.15	13 p.c. 12.2 cts.	18 p.c.	20 p.c. 1.7 cts./ft ²	40 p.c. 20 cts./ft ²	13 p.c. 1.1 cts./ft ²
	and per square metre but not in excess of on and after January 1, 1986 and per square metre	18.1 p.c.	20.1 p.c.	40 p.c. \$2.15	18.1 p.c. 13 p.c. 5.7 cts.	18 p.c.	20 p.c. 0.8 ct./ft ²	40 p.c. 20 cts./ft ²	18 p.c. 13 p.c. 0.5 ct./ft ²
	but not in excess of on and after January 1, 1987 and per square metre	18.1 p.c.	20.1 p.c.	40 p.c. \$2.15	18.1 p.c. 13 p.c.	18 p.c.	20 p.c.	40 p.c. 20 cts./ft ²	18 p.c. 13 p.c.
57203-1	Polypropylene, wool or wool blends, acrylic, polyester, rayon or acetate.....	18 p.c.	20 p.c.	40 p.c. \$2.15	13 p.c. 12.2 cts.	18 p.c.	20 p.c. 1.7 cts./ft ²	40 p.c. 20 cts./ft ²	13 p.c. 1.1 cts./ft ²
	and per square metre but not in excess of on and after January 1, 1986 and per square metre	18 p.c.	20 p.c.	40 p.c. \$2.15	18 p.c. 13 p.c. 5.7 cts.	18 p.c.	20 p.c. 0.8 ct./ft ²	40 p.c. 20 cts./ft ²	18 p.c. 13 p.c. 0.5 ct./ft ²
	but not in excess of on and after January 1, 1987 and per square metre	18 p.c.	20 p.c.	40 p.c. \$2.15	18 p.c. 13 p.c.	18 p.c.	20 p.c.	40 p.c. 20 cts./ft ²	18 p.c. 13 p.c.
61105-1	Boots, shoes, slippers and insoles of any material, n.o.p.....	18.3 p.c.	23.4 p.c.	40 p.c.	—	18 p.c.	23.1 p.c.	40 p.c.	—
	on and after January 1, 1986	18.3 p.c.	23.1 p.c.	40 p.c.	—	18 p.c.	22.8 p.c.	40 p.c.	—
	on and after January 1, 1987	18.3 p.c.	22.8 p.c.	40 p.c.	—	18 p.c.	22.5 p.c.	40 p.c.	—
61800-1	Rubber cement and all manufactures of rubber and gutta percha, n.o.p.....	12.1 p.c.	12.1 p.c.	27.5 p.c.	8 p.c.	12 p.c.	12 p.c.	27.5 p.c.	8 p.c.
	on and after January 1, 1986	11.2 p.c.	11.2 p.c.	27.5 p.c.	7 p.c.	11.1 p.c.	11.1 p.c.	27.5 p.c.	7 p.c.
	on and after January 1, 1987	10.3 p.c.	10.3 p.c.	27.5 p.c.	6.5 p.c.	10.2 p.c.	10.2 p.c.	27.5 p.c.	6.5 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
61815-2 Solid, press-on, industrial rubber tires, <i>n.o.p.</i> ; off-highway tires, the section width of the tire measuring at least 16 inches including normal sidewalls but not including protective side ribs, bars or decorations, and the diameter of the tire rim measuring at least 24 inches	13.1 p.c.	13.1 p.c.	35 p.c.	8.5 p.c.	13.1 p.c.	13.1 p.c.	35 p.c.	8.5 p.c.
	on and after January 1, 1986	11.7 p.c.	11.7 p.c.	35 p.c.	7.5 p.c.	11.7 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1987	10.2 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.
61815-3 Solid, press-on, industrial rubber tires, not including used or retread tires	14.4 p.c.	14.4 p.c.	35 p.c.	9.5 p.c.	13.1 p.c.	13.1 p.c.	35 p.c.	8.5 p.c.
	on and after January 1, 1986	12.9 p.c.	12.9 p.c.	35 p.c.	8.5 p.c.	11.7 p.c.	35 p.c.	7.5 p.c.
	on and after January 1, 1987	11.2 p.c.	11.2 p.c.	35 p.c.	7 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.
