



CANADA

BUDGET SPEECH

DELIVERED BY

HONOURABLE EDGAR J. BENSON

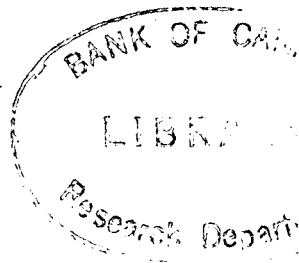
MINISTER OF FINANCE

MEMBER FOR KINGSTON AND THE ISLANDS

IN THE

HOUSE OF COMMONS

OCTOBER 22, 1968



ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968



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MINISTER OF FINANCE

HOUSE OF COMMONS, OCTOBER 22, 1968

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE
MINISTER OF FINANCE

Hon. E. J. Benson (Minister of Finance)
moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, it is a great honour and a serious responsibility to present the first budget to this new 28th parliament of Canada. The government and its strong parliamentary majority have come into office with many new ideas and a desire to look at our problems with a fresh perspective. We have, however, many major commitments. These restrict our freedom of innovation and make it necessary for us to work out our new ideas over time.

I have much to report and to propose in this budget and therefore will not attempt a comprehensive review of our financial affairs and policies tonight. The budget white paper, tabled last Wednesday, provides material on our public accounts for 1967-68, and on the economic and financial conditions prevailing in Canada and elsewhere as of the time when it was prepared. I shall refer occasionally to this paper but I shall try not to weary the house with repetition of detail. In particular I do not propose to comment upon the accounts for 1967-68.

Current Economic Setting

The current economic setting for this budget has been set forth in part I of the White Paper. The Canadian economy continues the

expansion that began in 1961, that ran to excess in 1965 and 1966, that slowed down in adjusting for these excesses in 1967, and that has accelerated moderately again this year. We are in a period of widespread prosperity, but it is prosperity with problems. The increase this year in production, in national income, in exports, in housing investment, and in industrial productivity has been encouraging. On the other hand, we are troubled both by the extent of unemployment and by the rate at which prices are increasing. Our balance of trade has been better than expected, but our capital markets continue to be subject to serious strains. These are reflected not only in high interest rates but in problems for many borrowers and for those who sell securities.

In the international economic field, we have in recent years made great advances in freeing trade. We are still engaged in implementing agreements by legislative action. Tonight I shall lay before you some 200 pages of tariff items which implement our part of these international arrangements, together with a resolution asking approval for a new bill on anti-dumping duty which will follow consideration of our white paper on this subject by a committee of this house. These are important and constructive measures. Together with related action by others, they should widen the markets and improve the productivity of Canadian industry. They should also provide to Canadian consumers the benefits of increased competition in domestic markets.

In monetary matters, the period under review has been one of many difficulties but

has ended upon a most constructive note. For years the Canadian government, with other western governments, has been working out a plan to supplement gold and foreign exchange balances with new forms of international liquid reserves that could be expanded in accord with the needs of world trade and other transactions. After considerable debate this has now been achieved. Parliament will be asked to approve amendments to the Bretton Woods Agreement Act to carry out our part in these new and encouraging arrangements.

• (8:10 p.m.)

Before these new arrangements could be completed several major crises occurred during the past year in the international financial markets. Sterling was devalued. There was a prolonged crisis in gold markets which was only resolved by the working out of a new two price system for gold as well as by more stringent measures by the U.S. to safeguard and improve its balance of payments position.

During this period of stress in the international financial markets last winter there was a short but very sharp run on the Canadian dollar, despite an unusually strong position in Canada's current account balance of payments at that time. We were in danger of being forced into an inappropriate devaluation of our currency, which would have brought higher prices and costs to the Canadian economy and the Canadian consumer. Our position was strengthened by monetary and fiscal measures taken at that time. We were fortunate in being able to get from international institutions and from friendly monetary authorities and governments the temporary assistance that we needed to sustain us during this crisis. We also were able to work out with the United States Treasury arrangements which enabled us to safeguard our vital unrestricted access to the U.S. capital market while not endangering or worsening the U.S. balance of payments position. Subsequently we have been able to borrow substantial sums in Italy, in Germany, and in the United States to assist us in restoring our exchange reserves.

Medium Term Outlook

In looking ahead through the prospective life of this Parliament, we can be optimistic

regarding both the resources that will be available to sustain vigorous growth in the Canadian economy and the markets that will be available for what we produce. We have a labour force that is growing more rapidly than that of any other industrial country. It is also increasingly well educated and trained for work in modern jobs. Our natural resources are the envy of others and the basis of much of our industry and wealth. We have a large industrial capacity, much of it now relatively modern and little of it in serious excess. We have access to a large supply of savings within Canada, since we save a high proportion of our income by comparison with others. Fortunately we also enjoy a preferred position in securing international capital, both direct investment associated with modern management, and loan capital in large amounts. At the same time we can look forward to demands for large scale investment by business in new plant and equipment, growing needs in housing and urban development, and the continued expansion of useful social capital, including hospitals, schools and universities. There should be no dearth of demand during the next four years.

We do face serious problems, however, in organizing our economic advance and expansion, in managing it and in financing it. Both in our public and private activities these tasks are going to require the best brains and work that Canadians can devote to them. Great economic advance is open to us but only if we manage our affairs well.

Short Term Outlook

The outlook for the remainder of 1968 and for next year is discussed in general terms in the first few pages of the White Paper. Conditions in the United States have as usual had a most important influence upon our affairs. This has been true both in the financial markets, where their high interest rates and shortage of capital have affected us directly, and in their markets for our products. Our exports, assisted by the automotive agreements, increased very rapidly early this year. Now that the United States has put into effect its new fiscal policy, approved by Congress in June, we must expect a moderation in their pace of expansion and, we hope, in the rate of price increases which are associated with it.

In our internal affairs we expect to see continued strength in the sustaining forces of our economy. Business investment in Canada has begun to increase again after the pause of 1967, and I look for a significant advance next year. Expenditures on housing in Canada have risen substantially during this year and should continue to expand significantly in 1969, when demand will be strong and when we would expect more mortgage funds to be available. The market for consumption goods and services in Canada has also been strong this year. Looking ahead, we can expect to see further gains in consumer expenditure in real terms, though perhaps at a more moderate rate in money terms if we can succeed in moderating the rise in prices, costs and money incomes in accordance with our anti-inflationary policy. The generally buoyant outlook, however, is marred by regional problems, particularly those now faced by the prairie farmers and the relative lack of employment opportunities in Quebec and the Atlantic provinces.

I now expect to see a level of gross national product and gross national expenditures this calendar year of approximately \$67 billion, or about 8 per cent over the \$62 billion achieved in 1967. Of this increase, a larger proportion than was the case last year, say about $4\frac{1}{2}$ per cent, should be in real terms, while the average increase in prices reflected in the G.N.P. may average out around $3\frac{1}{2}$ per cent as compared to about 4 per cent last year. This is a modest improvement in price performance though it clearly cannot be regarded as satisfactory.

I will not endeavor to put a precise figure to my expectations for 1969 at this very early stage, but in considering the budgetary position for next year I have had to form some views. I should say that over-all we might expect a somewhat better price performance and about the same increase in volume as this year. This implies a growth in G.N.P. from 1968 to 1969 of something between 7 and 8 per cent. I think we shall continue to face a situation where both the level of unemployment in some areas and the rate of increase in prices will continue to give us concern.

Current Fiscal Position

I turn now to review our current fiscal position. The last budget was that of November 30th, 1967, in which my colleague, the present

Secretary of State for External Affairs, was confronted, as I have been since, with difficult problems in the financial markets. He proposed some tax increases and stated the government's intentions to limit its expenditures this year to \$10,300 million, apart from medicare, and to limit its demands on the capital market this fiscal year (apart from requirements to finance foreign exchange purchases) to less than \$750 million. Those proposals would have just about balanced the budget this year. Subsequently the proposed revenue measures were not approved by Parliament and had to be changed, which has reduced our prospective revenues. While we succeeded in imposing a vigorous restraint upon those expenditure programs which are within direct control of the government, we substantially underestimated the growth in our expenditures under certain statutory obligations and particularly in several large federal-provincial programs.

• (8:20 p.m.)

After reviewing the reports from the Treasury Board that I have received and taking into account as best we can the supplementary estimates we must still place before Parliament, I estimate our total expenditures this year will be \$10,780 million, about $4\frac{1}{2}$ per cent higher than our original intention. I now estimate our revenue this year—before taking in the tax changes I am proposing—will turn out to be approximately \$10,050 million. This would leave a substantial deficit of \$730 million. These figures do not include any write-off of our share of the Expo deficit, which involves no cash expenditure and which will be the subject of legislation later in this session. This deficit of Expo has been financed in earlier years and we are now recovering a part of the cost from Quebec.

Our extra-budgetary accounts this fiscal year have been complicated by the rundown in our exchange reserves late in the last fiscal year and their restoration in recent months. Early in 1968 the rundown of our exchange reserves produced a temporary swelling of our cash balances—a situation which made it possible and desirable to postpone borrowing during the latter part of last fiscal year. Apart from foreign exchange operations, our loans and investments this year have been a bit less than expected, though in the housing

field the slower than expected demand by provincial and local authorities for loans for public and other institutional housing has made it possible to provide a winter program of direct loans for owner-occupied housing. This program will not only help to meet a real need but will also provide a direct stimulus to employment.

Apart from the financing of exchange, our net extra-budgetary requirements for cash during this fiscal year I now forecast at \$600 million. This must be added to the budgetary deficit in assessing our total cash requirements, including those being met by reducing our cash balances.

In regard to exchange we have had to utilize \$490 million Canadian since April 1st up to the end of last month in order to finance our net purchases of foreign exchange in the market which is evidence of the recovery in strength of the Canadian dollar. This has been added to our reserves. The government has also borrowed the equivalent of \$US 234 million outside Canada to be added to our reserves during this period. Part of these new foreign exchange resources has of course been used to pay off in full the short-term international obligations incurred during the exchange crisis.

To meet the large Canadian cash requirements this year we have been able to draw down the abnormally large balances we had at April 1st—\$997 million—mainly arising from the sale of U.S. dollars during the exchange crisis. In addition we have had to borrow very substantial sums, by issues of marketable bonds at June 15th, August 1st and October 1st, by the sale of the special replacement issue of Canada Savings Bonds in May, mainly to refund in advance the large issue maturing this year but also in part providing cash, and by increasing the volume of sales of Treasury Bills. The proceeds of these issues, together with our cash balances, have been used: first, to refund maturing issues; secondly, to meet the very large net redemptions of Canada Savings Bonds (amounting to \$556 million up to October 16 this fiscal year); thirdly, to purchase exchange in the market; and, finally, to meet our current budgetary and extra-budgetary requirements. To October 16 this fiscal year we have borrowed \$428 million on balance in the Canadian market after taking into

account refundings and redemptions both of marketable obligations and of Canada Savings Bonds.

Our objective in the current Canada Savings Bond campaign is a record sale which will raise a large amount of cash during November. The terms are very attractive in comparison with earlier Series and with other investment possibilities. This savings bond is an excellent investment through which Canadians in all walks of life can conveniently and profitably put their money to work in furthering their own interests and the national interest through the financing of important constructive programs such as housing; nuclear power is another example, and of course farm credit. To achieve a broad placement of the new Series of Canada Savings Bonds, a vigorous effort is underway from coast to coast by a large and experienced payroll savings organization, by the banks and other financial institutions and by investment dealers and stockbrokers. This effort is backed by a first class advertising campaign using all major media. The attractive terms will prompt many holders to convert earlier Series into the new Series. To cover these rollovers and to produce a large amount of cash will require a gross sale during the campaign period in excess of the previous record established in 1966. I believe our savings bond organization is mounting the best operation of its kind in the western world and I look forward to its success as a major element in our financing program this year.

Mr. Harkness: What is your estimate of the amount of money involved?