61815-4 Solid or cushion industrial tires, <i>n.o.p.</i> , not including used or retread tires	13.2 p.c.	13.2 p.c.	35 p.c.	8.5 p.c.	12 p.c.	12 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1986	12.2 p.c.	12.2 p.c.	35 p.c.	8 p.c.	11.1 p.c.	35 p.c.	7 p.c.
	on and after January 1, 1987	11.2 p.c.	11.2 p.c.	35 p.c.	7 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.
<i>Pneumatic tires, wholly or in part of rubber, other than tires entitled to entry under tariff items 61810-1 and 61815-2, and not including used or retread tires:</i>								
61815-5 Industrial, passenger car, bicycle, motorcycle, bus, truck, aircraft, racing car, farm implement, tractor or off-highway tires	12.6 p.c.	12.6 p.c.	35 p.c.	8 p.c.	12 p.c.	12 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1986	11.6 p.c.	11.6 p.c.	35 p.c.	7.5 p.c.	11.1 p.c.	35 p.c.	7 p.c.
	on and after January 1, 1987	10.7 p.c.	10.7 p.c.	35 p.c.	7 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.
61815-6 <i>N.o.p.</i>	13.7 p.c.	13.7 p.c.	35 p.c.	9 p.c.	12 p.c.	12 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1986	12.6 p.c.	12.6 p.c.	35 p.c.	8 p.c.	11.1 p.c.	35 p.c.	7 p.c.
	on and after January 1, 1987	11.7 p.c.	11.7 p.c.	35 p.c.	7.5 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
62410-1	Toys of all kinds, n.o.p.....	10.2 p.c.	14.6 p.c.	40 p.c.	9.5 p.c.	10 p.c.	14.4 p.c.	40 p.c.	9.5 p.c.
	on and after January 1, 1986	10.2 p.c.	13.6 p.c.	40 p.c.	9 p.c.	10 p.c.	13.4 p.c.	40 p.c.	8.5 p.c.
	on and after January 1, 1987	10.2 p.c.	12.7 p.c.	40 p.c.	8 p.c.	10 p.c.	12.5 p.c.	40 p.c.	8 p.c.
	Umbrellas, parasols and sunshades of all kinds and materials:								
62900-1	<i>Garden, beach, patio or lawn type</i>	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.
62900-2	<i>N.o.p.</i>	13.6 p.c.	13.6 p.c.	35 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	on and after January 1, 1986	12.5 p.c.	12.5 p.c.	35 p.c.	8 p.c.	12.4 p.c.	12.4 p.c.	35 p.c.	8 p.c.
	on and after January 1, 1987	11.4 p.c.	11.4 p.c.	35 p.c.	7.5 p.c.	11.3 p.c.	11.3 p.c.	35 p.c.	7.5 p.c.
64700-1	Jewellery of any material, for the adornment of the person, n.o.p.....	16.4 p.c.	16.4 p.c.	45 p.c.	10.5 p.c.	16.2 p.c.	16.2 p.c.	45 p.c.	10.5 p.c.
	on and after January 1, 1986	14.8 p.c.	14.8 p.c.	45 p.c.	9.5 p.c.	14.7 p.c.	14.7 p.c.	45 p.c.	9.5 p.c.
	on and after January 1, 1987	13.3 p.c.	13.3 p.c.	45 p.c.	8.5 p.c.	13.2 p.c.	13.2 p.c.	45 p.c.	8.5 p.c.
	<i>Buttons made of materials described in headings 93901 to 93906 inclusive:</i>								
65101-1	<i>Of polyester, acrylic or casein resins</i>	12.6 p.c.	14.5 p.c.	35 p.c.	9.5 p.c.	12.6 p.c.	14.5 p.c.	35 p.c.	9.5 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	3.3 cts.	5 cts.	5 cts.	5 cts.	3.3 cts.
	on and after January 1, 1986	12.6 p.c.	13.5 p.c.	35 p.c.	9 p.c.	12.6 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	3.3 cts.	5 cts.	5 cts.	5 cts.	3.3 cts.
	on and after January 1, 1987	12.6 p.c.	12.6 p.c.	35 p.c.	8 p.c.	12.6 p.c.	12.6 p.c.	35 p.c.	8 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	3.3 cts.	5 cts.	5 cts.	5 cts.	3.3 cts.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
65102-1	<i>N.o.p.</i>	12.7 p.c.	14.6 p.c.	35 p.c.	9.5 p.c.	12.6 p.c.	14.5 p.c.	35 p.c.	9.5 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	3.3 cts.	5 cts.	5 cts.	5 cts.	3.3 cts.
	on and after January 1, 1986	12.7 p.c.	13.6 p.c.	35 p.c.	9 p.c.	12.6 p.c.	13.5 p.c.	35 p.c.	9 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	3.3 cts.	5 cts.	5 cts.	5 cts.	3.3 cts.
	on and after January 1, 1987	12.7 p.c.	12.7 p.c.	35 p.c.	8 p.c.	12.6 p.c.	12.6 p.c.	35 p.c.	8 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	3.3 cts.	5 cts.	5 cts.	5 cts.	3.3 cts.
	Coverings, inside and outside, used in covering or holding goods imported therewith, shall be subject to the following provisions:								
71002-1	Usual coverings containing goods subject to any <i>ad valorem</i> rate of duty.....	Free	6 p.c.	20 p.c.	Free	Free	6 p.c.	20 p.c.	Free
	on and after January 1, 1986	Free	5.8 p.c.	20 p.c.	Free	Free	5.8 p.c.	20 p.c.	Free
	on and after January 1, 1987	Free	5.5 p.c.	20 p.c.	Free	Free	5.5 p.c.	20 p.c.	Free
	If, in the case of sales of like or similar goods in the ordinary course of trade in the country of export, the value of the usual coverings is included in the selling price of the goods they contain, then for the purposes of items 71001-1 and 71002-1 the coverings shall be considered as part of the goods.								
71006-1	The term coverings in items 71001-1 to 71005-1 inclusive shall include any articles used in covering or holding goods imported therewith, subject to regulations prescribed by the Minister.								
91510	Industrial mixtures, including reaction blends, of fatty acids not containing 90 per cent or more by weight of any one acid; acid								

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
	oils from refining, n.o.p.; industrial mixtures, including reaction blends, of fatty alcohols not containing 90 per cent or more by weight of any one alcohol:								
91510-4	Higher fatty alcohols, unsulphated, for use in the manufacture of goods enumerated in heading 93402.....								
	Free	Free	25 p.c.	—	Free	Free	25 p.c.	—	
	93402—Organic surface-active agents; surface-active preparations and washing preparations, whether or not containing soap:								
93402-1	<i>Other than the following</i>								
	10.3 p.c.	13.4 p.c.	25 p.c.	8.5 p.c.	10 p.c.	13.1 p.c.	25 p.c.	8.5 p.c.	
	on and after January 1, 1986	10.3 p.c.	13.1 p.c.	25 p.c.	8.5 p.c.	10 p.c.	12.8 p.c.	25 p.c.	8.5 p.c.
	on and after January 1, 1987	10.3 p.c.	12.8 p.c.	25 p.c.	8.5 p.c.	10 p.c.	12.5 p.c.	25 p.c.	8 p.c.
93402-5	<i>Automatic dishwasher detergents</i>								
	17.2 p.c.	20.3 p.c.	25 p.c.	13.5 p.c.	10 p.c.	13.1 p.c.	25 p.c.	8.5 p.c.	
	on and after January 1, 1986	17.1 p.c.	19.9 p.c.	25 p.c.	13 p.c.	10 p.c.	12.8 p.c.	25 p.c.	8.5 p.c.
	on and after January 1, 1987	16.9 p.c.	19.4 p.c.	25 p.c.	12.5 p.c.	10 p.c.	12.5 p.c.	25 p.c.	8 p.c.