Mr. Benson: We will need to borrow in the market again before this fiscal year is over in order to refund maturing debt and possibly to raise some additional cash as well but the total of such marketable financing will depend importantly on the outcome of the Savings Bond campaign.

1969-70 Fiscal Outlook

It is difficult to forecast our position in the next fiscal year at such an early date as this, yet I feel I must make some effort to do so in order to develop the tax proposals that I think it is necessary to place before you tonight.

We intend to continue severe restraint upon those direct expenditure programs under the government's control, eliminating what is obsolete and permitting only the degree of growth that is essential. We shall have to resist requests by members on both sides of the house, and from groups and individuals outside, to spend money for worthy purposes which we cannot afford to do along with the other things we are doing. It will also be necessary to maintain a virtual freeze on the size of the public service of Canada. We shall also seek the vigorous cooperation of the provincial governments in the same kind of restraint upon the growth of the jointly financed expenditure programs under their control. Even those programs which we and they agree deserve priority must be carried out with maximum economy, and with a keen eye to what is really essential.

On this basis I am now forecasting budgetary expenditures in the next fiscal year at approximately \$11,670 million, including medicare expenditures on the assumption that all provinces will take advantage of the Medical Care Act. This would be an increase of \$890 million, of which about \$335 million would be for medicare—leaving an increase of less than 5½ percent for all other expenditures. Revenues for next year—before the tax changes I am now proposing or those that may arise from our tax reform program next year—can be estimated at about \$10,830 million, a growth of approximately 7¼ percent over the current year. This takes into account a variety of special factors as well as general economic growth.

• (8:30 p.m.)

We must of course keep in mind the loans and investments to be made next year, as well as our expenditures, in assessing the nature and scale of our fiscal problems. Our detailed budgets in this field are not yet decided. By far the largest element in this total is housing. The capital budget for the Central Mortgage and Housing Corporation next year should reflect the conclusions of the government after it receives the views of the special task force headed by my colleague, the Minister of Transport (Mr. Hellyer). It will also include farm credit as a major element, where we must endeavor to take into account the extent to which demands can be

met from the banks and other institutional lenders. The revision of the Farm Improvement Loans Act will help in this regard. In addition of course we have a wide variety of loans and investments for nuclear and other special power projects, for the Seaway and Air Canada, the Canadian National Railways and other crown agencies, and for foreign aid and export credits. I would expect the total to be something of the same general level as this year, and partly offset by receipts of cash from outside the budget (from employee pension funds and other accounts for example). The net extra-budgetary requirement for cash would appear likely to be of the order of \$600 or \$700 million, excluding what may be required for foreign exchange purposes.

These extra-budgetary requirements are demands that we would normally aim to meet by borrowing. At the level indicated, however, they alone will pre-empt most or all of what we should expect to borrow next year in competition with other borrowers in the capital and credit markets.

Control of Public Expenditure

Our experience this past year, and the prospects next year, force us all to recognize the central problem of the control of public expenditures in Canada today. This is a problem that confronts not only the parliament of Canada but also the legislatures of the provinces and the Councils of the municipalities. The past decade has witnessed a very rapid increase in the scale of public expenditures at all levels, and particularly by provinces and municipalities. I will not endeavor to give detailed figures to the house at this point, but we may note briefly that expenditures by all governments as recorded in our national economic accounts have risen from \$8.7 billion in 1957 to \$21.2 billion in 1967. Of this increase of \$12.5 billion some \$8.4 billion has been in provincial and municipal final expenditures. Federal transfer payments to provinces, of course, have increased very rapidly to help meet this growth. When these transfers are eliminated, the increase in federal expenditures for its own direct programs over this period has been \$4 billion. In 1957 they were 15.1 percent of the G.N.P. By 1967 they had fallen to 14.3 percent of the G.N.P.

It is well known that several large programs that we finance jointly with provincial governments are, those that have been found most difficult to control. These include notably the program commenced in 1967 whereby we have provided tax abatements, equalization payments, and direct cash adjustment payments under the Fiscal Arrangements Act to assist the provinces in meeting the costs of university and other post-secondary education. Included in these shareable costs are large sums spent for senior matriculation courses in secondary schools, such as grade 13 in Ontario. Our assistance for such education amounts to one-half of the total operating expenditures in the provinces, including those financed by student fees or other sources. These costs are now increasing at an annual rate of about 20 percent, and our adjustment payments must be expected to rise very rapidly to reflect this phenomenal expansion.

The other most rapidly expanding program is hospital insurance, where the current rate of cost increases exceeds 15 percent despite the fact that the program is now well established and reasonably mature. Payments for general welfare purposes under the Canada Assistance Plan are large, but they are not subject to such rapid built-in cost increases and do not cause as much concern. Medicare of course will quickly become a large joint program and will involve growing expenditures for us as well as for the provinces for some time. However, in view of the substantial increases in medical fee schedules in recent years, the new medicare program should not run into cost increases as large as those of hospital insurance, for example. We should note that new government expenditures for medical care will be mainly replacing payments by individuals for the same purpose or payments made through existing private or public plans. Only a fraction of the cost will constitute an increasing demand upon the economy, but the result should be a fairer and more efficient system of assuring health care for all Canadians regardless of income.

Mr. Knowles (Winnipeg North Centre): At last the government is beginning to realize this.

Mr. Benson:

Discussions with the Provinces

The effective management of all these major services is a matter for the provinces.

It is in the mutual interest of all the governments and of the people of Canada to ensure that expenditures under these very important programs are made economically and in accordance with sound judgments as to priorities and rates of growth, taking into account the burdens they place on the taxpayers as well as the objectives of the programs themselves. I plan to meet with the treasurers and finance ministers of the provinces early in November to discuss these questions. I expect that in reviewing this health field we will be joined by our colleagues, the ministers of health who will also be meeting here at the same time. We will consider whether some intensive work should be put in hand on a broad basis to apply modern systems analysis and operational research to improving the efficiency with which health services and facilities are provided to the people of Canada.

In the field of higher education there is the same need for economy and efficiency but one must also take into account major issues of policy. These, of course, are matters of provincial responsibility. The universities and other educational institutions face increasing problems of their own, and we are all more conscious of them now than ever before. Provincial governments are responsible for the evolution of the laws and institutions for higher education. We have no desire to interfere at all in this difficult and delicate responsibility, where each of our provinces will wish to see its institutions develop in a way that suits its own conditions. Our main concern in 1966 and 1967 was to ensure that the provinces had additional financial means at their disposal to help meet the abnormally rapid increase in requirements during the current period for the expansion of universities and other post-secondary educational institutions. We recognized this priority, although we have been surprised at the extreme rate of growth involved. In 1965-66 our contribution to the support of higher education, including the special tax abatement to Quebec, amounted to about \$40 million. This year the equivalent fiscal transfer and cash payments to the provinces are estimated at about \$500 million—over twelve times what they were three years ago.

As the Prime Minister has already indicated, we anticipate that provinces will wish to discuss with us questions related to medicare. We shall be quite prepared to discuss them. We hope that all the provinces will take advantage of that act at the first opportunity. We continue to believe that the provision of medical care services as a publicly financed operation is a matter of high priority in the development of proper health and social services for Canadians.

• (8:40 p.m.)

This government and this House recognize the financial problems being faced by all the provinces—even the wealthiest of them, which is the most outspoken on the subject. Between 1962 and 1967 we reduced the federal personal income tax to make way for the provinces to enlarge their use of this revenue field from 16 percentage points to 28 percentage points. We are now helping all provinces with substantial participation in meeting the cost of broad services in the fields of health, welfare and higher education, and particularly in rapidly growing programs in fields of highest priority. We are giving major assistance to the provinces with less than average taxable capacity by our equalization grants. We are providing hundreds of millions a year in housing finance to provincial and local agencies under the National Housing Act. All the many hundreds of millions of dollars we collect in contributions under the Canada Pension Plan, in excess of current pension payments, are loaned immediately to the provinces. Parliament has proven with action its concern for the financial needs of the provinces. We can legitimately expect recognition by them of our problems, and of the needs for expenditures on national programs for which we as a parliament are responsible.

Emphasis in Economic Policy

Before turning to our immediate fiscal policy and the details of proposed tax measures, it is essential to consider the over-all framework of general economic policy for 1969 and to determine its main emphasis. Needless to say, we shall continue to work toward all the broad goals which are widely accepted in western industrial countries—full employment, economic growth, price stability, balance in external payments, and an equitable sharing of rising incomes.

These general goals comprehend many specific objectives—the training and mobility of

labour, the improvement of productivity, increasing economic efficiency through more vigorous competition, the freeing of international trade, the reduction of regional disparities, the elimination of poverty—indeed, almost all the economic and social virtues we can think of. But the real problem in public policy comes in being specific, in reconciling conflicting objectives, in making choices among competing demands, in deciding how much of each to pursue, and of course in knowing how to do it all effectively and efficiently. There are far more good things to be done in Canada, particularly by governments, than there are resources available to do them.

We are doing a great deal, and will do more next year, in pursuit of all the goals and objectives I have mentioned. Not the least of our efforts, I would emphasize, are the many services and programs to deal effectively, constructively and humanely with poverty. But we cannot do everything at once. Rather, we must try to advance on as broad and balanced a front as possible, and we must be ready at all times to face up to the most urgent priorities among all of our objectives.

Resisting Inflation

In the broad field of economic policy the most urgent need now is to check further the continuing increase in prices and living costs. There appears to have been some easing of inflationary pressure in recent months. But there is little evidence that the damaging upward spiral of prices and costs has been effectively broken. Further, unless our policies are firmly set to resist inflation, there is great danger that continued prosperity in 1969 will cause pressures that will set in train a new round of price and cost increases.

I want to emphasize that a rapid rise in the price level, on the scale experienced in recent years, has many serious and damaging effects. Firstly, it is most unfair to those in our society, mainly the older people and the poor among us, who do not possess the bargaining power necessary to protect themselves against the increase in the cost of living. There is no doubt that recent and current inflation is hurting many more than the number who suffer from unemployment. Secondly, rapid price increases undermine the whole basis of our economic structure and competitive mar-

ket system. A flexible price system cannot operate properly to allocate resources for maximum production and income unless the price level as a whole is reasonably stable. Thirdly, serious inflation erodes gradually but surely the competitive position of Canadian producers, both in other countries with whom we must trade and in our own markets at home. And fourthly, it makes people, and the institutions through whom they invest their money, increasingly reluctant to lend money except at high interest rates and in decreasing amounts. Yet the growth and development of our economy requires the large scale investment of savings in the form of mortgages and bonds fixed in terms of money. These securities are the only means open to homeowners, school boards, municipalities and governments to borrow funds needed for housing and for all the public purposes essential in our modern society. Unlike large corporations, none of these borrowers can sell equity shares, but their increasing role in the capital markets means that even a moderate degree of inflation poses a larger problem than ever before.

We should not delude ourselves into thinking the choice is between either policies of fiscal ease to counter unemployment or policies of fiscal restraint to fight inflation. In our present circumstances, unchecked inflation would precipitate the kind of economic disruption in which unemployment would surely increase and we would end up with more of both of these evils.

Achieving greater stability in our price level requires action on many fronts. Our fiscal policy must avoid excess demand on production and markets, and keep producers constantly aware of the need to compete vigorously and to prevent cost increases. We need to exercise a wider responsibility to promote competition and minimize restraints on trade. Management must do all it can to improve efficiency and productivity. Workers and governments must cooperate to ensure better training and mobility of the labour force. Business and governments must anticipate bottlenecks and shortages and plan production and demands to minimize them in every way possible. Over the long term the provinces must plan and provide better edu-

cation. Finally, we must, I feel, do all we can to persuade those who enjoy strong market power to exercise it with due restraint, taking the public interest fully into account. This will require the use of public education, special inquiries into inflationary situations, and the mobilizing of public opinion against practices and actions which endanger the maintenance of price stability in our country.

I expect that my colleague, the Minister of Consumer and Corporate Affairs, will have something more to say on plans and measures to combat inflationary cost increases when he participates in the Budget debate. The list I have already given, Mr. Speaker, makes quite a catalogue. Nevertheless they are all measures which Canadians, working together can achieve. Most of them are desirable in themselves, but they should now be given particular attention and focused upon preventing further increases in the cost of living.

Current Fiscal Strategy

In deciding on over-all fiscal strategy for 1968 and '69 we must take into account both the financial prospects I have described and the broad economic situation I have outlined. After doing so we have reached the conclusion that we must raise substantially more revenues in order to bring the budget into balance in 1969-70.

By such action we will be contributing to the restoration of price stability, while at the same time giving support to the economy through investment programs in housing, farm credit and other economic fields. We will be limiting our demands on the capital market to non-inflationary amounts to be used for capital purposes. The provinces and municipalities on their part will be investing one way or another the large funds we turn over to them from the Canada Pension Plan, and borrowing in the market to finance public works and their other lending and investment programs. In accordance with the practice of recent years I shall be meeting at the end of the year with the provincial finance ministers to review the current economic situation and prospects, to assess the impact on the economy of our over-all public financial position, and to consider what are appropriate fiscal policies in this light. I believe however that

the general strategy I have proposed is the best one for the federal government in the present circumstances.

Tax Recommendations

In selecting the tax changes to be made to implement this policy I am mindful of the tax reform program which the government proposes to initiate next winter. I have been over with my officials the conclusions which they have reached from a long and comprehensive review of our income tax laws, the report of the Royal Commission on Taxation and the scores of briefs and hundreds of letters which we have received on the subject. After further thought I have reached certain decisions which I have asked my officers to set forth in the form of a draft bill, which I will place before my colleagues for their approval or modification. It is this draft, suitably revised and explained, which will be placed before the house, provincial ministers, and the public for detailed study and discussion early in the new year. It would then be reconsidered and revised by the government for final consideration by the house in the latter part of 1969. By that means I hope we can have a reformed income tax in effect in 1970.

The tax recommendations which I am making tonight are not an integral part of next year's reform package. By that I mean that they stand on their own and should be implemented, whether or not there is to be any further reform. They do not commit us to particular changes in other areas.

● (8:50 p.m.)

Estate Tax and Gift Tax

The first group of recommendations concerns the Estate Tax and the Gift Tax. I have come to the conclusion that transfers of property at death and by gift should not, at least for the present, be included in income like other items that have normally been regarded as income of a recurring nature. While respecting the intellectual coherence and elegance of the case made by the Royal Commission on Taxation on this matter—crudely summed up in the phrase that “a buck is a buck is a buck”—I believe that the overwhelming weight of Canadian opinion is against it now, and many Canadian practices and institutions would be seriously disrupted if we embraced this proposal. Instead, I propose that the estate and gift taxes continue to be levied on the transferor and that they be reformed along different lines.

I am proposing that in respect of deaths after midnight tonight we exempt all amounts left outright to a widow by her husband, and to a widower by his wife. Perhaps I should make it absolutely clear that this estate tax exemption includes pension and annuity benefits. Further, if a husband leaves the entire life interest in a trust to his wife, the assets in that trust will be excluded from his estate, but included in hers, and vice versa. With this reform, we will recognize the contribution made by wives to the accumulation and conservation of the wealth of the family. It will eliminate a deeply felt grievance.

There would also be a \$10,000 exemption in respect of the amount left to each child, and additional exemptions for younger children depending on age and income, and for children wholly dependent because of disability. Finally there would be a general exemption of \$20,000 to eliminate or reduce the tax on small estates to whomever they may be willed.

I propose that the loss of revenue arising from this long awaited reform of the exemption structure be made up by raising the rates on the rest of the estate. The schedule of rates is set forth in the table included in the resolution; they range from 15 percent at the bottom to 50 percent at the top. The value of taxable gifts made after tonight will, on the donor's death, affect the rates in the tax schedule that are applied to the taxable value of his estate. In effect, taxable gifts made after tonight will use up part of the low rate brackets in the Estate Tax rate schedule.

It is difficult to predict accurately the revenue effects of changes in estate taxes but I have aimed at maintaining the same total over-all revenue while permitting the transmission of property between husband and wife without tax.

It will be recalled that since 1964 the provinces have enjoyed three-quarters of the revenue from the estate tax—either by payment from the federal treasury or by abatement in their favour. I do not propose that this be changed. We recognize the special interest of the provinces in this field of taxation but believe that parliament should keep a share in it for its indirect benefits in the enforcing of the Income Tax Act as well as

its direct benefits in revenue. There are some transmissions of property that cannot be taxed by laws within provincial jurisdiction.

I propose that we amend certain of the special statutory rules about *situs* of property in order to bring the federal rules more in line with those used for purposes of provincial succession duties. I intend to discuss with provincial ministers other means of achieving greater uniformity and simplicity in the laws concerning death duties and their application.

As for the gift tax, effective tonight the exemptions and the rates will be changed, and the new rate schedule will apply progressively to the cumulative total of all future taxable gifts made by the donor.

Straightforward gifts between husband and wife will be completely exempt. Gifts to other individuals will be exempt up to \$2,000 per annum for each recipient. There will be no exemption for gifts to trusts or corporations. The present exemption for gifts to registered charities will be continued, as will the once-in-a-lifetime exemption of \$10,000 in respect of a gift of a farm by the farmer to his child. The other present exemptions, including that based on income after tax, will be dropped.

The rates of gift tax would range from 12 percent on the cumulative total of taxable gifts until \$15,000 is reached, up to a maximum rate of 75 percent on gifts when the cumulative total exceeds \$200,000. This 75 percent means in effect a tax rate of three-sevenths or about 43 percent, on the total of the gift and the tax on it, the basis on which we normally think of income and estate taxes.

It will be evident to the honourable members that, if the gift tax rate changes were not effective immediately, taxpayers could take advantage of any interim period to make abnormally large gifts before the new cumulative system begins. I believe that members will also agree that the estate tax changes should be made effective immediately so as to exempt property passing to widows on deaths after midnight tonight.

Life Insurance Companies

My second group of proposals concerns the life insurance companies and their policyholders. At present, the business incomes of life insurance companies are largely exempt from tax: the companies are taxed only on the amounts appropriated for shareholders during the year. This is usually only a small fraction of the total business income of the shareholder-owned companies, and of course it pro-

duces no taxable income at all for the mutual companies, which now I should point out, dominate the industry, or for the fraternal benefit societies.

I am proposing that we introduce special rules to recognize the problems that arise in measuring income in the life insurance industry, but that, with the exception of these special rules, the general provisions of the Income Tax Act apply to this industry just as they do to all others.

One of the special rules will deal with the deductions from income permitted in order to provide the policy reserves needed to meet future liabilities under policies of insurance. The details of the computation of these reserves will be set out in regulations, and the industry will be consulted in the course of preparing these regulations. However, I have in mind that we would use, in computing the reserves against the various classes of policies, the same interest assumption that is implicit in the tables of cash surrender values.

Policy dividends will be deductible, provided they are paid out of the profits of the participating fund.

• (9:00 p.m.)

All of this will apply only to the Canadian operations of the corporations. The usual rules for determining the profits of a branch of a company will apply except that we will provide by regulation for the computation of the portion of their investment income which is attributable to their Canadian operations.

For Canadian companies, the income producing assets that will be treated as Canadian will be proportionate to the part of their over-all actuarial reserves that relate to Canadian business. This will bring a reasonable portion of their investment income into Canadian taxable income, and at the same time, it will not penalize those companies which choose to keep most of their assets in Canada.

For non-resident companies, the income-producing assets that will be treated as Canadian as of January 1, 1969 will be those required to be kept in Canada in accordance with the rules of the Superintendent of Insurance. The income from other Canadian assets of these companies will continue to be

subject only to withholding taxes. I want to emphasize that there is nothing in these recommendations to cause these companies to withdraw funds from Canada, nor is there anything to deter them from investing more in Canada.

For the future, the income-producing assets of these companies will be increased by the amounts derived from the Canadian operations, and reduced by the value of the assets which they choose to transfer to withholding-tax status. We will apply our 15 percent branch tax only to these transfers.

It is essential as well, I believe, in terms of equity between those who save in the form of insurance policies and those who save in other forms, to levy some tax on the investment income which policyholders receive through the insurance companies, either in the form of policy dividends or otherwise. The Royal Commission proposed valuing these elements of investment income each year—whether or not received directly by the policyholder—and taxing them directly to him. We have worked out a much simpler and more practical method which should achieve substantially similar equity.

In order to tax those elements of investment income actually received by the policyholder before he dies, either through cashing in his policy or selling it, we propose to include in his taxable income the proceeds of the policy less the net amount he has paid for it. In most cases his cost would be premiums less dividends. For policies already in existence the taxpayer could use as his cost to date the cash surrender value on the next anniversary date of the policy. This will ensure that this tax applies only to investment income earned after today.

The regulations which define the taxable element of annuity payments will be amended so that they are consistent with this treatment of insurance policies. Again, the change will not affect the treatment of interest earned before today.

This will bring to tax the amounts withdrawn by policyholders. There is no comparable simple and practical method of taxing in the policyholders' hands the investment income which benefits them by way of reduced premiums or increased policy dividends. Consequently I am proposing that we levy a 15 percent tax on part of the investment income of insurance companies. This will take the place of a tax on the individual policyholders. I will not attempt to give all of

the details of the computation of taxable investment income: they are set out in the resolution. However, I would like to mention that there are several deductions from total investment income to arrive at taxable investment income, including deductions to recognize that some policies are in respect of registered pension plans, and a deduction to recognize the special situation with respect to outstanding non-participating policies.

Since this tax will reduce the investment income available to the companies, it will be a deduction in arriving at taxable income.

I have tried to assess the effects of these taxes on the Canadian life insurance industry. Clearly they will reduce its annual accumulation of income in general contingency reserves—which is as it ought to be, for these are business profits not now being taxed. The tax on investment income may cause a moderate increase in the premium rates in the future, or at least in the net cost after policy dividends, of new policies and it may cause a moderate reduction in the policy dividends to be paid in future on many outstanding participating policies.

On balance however the gain in revenue to us and to the provinces and the gain in equity in treating different channels of savings more fairly would outweigh the disadvantages. The life insurance industry in Canada, both foreign and domestic and those who invest in it will be taxed fairly by comparison with other industries and financial institutions. It will be taxed more logically I believe than that industry is taxed in other countries, including the United States. The industry is already having to adjust to changing conditions and market preferences, and I believe this new tax regime—which should remove the uncertainty about taxes which has been hanging over the industry for years—will speed that process. It could lead to new combinations of basic insurance protection and savings in various forms, perhaps making more effective use of the provisions for registered retirement savings plans.

Estimating the revenue yield from these taxes on life insurance companies and withdrawals is somewhat hazardous but I believe that for the next fiscal year the total revenue yield would be about \$95 million, of which about \$40 million would come from the indirect tax on investment income. About \$10 million would be provincial revenue.

I also propose that non-resident companies carrying on a general insurance business in Canada (that is other than life insurance) will include in Canadian taxable income the investment income attributable to their Canadian operations. This will be the income flowing from the assets related to the Canadian branch computed in the same manner as for non-resident life companies; other Canadian investment income of such companies would continue to be subject only to withholding tax. This will correct a discrimination against Canadian companies carrying on such business here, but will not impede the investment in Canada of reserves against insurance risks elsewhere.

Reserves of Financial Institutions

I have reviewed the reserves allowed to financial institutions for tax purposes in the light of the Report of the Royal Commission on Taxation. As a result, I propose now to reduce the limits both for mortgage lenders and for banks and those cases where the reserves are not determined by a detailed appraisal of individual accounts but on the basis of a general percentage applied to large categories, which is the normal practice.

In view of the loss experience of mortgage lenders over the past twenty years, I am proposing to reduce the limit in section 85G of the Income Tax Act from 3 percent of the outstanding total of non-NHA mortgages to 1½ percent. I am prepared to entertain alternative practical proposals to differentiate between mortgages of different type or quality as the Carter Commission proposed, but I have not myself yet found a formula that seemed better than a single percentage when account is taken of the problems of reporting and assessment.