	93902—Polymerisation and copolymerisation products (for example, polyethylene, polytetrahaloethylenes, polyisobutylene, polystyrene, polyvinyl chloride, polyvinyl acetate, polyvinyl chloroacetate and other polyvinyl derivatives, polyacrylic and polymethacrylic derivatives, coumarone-indene resins):								
	(a) Without admixture other than an agent necessary to prevent caking, including scrap and waste; aqueous emulsions, aqueous disper-								

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
	sions or aqueous solutions, without other admixture:								
93902-3	Polyethylene type.....	10.2 p.c.	10.2 p.c.	20 p.c.	6.5 p.c.	9.7 p.c.	9.7 p.c.	20 p.c.	6 p.c.
	on and after January 1, 1986	10.1 p.c.	10.1 p.c.	20 p.c.	6.5 p.c.	9.6 p.c.	9.6 p.c.	20 p.c.	6 p.c.
	on and after January 1, 1987	10 p.c.	10 p.c.	20 p.c.	6.5 p.c.	9.5 p.c.	9.5 p.c.	20 p.c.	6 p.c.
	(c) Moulding compositions, n.o.p., including scrap or waste, whether or not completely formulated; such compositions in the form of not fully cured preforms for compression moulding:								
93902-42	Polyethylene type.....	11.5 p.c.	11.5 p.c.	25 p.c.	7.5 p.c.	11.4 p.c.	11.4 p.c.	25 p.c.	7.5 p.c.
	on and after January 1, 1986	11.3 p.c.	11.3 p.c.	25 p.c.	7.5 p.c.	11.2 p.c.	11.2 p.c.	25 p.c.	7 p.c.
	on and after January 1, 1987	11.1 p.c.	11.1 p.c.	25 p.c.	7 p.c.	11 p.c.	11 p.c.	25 p.c.	7 p.c.
	(f) Foamed and expanded, in logs, sheets, blocks, boards, flakes, granules, powder, shreds, scrap or waste:								
93902-77	Polyethylene type.....	14.3 p.c.	14.3 p.c.	25 p.c.	9.5 p.c.	13.9 p.c.	13.9 p.c.	25 p.c.	9 p.c.
	on and after January 1, 1986	14.1 p.c.	14.1 p.c.	25 p.c.	9 p.c.	13.7 p.c.	13.7 p.c.	25 p.c.	9 p.c.
	on and after January 1, 1987	13.9 p.c.	13.9 p.c.	25 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	25 p.c.	9 p.c.
	(g) Plates, sheets, film, sheeting, strip; lay-flat or other tubing, blocks, bars, rods, sticks, non-textile monofilament and other profile shapes imported in lengths, all produced in uniform cross-section:								
93902-82	Polyethylene type.....	14.6 p.c.	14.6 p.c.	25 p.c.	9.5 p.c.	14.5 p.c.	14.5 p.c.	25 p.c.	9.5 p.c.
	on and after January 1, 1986	14.1 p.c.	14.1 p.c.	25 p.c.	9 p.c.	14 p.c.	14 p.c.	25 p.c.	9 p.c.

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
	on and after January 1, 1987	13.6 p.c.	13.6 p.c.	25 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	25 p.c.	9 p.c.
	93907—Articles of materials of the kinds described in headings 93901 to 93906 inclusive, n.o.p.:								
93907-1	Other than the following.....	14.6 p.c.	14.6 p.c.	30 p.c.	9.5 p.c.	14.5 p.c.	14.5 p.c.	30 p.c.	9.5 p.c.
	on and after January 1, 1986	14.1 p.c.	14.1 p.c.	30 p.c.	9 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	13.6 p.c.	13.6 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.
93907-11	Bottles, with or without caps.....	14.7 p.c.	14.7 p.c.	30 p.c.	9.5 p.c.	14.5 p.c.	14.5 p.c.	30 p.c.	9.5 p.c.
	on and after January 1, 1986	14.2 p.c.	14.2 p.c.	30 p.c.	9 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	13.7 p.c.	13.7 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.
93907-12	Bottle caps.....	14.8 p.c.	14.8 p.c.	30 p.c.	9.5 p.c.	14.5 p.c.	14.5 p.c.	30 p.c.	9.5 p.c.
	on and after January 1, 1986	14.3 p.c.	14.3 p.c.	30 p.c.	9.5 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	13.8 p.c.	13.8 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.
93907-13	Tableware, not including tumblers or disposable goods.....	15.3 p.c.	15.3 p.c.	30 p.c.	10 p.c.	14.5 p.c.	14.5 p.c.	30 p.c.	9.5 p.c.
	on and after January 1, 1986	14.7 p.c.	14.7 p.c.	30 p.c.	9.5 p.c.	14 p.c.	14 p.c.	30 p.c.	9 p.c.
	on and after January 1, 1987	14.2 p.c.	14.2 p.c.	30 p.c.	9 p.c.	13.5 p.c.	13.5 p.c.	30 p.c.	9 p.c.

Schedule II

Tariff Item	British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
44062-1								
	Hinges entitled to entry under tariff items 35200-1, 35400-1 and 36215-1;							
	Furniture entitled to entry under tariff items 35400-1, 44603-1, 61800-1 and 93907-1;							
	Castings entitled to entry under tariff items 35400-1 and 39000-1;							
	Forgings entitled to entry under tariff item 39200-1;							
	Sealed-beam lamps entitled to entry under tariff items 44504-1, 44504-2, 44504-3, 44504-4, and 44504-5;							
	Microphones entitled to entry under tariff item 44536-1;							
	Magnesium castings entitled to entry under tariff item 71100-1;							
	<i>Mirrors, optically worked, entitled to entry under tariff item 32305-1;</i>							
	<i>Glassware, optically worked, entitled to entry under tariff item 32648-1;</i>							
	Goods except parts, entitled to entry under tariff items 44028-1, 44300-1, 44300-2, 44514-1, 44538-3, 44538-4 and 44540-1;							
	Goods entitled to entry under tariff items 31200-1, 36800-1, 41417-1, 41417-2, 41505-1, 41505-2, 41505-3, 42400-1, 42405-1, 42700-1, 42701-1, 43005-1, 43300-1, 44053-1, 44057-1, 44059-1, 44500-1, 44502-1, 44512-1, 44516-1, 44524-1, 44524-7, 44524-8, 44524-9, 44524-10, 44524-11,							

Tariff Item	British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff	
<p><i>44526-1, 44532-1, 44533-1, 44533-8, 46200-1, 47100-1, 61815-1 and 61815-5;</i> <i>Non-electric parts of water closets.</i></p> <p>All the foregoing when for use in the manufacture, repair, maintenance, rebuilding, modification or conversion of the goods enumerated in tariff item</p>									
44060-1	Free	Free	27.5 p.c.	Free	Free Various	Free Various	27.5 p.c. Various	Free Various	

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
18102-1	Computer generated mailing lists excluding gummed or other ready-to-use labels.....	Free	Free	35 p.c.	Free	Free	Free	35 p.c.	Free
19510-1	Wallpaper and other wallcovering sample books..... Paper and paperboards of all kinds, n.o.p.:	Free	Free	35 p.c.	Free	Various	Various	Various	Various
19700-7	Linerboard..... on and after January 1, 1985 on and after January 1, 1986 on and after January 1, 1987	10.3 p.c. 9 p.c. 7.7 p.c. 6.5 p.c.	10.3 p.c. 9 p.c. 7.7 p.c. 6.5 p.c.	25 p.c. 25 p.c. 25 p.c. 25 p.c.	6.5 p.c. 6 p.c. 5 p.c. 4 p.c.	10.3 p.c.	10.3 p.c.	25 p.c.	6.5 p.c.
19700-8	Solid bleached boxboard, coated or uncoated, not cut to size or shape, having a thickness of not less than 0.009 inch..... on and after January 1, 1985 on and after January 1, 1986 on and after January 1, 1987	10.3 p.c. 9 p.c. 7.7 p.c. 6.5 p.c.	10.3 p.c. 9 p.c. 7.7 p.c. 6.5 p.c.	25 p.c. 25 p.c. 25 p.c. 25 p.c.	6.5 p.c. 6 p.c. 5 p.c. 4 p.c.	10.3 p.c.	10.3 p.c.	25 p.c.	6.5 p.c.