For banks, I am also proposing a limit of 1½ percent applied to the total of the assets that are now eligible to be included in computing reserves. This will represent a cut-back of approximately one half from the present level of reserves. I am not persuaded that more elaborate formulas, of the types suggested by the Royal Commission on Taxation, are necessary; but I am prepared to consider alternatives as long as they lead to comparable aggregate results.

The existing reserves of some of these financial institutions, built up over many years, are substantially larger than this new formula would provide. This mainly applies to the banks. The Royal Commission recommended that transitional arrangements

extending up to ten years would be appropriate for the gradual adjustment of the reserves to the new limits. I propose that such a transition be authorized. As long as the reserves exceed the limit set by the 1½ percent formula they would not be increased. The limit on the reserves for each institution would be reduced year by year on a cumulative basis in such a way as to reduce the authorized excess over the 1½ percent ratio by an amount each year equal to one tenth of the excess for that institution at the end of its current taxation year. In most cases a large part of this reduction and in some cases all of it would be brought about by the growth in the assets to which the 1½ percent ratio applies, but insofar as this was not sufficient a portion of the excess would have to be brought back into taxable income to accomplish the gradual transition to the new authorized ratio.

I estimate that this change in permitted reserves will bring in \$45 million of budgetary revenue during 1969-70, as well as some revenue to the old age security account, and some increase in provincial revenues.

Other Measures

In quite another field I am proposing a change in the law to clearly exclude from the exemption provided for provincial crown corporations those cases where persons or corporations other than Her Majesty or a municipality have options to buy shares held by Her Majesty or a municipality. It is still possible that corporations in respect of which this is true may be held taxable under the present law, since the arrangements in question appear to be facades. However, I think we should put the matter beyond doubt.

• (9:10 p.m.)

At this time I wish to announce a change that will be made in the regulations relating to depletion allowances for the operators of oil and gas wells and mines. The existing scheme contemplates that depletion will be calculated as a percentage of production profits after deducting exploration and development expenses. Unfortunately, as the regulations now read, groups of companies can obtain much greater benefits than were intended by arranging to have their exploration and development activities carried on in one company and their production activities

carried on in another. The regulations are being changed to provide that all exploration and development expenses of the group must be deducted from production profits before depletion is computed.

I should also like to announce that my colleague the Minister of National Revenue intends to enforce more thoroughly and in finer detail the collection of tax on receipts of interest. It has been fairly widely believed in recent years—and noted by the Royal Commission on Taxation—that there appears to have been a large volume of interest payments to individuals that have not been reported or assessed for income tax. It is now feasible to match up much more information by means of computers with individual tax returns than was previously the case, and we intend to secure more such information, particularly in regard to interest and dividends. I believe that such action will produce a notable increase in our revenues and that it will increase the over-all equity of our tax system.

With the introduction of medical care plans in a number of provinces, taxpayers will no longer have to pay certain medical costs which formerly were classified as medical expenses for tax purposes. I propose that we follow the pattern set in 1959 when hospital insurance was introduced and amend the Income Tax Act to provide that medical expenses, as defined in the Act, shall not include amounts which are paid on a taxpayer's behalf, or for which he is reimbursed, under a provincial medical care insurance plan which meets the criteria set forth in the Medical Care Act.

The Income Tax Act will be amended to provide that the present non-resident withholding tax on royalties paid by a resident of Canada to a non-resident shall apply to a somewhat wider range of payments. The proposed amendment will be based on the definition of royalties suggested by the O.E.C.D. fiscal committee and used as a model by Canada in several of its international tax agreements.

A further measure is intended to help farmers who have need of more grain storage capacity on their farms. I am thinking in particular of the farmers in Western Canada who will have to store increased amounts of grain this winter and of the corn growers in Ontario. It is proposed that amounts spent to acquire grain storage facilities may be deducted for tax purposes over a short period. This will be done by an amendment to the income tax regulations and will provide that

the capital cost of new buildings, structures and bins designed for the purpose of storing grain on a farm, acquired in the period August 1, 1968 to December 31, 1969, may be written-off for tax purposes over a four year period.

I should note at this point that these various changes in the Income Tax Act, other than those on life insurance companies and financial institutions which I have already reported, should increase budgetary revenues by about \$10 million in 1969-70. Because of their nature they will not affect the current fiscal year substantially.

Customs Tariff Resolutions

I turn now to the Customs Tariff. I am reintroducing three sets of resolutions which were tabled by my predecessor in the last session of parliament. The first set formed part of the budget speech which was presented to the house on June 1, 1967. In the budget of November 30, 1967, the rates of excise duty on domestic spirits and beer were increased. The second set of resolutions provided for an increase of the same amount in the customs duties on imported spirits and beer. The resolutions of June 1 and November 30 were considered by the committee of ways and means last December.

The third, and by far the largest of these sets of resolutions, were those tabled on November 6, 1967, implementing Canada's commitments, other than those on chemicals and plastics, under the Kennedy Round agreements. The rates set out in these resolutions came into effect on a provisional basis on January 1 of this year. The resolutions were referred to the standing committee on finance, trade and economic affairs. After a series of public hearings the committee recommended them to the house for favourable consideration.

However, parliament was dissolved before they could be enacted and an order in council was therefore passed on April 25 under the authority of section 22 of the Financial Administration Act, continuing in effect the proposed reductions in duty. I announced at the time that collections of the increases in customs duties proposed on a few imported products were being suspended, but that it was the government's intention to ask the next parliament to enact legislation implementing both the reductions and increases, effective from the dates originally proposed in

the resolutions. The resolutions I am tabling tonight will, if enacted into law, have this effect.

Chemicals and Plastics

The new resolution which I am introducing this evening flows from the Tariff Board report on chemicals under reference 120. The first volume of the board's report was tabled in the house in June 1966. The revised schedule proposed by the board in this volume formed the broad basis for our Kennedy Round negotiations on chemicals and plastics. In these negotiations the rates of duty on chemicals were "bound" at not more than 15 percent. The plastics rates were, in general, bound at the highest recommended rate within any group of products.

In the Kennedy Round, Canada undertook to introduce the concessions offered on chemicals and plastics not later than July 1. It was not, in fact, possible to implement the proposed new chemical and plastics schedule by that date. Accordingly, it was agreed with our trading partners that Canada could delay putting these concessions into effect to not later than January 1 next. As a result of our negotiations with the United States, which is Canada's major supplier of chemicals and plastics, reductions in the rates of duty on a number of chemicals and plastics in terms of the present tariff nomenclature were made by order in council for the period July 1 to December 31.

As to the tariff structure proposed by the Board, the industry proposed and the Board recommended the adoption of the so-called Brussels Nomenclature for most of its new tariff schedule. This nomenclature is used by the major trading countries, with the exception of the United States; it is a system for classifying goods in headings which are grouped into chapters and sections. It also contains rules and notes defining the scope and priority of the various headings. The board recommended that these rules and notes be adapted for Canadian use and that the Customs Tariff provide that the governor in council may prescribe such rules and notes.

The schedule proposed by the board is very long. In part this is due to the use of this Nomenclature and in part because the Board

was directed not to make any general changes in the margins of preference, i.e. in the difference between the British preferential and most-favoured-nation rates of duty. Generally, the present rates are 15 percent B.P. and 20 percent M.F.N. on chemicals of a kind produced in Canada, and Free B.P. and 15 percent M.F.N. for those not produced in Canada. As these chemicals are ruled by the Department of National Revenue to be made or not made in Canada, they automatically move, by this administrative action, from one set of rates to the other.

Accordingly the board, in general, recommended a very long list of chemicals produced in Canada, identified by name, with rates of 10 percent under the B.P. tariff and 15 percent under the M.F.N. tariff, and rates of Free B.P. and 15 percent M.F.N. on the residual tariff items providing for chemicals not produced in Canada. The structure proposed by the board, particularly with regard to the preferential tariff, would be less flexible than the present tariff.

The board's proposals have given rise to many representations urging a less rigid system. I found considerable merit in these representations. It seems to me that both the present flexibility and the results intended by the Board could be brought about in another manner.

I am therefore proposing that a 10 percent B.P. duty be established for certain items in the chemical sector and that parliament grant authority to the governor in council to lower this duty from time to time. This authority would be similar to that set out in the Customs Act to reduce or remove duties on articles used in Canadian manufactures. Thus I am presenting for the consideration of the house a much shorter schedule than that proposed by the board. At the same time I should make clear that, by appropriate orders in council, we will ensure that British goods will face no increases in rates of duty other than those fully consistent with the principles underlying the board's proposals. Moreover, for many products imported from Britain there will be reductions in rates from 15 percent to 10 percent or even lower rates.

A somewhat similar situation exists with regard to plastics. For these products the board recommended a progression of rates, from resins to the more fabricated forms. It named those which it felt should be dutiable because they were made in Canada or were competitive with Canadian made plastics, and proposed residual items free of duty, in most cases, for those not named.

Representations were received to the effect that the Board's proposals provided no assurance of protection when new products are made in Canada. It appears to me that there is validity in this view. On the other hand, it is important to have a procedure for free entry when circumstances warrant, so as to avoid imposing unnecessary costs on Canadian users. Accordingly, I propose that rates of duty higher than those proposed by the board be established for the residual items, and that the governor in council be given authority to waive, reduce or restore these duties. This procedure will permit a shortening of the list of statutory tariff items in the plastics schedule.

• (9:20 p.m.)

I am also recommending a few other departures from the board's proposed schedule, based for some products on new information, on new production in Canada or to meet certain problems not foreseen by the board. All the changes I am proposing are consistent with our international commitments.

It goes without saying that I have received a large number of representations for changes from the board's proposals, many for higher duties which are not being met in the resolutions I am tabling. One I would like to mention in particular relates to the board's recommendation on polyethylene. This is an important issue but I am not willing to propose any changes in the duties on polyethylene as recommended by the board without a further study by the Tariff Board. Accordingly, I am asking the board for a thorough but prompt review of the current status of polyethylene.

In order to meet our new international obligations our new chemical and plastics tariff must be in effect by January 1 next.

Other Tariff Questions

I have received a number of representations for other changes in the Customs Tariff. However, I have decided that these should be held over for consideration until a later occasion.

I am also tabling a resolution regarding the implementation of our obligations under the "Anti-dumping Code". A proposal regarding a bill to achieve this objective is already before members in the form of a White Paper. I would not suggest that we proceed with this resolution until the standing committee has examined the draft bill. Members will be aware, of course, that we are committed, under the GATT, to revise our anti-dumping procedures by January 1 next.

The changes in the chemical tariffs which I have proposed above and in the anti-dumping duties will have I believe only a minor effect on customs revenues. It is very hard to set a figure on them because of the rather complicated changes in many small flows of import trade that are involved.

Central Fiscal Problem

I return now, Mr. Speaker, to our central fiscal problem and the revenues that we must raise to meet our forecast requirements this fiscal year and next.

In respect of the current fiscal year I have come to the conclusion that tax measures introduced now to secure enough revenue to balance the budget this year would have to be so severe that they would be damaging to the Canadian economy. Therefore I feel we should look ahead to next year and determine what we need, and put it into effect as soon as we can.

The measures I have already outlined should increase our total budgetary revenue for next fiscal year, 1969-70, by \$130 million and add \$10 million to our extra-budgetary receipts. However, they would leave our budgetary revenues about \$710 million short of the initial forecast of aggregate expenditures I made of roughly \$11,670 million. Clearly a deficit of this order of magnitude next year is quite contrary to the economic and fiscal policies I believe necessary, and we must raise substantially more revenue to meet it.

In selecting further changes to accomplish this purpose I have in mind that next year we shall be engaged in our major tax reform legislation and will then have in view our requirements for 1970 and beyond. We will be taking into account the fact that our income and corporation tax surcharges of 3 per cent enacted early this year will terminate at the end of 1969. Regard must also be

had to the non-recurring revenue effects of the change in timing of the payment of tax by corporations.