19755-1	Paper or fibreboard, decorated or not, not including glassine, for use only in the manufacture of goods described in headings 93901 to 93905.....	Free	Free	25 p.c.	Free	Free 11.4 p.c.	Free 11.4 p.c.	25 p.c. 25 p.c.	Free 7.5 p.c.
41040-1	Safety goggles and safety spectacles designed for eye protection of workers employed in hazardous work; parts thereof, including lenses and frames; plastic or glass shapes for lenses thereof.....	Free	Free	Free	Free	10 p.c. 12.5 p.c. Free	12.5 p.c. 12.5 p.c. Free	22.5 p.c. 30 p.c. Free	8 p.c. 8 p.c. Free

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
	Free	6.3 p.c.	10 p.c.	Free	Free 2.5 p.c.	6.3 p.c. 11.4 p.c.	10 p.c. 35 p.c.	Free 2.5 p.c.
	Free	6 p.c.	10 p.c.	Free				
	Free	5.8 p.c.	10 p.c.	Free				
	Free	5.5 p.c.	10 p.c.	Free				
42600-1	Free	5 p.c.	10 p.c.	Free	Free 12.9 p.c.	5 p.c. 12.9 p.c.	10 p.c. 30 p.c.	Free 8.5 p.c.
43150-1	Free	Free	20 p.c.	Free	Free 2.5 p.c. 12.9 p.c.	Free 10.3 p.c. 12.9 p.c.	20 p.c. 30 p.c. 30 p.c.	Free 2.5 p.c. 8.5 p.c.
43155-1	Free	Free	20 p.c.	Free	Various	Various	Various	Various
43705-1	Free	Free	30 p.c.	Free	Free 2.5 p.c. 12.9 p.c.	Free 11.4 p.c. 12.9 p.c.	30 p.c. 35 p.c. 30 p.c.	Free 2.5 p.c. 8.5 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
	goods enumerated in tariff items 44000-1 to 44009-1 inclusive.....	Free	Free	Free	Free	Free	Free	Free	Free
					2.5 p.c.	10.3 p.c.	30 p.c.	2.5 p.c.	
					14.6 p.c.	14.6 p.c.	35 p.c.	9.5 p.c.	
44315-1	Hydrostatically-operated controls, and parts thereof, for use in the manufacture of gas water heaters	Free	1.9 p.c.	30 p.c.	Free	Free	30 p.c.	Free	
	on and after January 1, 1985	Free	1.3 p.c.	30 p.c.	Free	10 p.c.	35 p.c.	8.5 p.c.	
	on and after January 1, 1986	Free	0.6 p.c.	30 p.c.	Free				
	on and after January 1, 1987	Free	Free	30 p.c.	Free				
44320-1	Gas control devices, n.o.p., not including automatic pilots, thermostatic controls, thermostatically-operated controls, gas control valves up to and including 19 mm internal pipe size, and pilot safety devices whether separate or in combination with the aforementioned gas control valves; the foregoing for use on, or for the manufacture or repair of, or for conversion to, gas-fired apparatus for cooking, or for heating buildings, or for heating water or for refrigeration; including such devices when for use in the gas line between such apparatus and the meter, or in the gas line between such apparatus and the consumer's gas storage device; parts of the foregoing	Free	1.9 p.c.	30 p.c.	Free	Various	Various	Various	Various
	on and after January 1, 1985	Free	1.3 p.c.	30 p.c.	Free				
	on and after January 1, 1986	Free	0.6 p.c.	30 p.c.	Free				
	on and after January 1, 1987	Free	Free	30 p.c.	Free				

Tariff Item	British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
44530-1 Electric transformers, rectifiers, cableconnecting devices, trailing cable extensions with couplers moulded on, junction boxes, and complete parts of the foregoing; <i>the foregoing when flameproof and for use in mines in which inflammable gases exist.</i>	Free	6.6 p.c.	37.5 p.c.	Free	Free 11.4 p.c. 12.9 p.c.	6.6 p.c. 11.4 p.c. 12.9 p.c.	37.5 p.c. 37.5 p.c. 30 p.c.	Free 7.5 p.c. 8.5 p.c.