Further Tax Measures

In view of this consideration I feel we can secure a part of what we require for 1969-70 by completing the moving forward of the dates of payment of the corporate income tax—bringing it then in line with the current payments on account which we are required to make from wages and salaries. I therefore propose that in taxation years following their next taxation year corporations be required to commence payment of their instalments of tax in the first month of their taxation year to which it relates and complete the instalments in the twelfth month. They will make their final adjusting payment, as now provided, by the end of the third month of the following taxation year. In order to make the transition to this system I propose that corporations be required to pay their instalments of tax in respect of their next taxation year in ten instalments commencing in the third month of the taxation year and terminating in the twelfth month. This acceleration will yield us about \$275 million of revenue in the 1969-70 fiscal year. The effects of this acceleration on corporate liquidity will be offset to a significant degree by the completion of repayment of the refundable tax on corporate profits during 1969-70.

The remainder of the additional revenue required I propose to obtain by adding to the Old Age Security Tax on personal incomes an additional similar Social Development Tax at half the rates of the former. This Social Development Tax will be 2 per cent on taxable income up to a maximum tax of \$120 per annum. It would go into effect January 1st. I estimate it would add some \$55 million to our revenues in the current fiscal year and about \$440 million in the next fiscal year.

I gave serious attention to alternative sources of additional revenue, including for example an increase in our general sales tax which would produce comparable amounts. But I concluded that what I am proposing would be the fairest and best, all things considered, including the desirability of not adding to the rate of increase of prices and costs of production.

I recognize that provincial governments will be concerned about parliament using any form of income tax at this time when clearly the provinces would like to get a larger share of it. I believe however that the total income tax including this addition and the higher rates of provincial tax applicable in Manitoba and Saskatchewan is within the capacity of Canadians to bear.

At this point Mr. Speaker, I would like to have the permission of the house to insert some small tables in *Hansard*. One would illustrate the effect of the new Social Development Tax on the total of taxes on income paid by a married man with two children. The second one gives the estimated yield of our various taxes in the current fiscal year, after taking account of the changes I have proposed. I also include last year's figures for comparison. The third table summarizes our budgetary position for the current fiscal year and for the next fiscal year, taking the revenues from the tax changes into account. I shall also include with the Budget papers at the conclusion of this speech, if the House will agree, tables giving the budget for 1968-69 on a national economic accounts basis and a reconciliation with the budgetary accounts.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

TABLE 1

TO ILLUSTRATE THE PROPOSED SOCIAL DEVELOPMENT TAX ON INDIVIDUALS
Married taxpayer—two children eligible for family allowances

Income	Present Tax ^(a)	Proposed New Social Development Tax
\$	\$	\$
3,500.....	102	16
4,000.....	184	26
4,500.....	275	36
5,000.....	376	46
6,000.....	597	66
7,000.....	842	86
8,000.....	1,109	106
10,000.....	1,644	120
15,000.....	3,294	120
25,000.....	7,790	120

^(a)This is the combined federal and provincial income tax including the old age security tax and the temporary surtax, in all provinces except Quebec, Manitoba and Saskatchewan. The taxpayer is assumed to take the optional standard deduction of \$100 in lieu of deductions for medical expenses and charitable donations.

TABLE 2
BUDGETARY AND OLD AGE SECURITY REVENUES
(\$ million)

	1967-68 Actual	1968-69 (After tax changes)
BUDGETARY REVENUES		
Personal income tax.....	2,850	3,310
Corporation income tax.....	1,671	2,020
Non-resident tax.....	221	230
Estate tax.....	102	110
Customs duties.....	746	740
Sales tax.....	1,601	1,630
Other duties and taxes.....	826	930
Total taxes.....	8,017	8,970
Non-tax revenues.....	1,060	1,135
Total budgetary revenues.....	9,077	10,105
OLD AGE SECURITY REVENUES		
Personal income tax.....	800	880
Corporation income tax.....	150	190
Sales tax.....	545	555
Total O.A.S. taxes.....	1,495	1,625

TABLE 3
BUDGETARY REVENUES AND EXPENDITURES

	1968-69 (\$million)	1969-70 (\$ million)
Budgetary Revenues before Tax Changes.....	10,050	10,830
Revenues from Tax Changes.....	55	845
Budgetary Revenues after Tax Changes.....	10,105	11,675
Budgetary Expenditures.....	10,780	11,670
Budgetary Deficit (-) or Surplus (+).....	-675	+5

Budgetary Position after Tax Changes

As these tables indicate, our position for the current fiscal year, 1968-69, would show total budgetary revenues of \$10,105 million and total budgetary expenditures of \$10,780 million, leaving a deficit of \$675 million. Our net extra-budgetary requirements, apart from exchange transactions, I am now forecasting at \$600 million for the year as a whole.

For next year, 1969-70, the tax measures I have proposed should bring the budget into balance. I forecast total budgetary revenues of \$11,675 million and budgetary expenditures at \$11,670 million. As far as can be estimated at this early stage, on a national economic accounts basis the budget would involve a surplus of roughly \$250 million. Our extra-budgetary requirements, apart from foreign exchange transactions, will probably be in the neighborhood of \$600-700 million.

In spite of its timing, I think it will be obvious to all, that this is no "baby" budget. It is a new budget, by a new government, but it is not an easy budget. It is one which, I

believe, will ensure that we have a sound economic and financial base from which to move forward through a new period of balanced expansion and social progress.

As I have suggested, this is the prospect for the years immediately ahead. Our trained and growing labour force, our resources, our industrial plant and our ability to save, will make it possible to do more and more of the things we recognize as essential and worth while. But there are problems to grapple with, as well as opportunities to seize. The government, through this budget, is preparing to meet both challenges.

With your permission, Mr. Speaker, I should like now to table the resolutions which I propose to move in committee of ways and means. In accordance with the usual procedure, these contain some detailed points which have not been mentioned in the speech and I should like them to be attached as an appendix to today's *Hansard*.

[Editor's Note: For Ways, and Means Resolutions, see Appendix.]

FEDERAL GOVERNMENT REVENUE AND EXPENDITURE ON NATIONAL ACCOUNTS BASIS

	1966-67	1967-68	1968-69 Forecast after Tax Changes
	(millions of dollars)		
A. REVENUE			
1. Direct taxes, persons.....	3,153	3,750	4,290
2. Direct taxes, corporations.....	1,673	1,665	1,915
3. Withholding taxes.....	205	226	230
4. Indirect taxes.....	3,648	3,683	3,905
5. Investment income.....	689	836	915
6. Employer and employee contributions to social insurance and government pension funds.....	700	723	870
7. Total revenue.....	10,068	10,883	12,125

B. EXPENDITURE

1. Goods and services: defence.....	1,698	1,816	1,820
2. Goods and services: others.....	2,317	2,572	2,960
3. Transfers to persons.....	2,573	3,021	3,350
4. Interest on public debt.....	1,156	1,267	1,440
5. Subsidies.....	381	395	415
6. Capital assistance.....	64	72	85
7. Transfers to other levels of government.....	1,712	2,142	2,490
8. Total expenditure.....	9,901	11,285	12,560

C. SURPLUS (+) or DEFICIT (-).....	+167	-402	-435
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FEDERAL GOVERNMENT EXPENDITURE
PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1966-67	1967-68	1968-69
	(millions of dollars)		
1. Budgetary expenditure.....	8,780	9,869	10,780
DEDUCT:			
2. Budgetary transfers to funds and agencies ⁽¹⁾	-598	-682	-737
3. Post Office expenditure.....	-269	-302	-356
4. Deficit of government business enterprises.....	-68	-85	-106
5. Reserves and write-offs.....	-177	-32	-91
6. Purchase of existing capital assets.....	-5	-6	-9
7. Budgetary revenue items off-set against budgetary expenditure ⁽²⁾	-112	-132	-87
	(-1,229)	(-1,239)	(-1,386)
ADD:			
Extra budgetary funds expenditure:			
8. Old Age Security benefits.....	1,073	1,388	1,542
9. Unemployment insurance benefits.....	307	389	454
10. Government pensions.....	129	137	152
11. Prairie farm emergency payments.....	3	9	7
	(1,512)	(1,923)	(2,155)
12. Expenditure of government funds and agencies ⁽¹⁾	608	607	728
13. Miscellaneous ⁽³⁾	230	125	233
14. Total expenditure, national accounts basis.....	9,901	11,285	12,560
15. Surplus (+) or deficit (-), national accounts basis.....	+167	-402	-435
16. Surplus (+) or deficit (-), budgetary basis.....	-422	-792	-675

⁽¹⁾ In the national accounts, budgetary appropriations to various funds and agencies are replaced by the expenditures actually made by these funds and agencies.

⁽²⁾ The largest components of this item consist of revenue from sales of goods and services by the government. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

⁽³⁾ This item includes the supplementary period adjustment. In the national accounts, expenditure on goods and services in the supplementary period are split evenly between adjacent fiscal years; most other expenditure items are shifted entirely to the next fiscal year.

FEDERAL GOVERNMENT REVENUE
PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION

	1966-67	1967-68	1968-69 Forecast after Tax Changes
	(millions of dollars)		
1. Budgetary revenue.....	8,358	9,076	10,105
DEDUCT:			
2. Budgetary return on investment.....	-519	-612	-685
3. Post Office revenue.....	-253	-282	-335
4. Other non-tax budgetary revenues.....	-146	-166	-115
	(-918)	(-1,060)	(-1,135)
5. Corporate income tax, excess of accruals (+) over collections (-)...	-70	-156	-295
ADD:			
Extra-budgetary funds revenue:			
6. Old age security taxes.....	1,286	1,495	1,625
7. Unemployment insurance fund—employer-employee contributions.....	345	344	411
8. Government pension funds—employer-employee contributions.....	355	379	459
9. Prairie Farm Assistance Act levies.....	11	11	11
	(1,997)	(2,229)	(2,506)
Government investment income:			
10. Interest on loans, advances and investments.....	289	347	373
11. Interest receipts on social insurance and government pension funds.....	206	235	258
12. Profits before taxes (net of losses) of government business enterprises.....	194	254	280
	(689)	(836)	(915)
	12	-42	29
13. Miscellaneous ⁽¹⁾			
14. Total revenue national accounts basis.....	10,068	10,883	12,125

⁽¹⁾These miscellaneous adjustments represent revenues from miscellaneous direct and indirect taxes and adjustments for the supplementary period. In the National Accounts, revenues in the supplementary period are shifted into the following fiscal year.



House of Commons
CANADA

WAYS AND MEANS BUDGET RESOLUTIONS

Presented to the House of Commons
by
The Honourable Edgar J. Benson
Minister of Finance

Tuesday, October 22, 1968.