	on and after January 1, 1985	Free	4.4 p.c.	37.5 p.c.	Free			
	on and after January 1, 1986	Free	2.2 p.c.	37.5 p.c.	Free			
	on and after January 1, 1987	Free	Free	37.5 p.c.	Free			
44599-1 <i>Machinery and apparatus; accessories, attachments, control equipment and tools for use therewith; parts of all the foregoing; the foregoing not to include laser equipment, water or waste treatment equipment, reverse osmosis equipment for the demineralization or deionization of water, laminar flow clean air work stations, fume hoods, clean rooms, wet processing benches or stations for use in clean rooms, high efficiency particulate air filter modules, laminar flow modules, electronic work tables, passthrough chambers for clean rooms, room pressurization or air flow monitors, acrylic storage boxes, and parts thereof; all the foregoing for use directly in the design, development, testing or manufacture of semiconductor devices</i>	Free	Free	30 p.c.	Free	12.9 p.c. Various	12.9 p.c. Various	30 p.c. Various	8.5 p.c. Various
44600-1 <i>Electroshockers for fish population sampling</i>	Free	Free	30 p.c.	Free	12.9 p.c.	12.9 p.c.	30 p.c.	8.5 p.c.

Rates in Effect Prior to
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Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
44725-1 Well points, well screens and well strainers; parts of the foregoing	10 p.c.	12.9 p.c.	35 p.c.	8.5 p.c.	Free	6.3 p.c.	12.5 p.c.	Free
					10 p.c.	12.9 p.c.	35 p.c.	8.5 p.c.
on and after January 1, 1985	10 p.c.	12 p.c.	35 p.c.	8 p.c.				
on and after January 1, 1986	10 p.c.	11.1 p.c.	35 p.c.	7 p.c.				
on and after January 1, 1987	10 p.c.	10.2 p.c.	35 p.c.	6.5 p.c.				
44726-1 Pitless well heads and parts thereof	Free	6.3 p.c.	12.5 p.c.	Free	Free	6.3 p.c.	12.5 p.c.	Free
					10 p.c.	12.9 p.c.	35 p.c.	8.5 p.c.
on and after January 1, 1985	Free	6 p.c.	12.5 p.c.	Free				
on and after January 1, 1986	Free	5.8 p.c.	12.5 p.c.	Free				
on and after January 1, 1987	Free	5.5 p.c.	12.5 p.c.	Free				
46245-1 Motion picture cameras, video cameras, cameras specifically designed for use on animation stands; View-finders for use with the foregoing cameras; Camera blimps; Dollies or other mobile mounting units for the foregoing cameras; Booms, without wiring, for use with microphones; Slide, film or video tape editing equipment, namely: editing machines, splicers, synchronizers, viewers, rewinds or combinations thereof; Optical sound equipment; Digital or analog mixing consoles incorporating micro-processor or micro-computer control systems; tape recorders including video tape recorders;								

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	Rates in Effect Prior to Rates Proposed in this Motion				
					B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff	
Parts of the foregoing;									
All the foregoing for use in the <i>commercial production of motion pictures, animated films or multi-image slide or movie shows, with or without sound</i>									
	Free	Free	30 p.c.	Free	Free	Free	30 p.c.	Free	
					2.5 p.c.	10.3 p.c.	30 p.c.	2.5 p.c.	
					2.5 p.c.	11.4 p.c.	35 p.c.	2.5 p.c.	
The <i>following</i> for use in connection with oil or natural gas wells for installation between the well-head assembly or surface oil pumping unit and the field marketing valve:									
49201-1	<i>Chokes, beans and flow controllers; separators and treaters, oil, gas or water</i>								
	5 p.c.	8 p.c.	20 p.c.	5 p.c.	Free	Free	Free	Free	
					5 p.c.	8 p.c.	20 p.c.	5 p.c.	
49202-1	<i>Bolted steel tanks; chemical injection pumps</i>								
	Free	Free	Free	Free	Free	Free	Free	Free	
					5 p.c.	8 p.c.	20 p.c.	5 p.c.	