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CUSTOMS TARIFF

The Minister of Finance—In Committee of Ways and Means:—

1. That Schedule A to the *Customs Tariff* be amended by striking out tariff items 20925-1, 21045-1, 22001-1 and the heading thereto, 22002-1 and the heading thereto, 22003-1 and the heading thereto, 26325-1, 40938-1, 42761-1 and the heading thereto, 42762-1 and the heading thereto, 44043-1, 44047-1, 47600-1, 56400-1, and 69315-1 and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of duty:

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
3805-1	<i>Yeast, n.o.p.</i>	5 p.c.	10 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
16640-1	<i>Tequila</i> per gallon of the strength of proof <i>and in addition thereto, under all tariffs, \$9.00 per gallon of the strength of proof</i> <i>When the goods specified in this item are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof.</i>	\$5.00	\$5.00	\$10.00	\$5.00	\$10.00	\$10.00
20925-1	Potassium chloride..... (Applicable to December 31, 1968)	Free	Free	25 p.c.	Free	Free. (Applicable to December 31, 1967)	25 p.c.
21045-1	Sodium hypochlorite in solution..... (Applicable to December 31, 1968)	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c. (Applicable to December 31, 1967)	30 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
42711-1 <i>Integrated self-propelled machines commonly known as front-end loaders or tractor shovels; parts of the foregoing.....</i>	2½ p.c.	15 p.c.	35 p.c.	Free 10 p.c.	Free 22½ p.c.	Free 35 p.c.
Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors entitled to entry under tariff item 40938-1:						
42761-1 Of a class or kind made in Canada; parts thereof...	10 p.c.	22½ p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
42762-1 Of a class or kind not made in Canada; parts thereof.....	Free	7½ p.c.	35 p.c.	Free	7½ p.c.	35 p.c.
Aircraft, not including engines, under such regulations as the Minister may prescribe:						
44043-1 When of types or sizes not made in Canada..... on and after July 1, 1968	Free Free	Free 15 p.c.	27½ p.c. 27½ p.c.	Free Free	Free 15 p.c. (on and after July 1, 1967)	27½ p.c. 27½ p.c.
Aircraft engines, when imported for use in the equipment of aircraft:						
44047-1 When of types or sizes not made in Canada..... on and after July 1, 1968	Free Free	Free 15 p.c.	27½ p.c. 27½ p.c.	Free Free	Free 15 p.c. (on and after July 1, 1967)	27½ p.c. 27½ p.c.
46241-1 <i>Microfilm reader-printers and parts thereof.....</i>	Free	Free	10 p.c.	2½ p.c.	15 p.c.	30 p.c.
47600-1 Surgical and dental instruments of any material; surgical needles; clinical thermometers and cases therefor; X-ray apparatus and X-ray film; microscopes valued at not less than fifty dollars each, retail; parts of the foregoing; electric light lamps designed for use with the foregoing.....	Free	Free	Free	Free 10 p.c. Various	Free 22½ p.c. Various	Free 35 p.c. Various

56400-1	Church vestments, prayer shawls, prayer shawl fringes and prayer shawl bags; <i>parts thereof</i>	10 p.c.	10 p.c.	20 p.c.	10 p.c. 20 p.c. 25 p.c. Various	10 p.c. 27½ p.c. 25 p.c. Various	20 p.c. 50 p.c. 35 p.c. Various
69315-1	Antiquities (other than spirits or wines) produced <i>more than one hundred years</i> prior to <i>date of importation</i> , under such regulations, including proof of antiquity, as may be prescribed by the Minister.....	Free	Free	Free	Free Various	Free Various	Free Various

2. That Schedule B to the *Customs Tariff* be amended by striking out item 97052-1 and the enumeration of goods and the rate of drawback of duty set opposite that item, and by inserting therein the following item, enumeration of goods and rate of drawback of duty:

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
97052-1	Machines, precision instruments, apparatus, and control panels therefor; all of the foregoing of a class or kind not made in Canada; accessories and attachments for use with the aforementioned machines, precision instruments and apparatus; parts of all the foregoing, not including consumable tools.	When used (a) in the plants of manufacturers of motor vehicles, motor vehicle parts, or motor vehicle accessories and parts thereof for the manufacture of motor vehicles, motor vehicle parts, or motor vehicle accessories and parts thereof; or (b) for the manufacture of: (i) dies, jigs, fixtures, moulds, and patterns therefor; (ii) cutting tools and parts thereof, for use with machines; all of the foregoing for use in the production of motor vehicles, motor vehicle parts, or motor vehicle accessories and parts thereof.....	99 p.c.

3. That Schedule C to the *Customs Tariff* be amended by striking out item 99204-1 and the enumeration of goods set opposite that item, and by inserting therein the following item and enumeration of goods:

99204-1 Oleomargarine, butterine or other similar substitutes for butter, and process butter or renovated butter, *unless in any particular case or class of cases exempted from the provisions of this item by a regulation of the Governor in Council.*

4. That the *Customs Tariff* be amended by adding thereto a section as follows:

18. *There shall be levied, collected and paid as a Customs duty on all goods hereinafter enumerated in this section when imported into Canada or taken out of warehouse for consumption therein, in addition to the duties otherwise established, an amount determined as follows:*

- (a) *in the case of goods enumerated in tariff items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15625-2, 15630-1, 15635-1 and 15640-1, one dollar and twenty-five cents per gallon of the strength of proof; and*
- (b) *in the case of ale, beer, porter and stout enumerated in tariff item 14700-1, four cents per gallon.*

5. That subsection (1) of section 2 of the *Customs Tariff* be amended by adding thereto, immediately after paragraph (m) thereof, the following paragraphs:

(n) "wire"

(i) when applied to copper or copper alloys containing fifty per cent or more by weight of copper means

(A) a drawn, non-tubular product of any cross-sectional shape, in coils or cut to length and not over 0.50 inch in maximum cross-sectional dimension, or

(B) a product of solid rectangular cross-section in coils or cut to length, cold-rolled after drawing and not over 1.25 inches in width nor over 0.188 inch in thickness,

(ii) when applied to aluminum or aluminum alloys means a non-tubular product of rectangular or square cross-section (whether or not with rounded corners), or of round, hexagonal or octagonal cross-section, in coils or cut to length and not over 0.50 inch in maximum cross-sectional dimension, and

(iii) when applied to metals other than iron, steel, copper, copper alloys containing fifty per cent or more by weight of copper, aluminum or aluminum alloys means a drawn, non-tubular product of any cross-sectional shape, in coils or cut to length and not over 0.50 inch in maximum cross-sectional dimension; and

(o) "wire of iron or steel" means a drawn, non-tubular product of iron or steel

(i) if in coils, with any cross-sectional shape or dimension,

(ii) if in straight cut lengths, with a maximum cross-sectional dimension of 0.50 inch, or

(iii) if cold-rolled flat after drawing, with a maximum width of 0.50 inch, in coils or in straight cut lengths.

6. That section 13 of the *Customs Tariff* be amended by repealing subsection (1) of section 13 thereof and by substituting therefor the following:

13. (1) The Minister may order

(a) that in lieu of the ad valorem rate of duty or the free rate of duty, the specific duty provided for in tariff items 8702-1 to 8710-1 inclusive, 8712-1, 8715-1, 8717-1, 8719-1 to 8722-1 inclusive, 8724-1, 8728-1, 9201-1 to 9203-1 inclusive, 9205-1, 9206-1, 9208-1, 9210-1, 9211-1, 9402-1 and 9500-1 shall apply, and

(b) that in lieu of the free rate of duty, the ad valorem rate of duty provided for in tariff items 8713-1, 8718-1, 8727-1, 8729-1 and 9207-1 shall apply,

to goods described in the order imported through ports in a region or part of Canada during such period or periods as may be fixed by the Minister.

7. That the *Customs Tariff* be amended by adding thereto, immediately after section 18 thereof, the following section:

19: (1) *There shall be levied, collected and paid as a Customs duty on all goods hereinafter enumerated in this section when imported into Canada or taken out of warehouse for consumption therein, in addition to the duties otherwise established, an amount equal to the amount that would have been imposed, levied and collected thereon under the Excise Act as excise duties if*

- (a) *in the case of goods enumerated in tariff items 15605-1, 15610-1, 15615-1, 15625-1, 15627-1, 15630-1, 15635-1, 15640-1, 15645-1 and 15650-1, the goods were "spirits" within the meaning of the Excise Act and were "distilled in Canada" within the meaning of that Act;*
- (b) *in the case of brandy enumerated in tariff item 15620-1, the brandy were "Canadian brandy" within the meaning of the Excise Act;*
- (c) *in the case of ale, beer, porter and stout enumerated in tariff item 14700-1, the goods were "beer or malt liquor" within the meaning of the Excise Act; and*
- (d) *in the case of cigars, cigarettes and tobacco enumerated in tariff items 14305-1, 14315-1, 14400-1, 14450-1 and 14500-1, the goods were "tobacco, cigars and cigarettes manufactured in Canada" within the meaning of the Excise Act.*

(2) *The Minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement.*

8. That Schedule A to the *Customs Tariff* and each order in council made under section 10 of the *Customs Tariff* and section 273 of the *Customs Act* reducing the duty on goods be amended by striking out tariff items 400-1, 503-1, 504-1, 600-1, 702-1, 704-1, 705-1, 800-1, 815-1, 820-1, 835-1, 910-1, 935-1, 1002-1, 1205-1, 1300-1, 1305-1, 1400-1, 1510-1, 1515-1, 1520-1, 1605-1, 1610-1, 1805-1, 1900-1, 2000-1, 2005-1, 2010-1, 2015-1, 2100-1, 2200-1, 2300-1, 2500-1, 2600-1, 2700-1, 3005-1, 3010-1, 3015-1, 3020-1, 3105-1, 3200-1, 3300-1, 3400-1, 3500-1, 3915-1, 3920-1, 3930-1, 3940-1, 4000-1, 4100-1, 4200-1, 4205-1, 4305-1, 4500-1, 4505-1, 4600-1, 4710-1, 4800-1, 4900-1, 5000-1, 5300-1, 5900-1, 6300-1, 6400-1, 6500-1, 6505-1, 6600-1, 6605-1, 6700-1, 6800-1, 6900-1, 6910-1, 7000-1, 7105-1, 7110-1, 7110-2, 7110-3, 7110-4, 7200-1, 7220-1, 7225-1, 7300-1, 7300-2, 7300-3, 7300-4, 7300-5, 7300-6, 7300-7, 7300-8, 7300-9, 7300-10, 7300-11, 7300-12, 7300-13, 7300-14, 7305-1, 7310-1, 7401-1, 7402-1, 7403-1, 7501-1, 7502-1, 7601-1, 7602-1, 7603-1, 7610-1, 7615-1, 7625-1, 7705-1, 7710-1, 7800-1, 7900-1, 8101-1, 8102-1, 8103-1, 8104-1, 8205-1, 8210-1, 8215-1, 8220-1, 8225-1, 8235-1, 8235-2, 8315-1, 8505-1, 8510-1, 8705-1, 8707-1, 8708-1, 8710-1, 8713-1, 8718-1, 8719-1, 8720-1, 8725-1, 8726-1, 8727-1, 9003-1, 9010-1, 9010-2, 9015-1, 9015-2, 9020-1, 9025-1, 9030-1, 9035-1, 9040-1, 9045-1, 9100-1, 9201-1, 9202-1, 9204-1, 9205-1, 9207-1, 9208-1, 9209-1, 9212-1, 9300-1, 9402-1, 9510-1, 9915-1, 9935-1, 9945-1, 9950-1, 10200-1, 10500-1, 10520-1, 10525-1, 10535-1, 10540-1, 10545-1, 10550-1, 10555-1, 10605-1, 10701-1, 10900-1, 10900-2,

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 63300-1, 63400-1, 64700-1, 64800-1, 64800-2, 65100-1, 65105-1, 65200-1,
 65300-1, 65500-1, 65505-1, 65610-1, 65615-1, 65620-1, 66315-1, 66320-1,
 66325-1, 66330-1, 66335-1, 66340-1, 66500-1, 66505-1, 67000-1, 68300-1,
 68905-1, 71100-1, 71100-5, 71100-6, 71100-11, 71100-13, 81400-1, 82400-1
 and 83900-1, and the enumerations of goods and the rates of duty set opposite
 each of those items, and by inserting in Schedule A to the *Customs Tariff* the
 following items, enumerations of goods and rates of duty:

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates			
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
400-1	Horses, n.o.p.....	each	\$5.00	\$5.00	\$25.00	\$6.25	\$6.25	\$25.00
		on and after January 1, 1969, each	\$3.75	\$3.75	\$25.00			
		on and after January 1, 1970, each	\$2.50	\$2.50	\$25.00			
		on and after January 1, 1971, each	\$1.25	\$1.25	\$25.00			
		on and after January 1, 1972, each	Free	Free	\$25.00			
	Animals, living, n.o.p.:							
503-1	Silver or black foxes.....	Free	Free	25 p.c.	Free	20 p.c.	25 p.c.	
504-1	Cows imported specially for dairy purposes.....							
		per pound	Free	1.2 cts.	3 cts.	Free	1.5 cts.	3 cts.
		on and after January 1, 1969, per pound	Free	0.9 ct.	3 cts.			
		on and after January 1, 1970, per pound	Free	0.6 ct.	3 cts.			
		on and after January 1, 1971, per pound	Free	0.3 ct.	3 cts.			
		on and after January 1, 1972, per pound	Free	Free	3 cts.			
505-1	N.o.p.....	Free	4 p.c.	25 p.c.	Free	5 p.c.	25 p.c.	
		on and after January 1, 1969	Free	3 p.c.	25 p.c.			
		on and after January 1, 1970	Free	2 p.c.	25 p.c.			
		on and after January 1, 1971	Free	1 p.c.	25 p.c.			
		on and after January 1, 1972	Free	Free	25 p.c.			
600-1	Live hogs.....	per pound	Free	0.9 ct.	3 cts.	Free	1 ct.	3 cts.
		on and after January 1, 1969, per pound	Free	0.8 ct.	3 cts.			
		on and after January 1, 1970, per pound	Free	0.7 ct.	3 cts.			
		on and after January 1, 1971, per pound	Free	0.6 ct.	3 cts.			
		on and after January 1, 1972, per pound	Free	0.5 ct.	3 cts.			
	Meats, fresh, n.o.p.:							
704-1	Pork.....	per pound	1.10 cts.	1.10 cts.	5 cts.	1.25 cts.	1.25 cts.	5 cts.
		on and after January 1, 1969, per pound	0.95 ct.	0.95 ct.	5 cts.			
		on and after January 1, 1970, per pound	0.80 ct.	0.80 ct.	5 cts.			
		on and after January 1, 1971, per pound	0.65 ct.	0.65 ct.	5 cts.			
		on and after January 1, 1972, per pound	0.50 ct.	0.50 ct.	5 cts.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
705-1	N.o.p..... per pound	2 cts.	2½ cts.	5 cts.	2 cts.	2½ cts.	5 cts.
	on and after January 1, 1969, per pound	1½ cts.	2 cts.	5 cts.			
	on and after January 1, 1970, per pound	1½ cts.	1½ cts.	5 cts.			
	on and after January 1, 1971, per pound	1½ cts.	1½ cts.	5 cts.			
	on and after January 1, 1972, per pound	1½ cts.	1½ cts.	5 cts.			
707-1	Edible meat offal of all animals..... per pound	0.9 ct.	0.9 ct.	5 cts.	1 ct.	1 ct.	8 cts.
	on and after January 1, 1969, per pound	0.8 ct.	0.8 ct.	5 cts.	(Minimum 5 p.c.)	(Minimum 5 p.c.)	
	on and after January 1, 1970, per pound	0.7 ct.	0.7 ct.	5 cts.			
	on and after January 1, 1971, per pound	0.6 ct.	0.6 ct.	5 cts.			
	on and after January 1, 1972, per pound	0.5 ct.	0.5 ct.	5 cts.	Various	Various	Various
800-1	Canned beef.....	15 p.c.	28 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	26 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
815-1	Pâtés de foie gras, foies gras, preserved, in tins or otherwise; lark pâtés.....	Free	Free	35 p.c.	7½ p.c.	7½ p.c.	35 p.c.
820-1	Animal liver paste.....	Free	Free	35 p.c.	7½ p.c.	7½ p.c.	35 p.c.
835-1	Extracts of meat and fluid beef, not medicated.....	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
910-1	Quails, partridges, and squabs, live or dead, n.o.p....	Free	Free	30 p.c.	10 p.c.	12½ p.c.	30 p.c.
935-1	Game, n.o.p.....	Free	Free	20 p.c.	12½ p.c.	12½ p.c.	20 p.c.
	Meats, prepared or preserved, other than canned:						
1002-1	N.o.p..... per pound	Free	1.8 cts.	6 cts.	Free	2 cts.	6 cts.
	on and after January 1, 1969, per pound	Free	1.6 cts.	6 cts.			
	on and after January 1, 1970, per pound	Free	1.4 cts.	6 cts.			
	on and after January 1, 1971, per pound	Free	1.2 cts.	6 cts.			
	on and after January 1, 1972, per pound	Free	1 ct.	6 cts.			

1205-1	Sausage skins or casings, cleaned	Free	14 p.c.	17½ p.c.	Free	15 p.c.	17½ p.c.
	on and after January 1, 1969	Free	13 p.c.	17½ p.c.			
	on and after January 1, 1970	Free	12 p.c.	17½ p.c.			
	on and after January 1, 1971	Free	11 p.c.	17½ p.c.			
	on and after January 1, 1972	Free	10 p.c.	17½ p.c.			
1300-1	Lard and animal stearine of all kinds, n.o.p.						
	..... per pound	1.40 cts.	1.60 cts.	2 cts.	1.50 cts.	1.75 cts.	2 cts.
	on and after January 1, 1969, per pound	1.30 cts.	1.45 cts.	2 cts.			
	on and after January 1, 1970, per pound	1.20 cts.	1.30 cts.	2 cts.			
	on and after January 1, 1971, per pound	1.10 cts.	1.15 cts.	2 cts.			
	on and after January 1, 1972, per pound	1 ct.	1 ct.	2 cts.			
1305-1	Lard compound and similar substances, n.o.p.						
	..... per pound	1.40 cts.	1.60 cts.	2 cts.	1.50 cts.	1.75 cts.	2 cts.
	on and after January 1, 1969, per pound	1.30 cts.	1.45 cts.	2 cts.			
	on and after January 1, 1970, per pound	1.20 cts.	1.30 cts.	2 cts.			
	on and after January 1, 1971, per pound	1.10 cts.	1.15 cts.	2 cts.			
	on and after January 1, 1972, per pound	1 ct.	1 ct.	2 cts.			
1400-1	Tallow	Free	16 p.c.	20 p.c.	Free	17½ p.c.	20 p.c.
	on and after January 1, 1969	Free	14½ p.c.	20 p.c.			
	on and after January 1, 1970	Free	13 p.c.	20 p.c.			
	on and after January 1, 1971	Free	11½ p.c.	20 p.c.			
	on and after January 1, 1972	Free	10 p.c.	20 p.c.			
1510-1	Beeswax, refined but not bleached	Free	7½ p.c.	20 p.c.	Free	15 p.c.	20 p.c.
1515-1	Beeswax, n.o.p.	7½ p.c.	7½ p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
1520-1	Honey-comb foundations, of wax	7½ p.c.	7½ p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
1605-1	Eggs, whole, egg yolk or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added						
	..... per pound	5 cts.	9.4 cts.	11 cts.	5 cts.	10 cts.	11 cts.
	on and after January 1, 1969, per pound	5 cts.	8.8 cts.	11 cts.			
	on and after January 1, 1970, per pound	5 cts.	8.2 cts.	11 cts.			
	on and after January 1, 1971, per pound	5 cts.	7.6 cts.	11 cts.			
	on and after January 1, 1972, per pound	5 cts.	7 cts.	11 cts.			
1610-1	Eggs, egg yolk or egg albumen, dried, evaporated, desiccated, or powdered, whether or not sugar or other material be added						
	.....	10 p.c.	24 p.c.	30 p.c.	10 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
1805-1	Peanut butter.....per pound	3 cts.	4 cts.	7 cts.	3 cts.	5 cts.	7 cts.
1900-1	Cocoa shells and nibs.....	Free	Free	10 p.c.	7½ p.c.	7½ p.c.	10 p.c.
2000-1	Cocoa paste or "liquor" and chocolate paste or "liquor", not sweetened, in blocks or cakes.....per pound	1 ct.	1 ct.	5 cts.	3 cts.	3 cts.	5 cts.
2005-1	Butter produced from the cocoa bean.....per pound	Free	Free	3 cts.	Free	2½ cts.	3 cts.
2010-1	Illipe butter.....	Free	Free	25 p.c.	5 p.c.	10 p.c.	25 p.c.
2015-1	Shea butter.....	Free	Free	10 p.c.	Free	10 p.c.	10 p.c.
2100-1	Cocoa paste or "liquor" and chocolate paste or "liquor", sweetened, in blocks or cakes, not less than two pounds in weight.....per pound	2 cts.	2 cts.	5½ cts.	4 cts.	4 cts.	5½ cts.
2200-1	Preparations of cocoa or chocolate in powder form... on and after January 1, 1969 on and after January 1, 1970 on and after January 1, 1971 on and after January 1, 1972	21 p.c. 19½ p.c. 18 p.c. 16½ p.c. 15 p.c.	21 p.c. 19½ p.c. 18 p.c. 16½ p.c. 15 p.c.	35 p.c. 35 p.c. 35 p.c. 35 p.c. 35 p.c.	22½ p.c.	22½ p.c.	35 p.c.
2300-1	Preparations of cocoa or chocolate, n.o.p., and confectionery coated with or containing chocolate..... on and after January 1, 1969 on and after January 1, 1970 on and after January 1, 1971 on and after January 1, 1972	10 p.c. 10 p.c. 10 p.c. 10 p.c. 10 p.c.	19 p.c. 18 p.c. 17 p.c. 16 p.c. 15 p.c.	35 p.c. 35 p.c. 35 p.c. 35 p.c. 35 p.c.	10 p.c.	20 p.c.	35 p.c. plus 2½ cts. per lb.
2500-1	Chicory, kiln dried, roasted or ground...per pound	1 ct.	1 ct.	5 cts.	2 cts.	2 cts.	5 cts.
2600-1	Coffee, roasted or ground.....per pound	2 cts.	2 cts.	5 cts.	2 cts.	4 cts.	5 cts.
2700-1	Coffee, green, n.o.p.....per pound	Free	Free	5 cts.	Free	2 cts.	5 cts.

2810-1	Maté.....	Free	Free	Free	15 p.c.	20 p.c.	25 p.c.
3005-1	Cloves, unground.....	Free	5 p.c.	12½ p.c.	Free	10 p.c.	12½ p.c.
3010-1	Cinnamon, unground.....	Free	5 p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
3015-1	Ginger, unground.....	Free	5 p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
3020-1	Spices, unground, n.o.p.....	Free	5 p.c.	12½ p.c.	Free	12½ p.c.	12½ p.c.
3105-1	Ginger and spices, ground, n.o.p.....	5 p.c.	7½ p.c.	10 p.c.	3 cts. lb. and 7½ p.c.	3 cts. lb. and 10 p.c.	3 cts. lb. and 10 p.c.
3110-1	Curry powder and paste.....	Free	Free	10 p.c.	3 cts. lb. and 7½ p.c.	3 cts. lb. and 10 p.c.	3 cts. lb. and 10 p.c.
					15 p.c.	20 p.c.	25 p.c.
3200-1	Nutmegs and mace, whole or unground.....	Free	12½ p.c.	20 p.c.	Free	15 p.c.	20 p.c.
3300-1	Nutmegs and mace, ground.....	5 p.c.	12½ p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
3400-1	Mustard, ground.....	7½ p.c.	7½ p.c.	27½ p.c.	12½ p.c.	15 p.c.	27½ p.c.
3500-1	Hops..... per pound	Free	Free	16 cts.	6 cts.	10 cts.	16 cts.
3915-1	Starch or flour of sago, cassava, or rice... per pound	¾ ct.	1 ct.	1¼ cts.	¾ ct.	1¼ cts.	1¼ cts.
3920-1	Rice meal, rice feed, rice polish, rice bran, rice shorts per pound	0.75 ct.	0.95 ct.	1.25 cts.	0.75 ct.	1 ct.	1.25 cts.
	on and after January 1, 1969, per pound	0.75 ct.	0.90 ct.	1.25 cts.			
	on and after January 1, 1970, per pound	0.75 ct.	0.85 ct.	1.25 cts.			
	on and after January 1, 1971, per pound	0.75 ct.	0.80 ct.	1.25 cts.			
	on and after January 1, 1972, per pound	0.75 ct.	0.75 ct.	1.25 cts.			
3930-1	Combinations or preparations of starch and dextrine with admixture of foreign material, n.o.p., which, when mixed with cold water, do not form an ad- hesive paste..... per pound	1 ct.	1 ct.	2½ cts.	1 ct.	2 cts.	2½ cts.
3940-1	Arrowroot..... per pound	Free	Free	1½ cts.	Free	1½ cts.	1½ cts.
4305-1	Powdered milk, the weight of the package to be in- cluded in the weight for duty..... per pound	2½ cts.	3½ cts.	5 cts.	2½ cts.	4 cts.	5 cts.