51105-1	<i>Cricket bats, balls, gloves and leg guards</i>								
	Free	14.6 p.c.	35 p.c.	Free	14.6 p.c.	14.6 p.c.	35 p.c.	9.5 p.c.	
	Free	13.5 p.c.	35 p.c.	Free					
	Free	12.4 p.c.	35 p.c.	Free					
	Free	11.3 p.c.	35 p.c.	Free					
51145-1	<i>Scuba diving equipment, namely: regulators for use with diving tanks, parts thereof; hoses, fittings and valves for use with regulators; mechanical pressure, temperature and depth gauges and combinations</i>								

Tariff Item		British Prefer- ential Tariff	Most- Favoured- Nation Tariff	General Tariff	General Prefer- ential Tariff	Rates in Effect Prior to Rates Proposed in this Motion			
						B.P. Tariff	M.F.N. Tariff	General Tariff	General Prefer- ential Tariff
	<i>thereof; fittings and valves for scuba diving tanks and parts thereof; underwater compasses.....</i>	Free	Free	35 p.c.	Free	Various	Various	Various	Various
65804-1	Filmed or video taped television commercials and radio commercials recorded on magnetic tape manu- factured from synthetic resins or cellulose plastics imported for reference purposes only under such conditions as the Minister may prescribe by regu- lations.....	Free	Free	30 p.c.	Free	Free	Free	30 p.c.	Free
65810-1	Magnetic recording tape, unrecorded, n.o.p., manu- factured from synthetic resins or cellulose plastics	5 p.c.	8 p.c.	25 p.c.	5 p.c.	5 p.c.	8 p.c.	25 p.c.	5 p.c.
	on and after January 1, 1985	5.1 p.c.	7.7 p.c.	25 p.c.	5 p.c.	5 p.c.	7.6 p.c.	25 p.c.	5 p.c.
	on and after January 1, 1986	5.1 p.c.	7.3 p.c.	25 p.c.	4.5 p.c.	5 p.c.	7.2 p.c.	25 p.c.	4.5 p.c.
	on and after January 1, 1987	5.1 p.c.	6.9 p.c.	25 p.c.	4.5 p.c.	5 p.c.	6.8 p.c.	25 p.c.	4.5 p.c.
	<i>Sound recordings, n.o.p., on any medium, not includ- ing audio-visual recordings:</i>								
65812-1	<i>Other than the following.....</i>	Free	Free	25 p.c.	Free	14.6 p.c. Free	14.6 p.c. Free	30 p.c. 25 p.c.	9.5 p.c. Free
65812-2	<i>Of a musical nature, including recordings of operas, operettas, musical comedies and other recordings having a significant musical content; recordings of music hall and cabaret numbers, whether musical or not, including monologues and soliloquies and other recordings of a similar entertainment char- acter.....</i>	14.6 p.c.	14.6 p.c.	25 p.c.	9.5 p.c.	14.6 p.c.	14.6 p.c.	25 p.c.	9.5 p.c.
	on and after January 1, 1985	13.5 p.c.	13.5 p.c.	25 p.c.	9 p.c.				

Rates in Effect Prior to
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Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	General Preferential Tariff	B.P. Tariff	M.F.N. Tariff	General Tariff	General Preferential Tariff
dollars in any one case, under such regulations as may be prescribed by the Minister	Free	Free	Free	Free	Free Various	Free Various	Free Various	Free Various
<p>Notwithstanding the provisions of this Act, or any other Act, the value for duty as otherwise determined under the <i>Customs Act</i> in the case of any casual donation described in this item which, but for the fact that the value thereof in any one case exceeds <i>forty</i> dollars, would have been entitled to entry under this item, shall be reduced by <i>forty</i> dollars.</p>								
69625-1 Sound recordings, tape recorders and phonographs for bona fide libraries, and being the property of the organized authorities of such libraries and not the property of individuals or business concerns; under such regulations as the Minister may prescribe	Free	Free	Free	Free	Free	Free	Free	Free
70300-1 <i>Vehicles and equipment imported by international bridge authorities for use exclusively in the maintenance and operation of international bridges and their approaches.....</i>	Free	Free	Free	Free	Free	Free	Free	Free