Tariff Item		Present Rates					
		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
4500-1	Milk foods, n.o.p.....	17 p.c.	17 p.c.	27½ p.c.	17½ p.c.	17½ p.c.	27½ p.c.
	on and after January 1, 1969	16½ p.c.	16½ p.c.	27½ p.c.			
	on and after January 1, 1970	16 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1971	15½ p.c.	15½ p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
4505-1	Prepared cereal foods, in packages not exceeding twenty-five pounds weight each.....	19½ p.c.	19½ p.c.	27½ p.c.	20 p.c.	20 p.c.	27½ p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	27½ p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	27½ p.c.			
4600-1	Prepared cereal foods, n.o.p.....	14½ p.c.	14½ p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	14 p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	13½ p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	13 p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	20 p.c.			
4710-1	Lima and Madagascar beans, dried.....per pound	Free	Free	2 cts.	Free	½ ct.	2 cts.
4800-1	Peas, n.o.p., and lentils, whole or split.....per pound	Free	½ ct.	1 ct.	Free 5 p.c. 15 p.c.	½ ct. 7½ p.c. 20 p.c.	1 ct. 15 p.c. 25 p.c.
4900-1	Buckwheat.....per bushel	Free	Free	15 cts.	Free	12½ cts.	15 cts.
5000-1	Buckwheat meal or flour.....per one hundred pounds	Free	Free	50 cts.	Free	45 cts.	50 cts.
5300-1	Cornmeal.....per barrel	Free	48 cts.	60 cts.	Free	50 cts.	60 cts.
	on and after January 1, 1969, per barrel	Free	46 cts.	60 cts.			
	on and after January 1, 1970, per barrel	Free	44 cts.	60 cts.			
	on and after January 1, 1971, per barrel	Free	42 cts.	60 cts.			
	on and after January 1, 1972, per barrel	Free	40 cts.	60 cts.			

5505-1	Grain sorghum.....per bushel	8 cts.	8 cts.	12 cts.	5 p.c. ad valorem	7½ p.c. ad valorem	15 p.c. ad valorem
5900-1	Rye meal or flour.....per barrel	Free	25 cts.	50 cts.	Free 15 p.c.	45 cts. 20 p.c.	50 cts. 25 p.c.
6300-1	Rice, cleaned.....per one hundred pounds	50 cts.	66 cts.	\$1.00	50 cts.	70 cts.	\$1.00
	on and after January 1, 1969,						
	per one hundred pounds	50 cts.	62 cts.	\$1.00			
	on and after January 1, 1970,						
	per one hundred pounds	50 cts.	58 cts.	\$1.00			
6300-1	on and after January 1, 1971,						
	per one hundred pounds	50 cts.	54 cts.	\$1.00			
	on and after January 1, 1972,						
	per one hundred pounds	50 cts.	50 cts.	\$1.00			
When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.							
6400-1	Sago and tapioca.....	10 p.c.	10 p.c.	27½ p.c.	12½ p.c.	17½ p.c.	27½ p.c.
6500-1	Biscuits, not sweetened.....	12½ p.c.	16½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	14½ p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	25 p.c.			
6505-1	Special dietary breads and biscuits under regulations of the Department of National Health and Welfare.	Free	5 p.c.	10 p.c.	Free	7½ p.c.	10 p.c.
6600-1	Biscuits, sweetened.....	18½ p.c.	22½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969		17 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	17½ p.c.	30 p.c.			
	on and after January 1, 1971	14 p.c.	15 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	30 p.c.			
6605-1	Biscuits, sweetened or unsweetened, valued at not less than 20 cents per pound, said value to be based on the net weight and to include the value of the usual retail package.....	Free	18½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	17 p.c.	30 p.c.			
	on and after January 1, 1970	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	14 p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
6700-1	Macaroni and vermicelli, containing no egg or other added ingredients.....	Free	\$1.12½	\$1.50	Free	\$1.25	\$1.50
	on and after January 1, 1969;	Free	\$1.00	\$1.50			
	per one hundred pounds						
	on and after January 1, 1970,	Free	87½ cts.	\$1.50			
	per one hundred pounds						
	on and after January 1, 1971,	Free	75 cts.	\$1.50			
	per one hundred pounds						
	on and after January 1, 1972,	Free	62½ cts.	\$1.50			
	per one hundred pounds						
	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
6900-1	Straw.....	Free	Free	\$2.00	Free	50 cts.	\$2.00
6910-1	Hay.....	Free	Free	\$5.00	Free	60 cts.	\$5.00
	Feeds, n.o.p., for animals and poultry, and ingredients for use therein, n.o.p.:						
6921-1	Other than the following.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
6922-1	Bran, shorts and middlings.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			

6923-1	Dried beet pulp.....	14 p.c.	18 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
		on and after January 1, 1969	13 p.c.	16 p.c.				25 p.c.
		on and after January 1, 1970	12 p.c.	14 p.c.				25 p.c.
		on and after January 1, 1971	11 p.c.	12 p.c.				25 p.c.
		on and after January 1, 1972	10 p.c.	10 p.c.				25 p.c.
6924-1	Brewers' and distillers' grains and malt sprouts....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
		on and after January 1, 1969	11 p.c.	14 p.c.				25 p.c.
		on and after January 1, 1970	9 p.c.	11 p.c.				25 p.c.
		on and after January 1, 1971	7 p.c.	8 p.c.				25 p.c.
		on and after January 1, 1972	5 p.c.	5 p.c.				25 p.c.
6925-1	Grain hulls.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
		on and after January 1, 1969	11 p.c.	14 p.c.				25 p.c.
		on and after January 1, 1970	9 p.c.	11 p.c.				25 p.c.
		on and after January 1, 1971	7 p.c.	8 p.c.				25 p.c.
		on and after January 1, 1972	5 p.c.	5 p.c.				25 p.c.
6926-1	Flaxseed screenings.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
		on and after January 1, 1969	11 p.c.	14 p.c.				25 p.c.
		on and after January 1, 1970	9 p.c.	11 p.c.				25 p.c.
		on and after January 1, 1971	7 p.c.	8 p.c.				25 p.c.
		on and after January 1, 1972	5 p.c.	5 p.c.				25 p.c.
6927-1	Screenings, n.o.p.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
		on and after January 1, 1969	11 p.c.	14 p.c.				25 p.c.
		on and after January 1, 1970	9 p.c.	11 p.c.				25 p.c.
		on and after January 1, 1971	7 p.c.	8 p.c.				25 p.c.
		on and after January 1, 1972	5 p.c.	5 p.c.				25 p.c.
6928-1	By-products obtained from the milling of grains; mixed feeds, and mixed-feed ingredients.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
		on and after January 1, 1969	11 p.c.	14 p.c.				25 p.c.
		on and after January 1, 1970	9 p.c.	11 p.c.				25 p.c.
		on and after January 1, 1971	7 p.c.	8 p.c.				25 p.c.
		on and after January 1, 1972	5 p.c.	5 p.c.				25 p.c.
6929-1	Alfalfa meal or grass meal.....	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
6930-1	Guar meal.....	Free	Free	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
7000-1	Flaxseed..... per bushel	Free	Free	10 cts.	7½ cts.	10 cts.	10 cts.	

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
7105-1	Timothy seed.....per pound	Free	0.4 ct.	2 cts.	Free	0.5 ct.	2 cts.
	on and after January 1, 1969, per pound	Free	0.3 ct.	2 cts.			
	on and after January 1, 1970, per pound	Free	0.2 ct.	2 cts.			
	on and after January 1, 1971, per pound	Free	0.1 ct.	2 cts.			
	on and after January 1, 1972, per pound	Free	Free	2 cts.			
	Clover seed, including alfalfa seed:						
7111-1	Other than the following.....per pound	Free	1.6 cts.	3 cts.	Free	2 cts.	3 cts.
	on and after January 1, 1969, per pound	Free	1.2 cts.	3 cts.			
	on and after January 1, 1970, per pound	Free	0.8 ct.	3 cts.			
	on and after January 1, 1971, per pound	Free	0.4 ct.	3 cts.			
	on and after January 1, 1972, per pound	Free	Free	3 cts.			
7112-1	White (ladino), Sweet, and common white (White Dutch).....per pound	Free	Free	3 cts.	Free Free	1 ct. 1½ cts.	3 cts. 3 cts.
7200-1	Field and garden seeds not specified as free, valued at not less than five dollars per pound, n.o.p., in packages weighing not less than one ounce each....	4 p.c.	6 p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
	on and after January 1, 1969	3 p.c.	4½ p.c.	10 p.c.			
	on and after January 1, 1970	2 p.c.	3 p.c.	10 p.c.			
	on and after January 1, 1971	1 p.c.	1½ p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			
7220-1	Millet seed.....	Free	Free	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
7225-1	Bent grass seed, not to include red-top grass seed.....per pound	Free	Free	2 cts.	1 ct.	1 ct.	30 p.c. ad valorem
	Field seeds, n.o.p., when in packages weighing more than one pound each:						
7301-1	Other than the following.....per pound	Free	Free	2 cts.	5 p.c. ad valorem	7½ p.c. ad valorem	15 p.c. ad valorem

7302-1	Blue grass.....	per pound	Free	Free	2 cts.	1.3 cts.	1.3 cts.	15 p.c. ad valorem
7303-1	Brome grass.....	per pound	0.3 ct.	0.3 ct.	2 cts.	0.4 ct.	0.4 ct.	15 p.c. ad valorem
		on and after January 1, 1969, per pound	0.2 ct.	0.2 ct.	2 cts.			
		on and after January 1, 1970, per pound	0.1 ct.	0.1 ct.	2 cts.			
		on and after January 1, 1971, per pound	Free	Free	2 cts.			
7304-1	Chewing's fescue.....	per pound	Free	Free	2 cts.	0.4 ct.	0.4 ct.	15 p.c. ad valorem
7305-1	Meadow fescue.....	per pound	0.4 ct.	0.4 ct.	2 cts.	0.5 ct.	0.5 ct.	15 p.c. ad valorem
		on and after January 1, 1969, per pound	0.3 ct.	0.3 ct.	2 cts.			
		on and after January 1, 1970, per pound	0.2 ct.	0.2 ct.	2 cts.			
		on and after January 1, 1971, per pound	0.1 ct.	0.1 ct.	2 cts.			
		on and after January 1, 1972, per pound	Free	Free	2 cts.			
7306-1	Orchard grass.....	per pound	Free	Free	2 cts.	1 ct.	1 ct.	15 p.c. ad valorem
7307-1	Poppy.....	per pound	Free	Free	2 cts.	5 p.c.	5 p.c.	15 p.c.
7308-1	Red fescue.....	per pound	0.8 ct.	0.8 ct.	2 cts.	1 ct.	1 ct.	15 p.c. ad valorem
		on and after January 1, 1969, per pound	0.6 ct.	0.6 ct.	2 cts.			
		on and after January 1, 1970, per pound	0.4 ct.	0.4 ct.	2 cts.			
		on and after January 1, 1971, per pound	0.2 ct.	0.2 ct.	2 cts.			
		on and after January 1, 1972, per pound	Free	Free	2 cts.			
7309-1	Rye grass.....	per pound	Free	Free	2 cts.	1½ cts.	1½ cts.	15 p.c. ad valorem
7310-1	Tall oat grass.....	per pound	Free	Free	2 cts.	1½ cts.	1½ cts.	15 p.c. ad valorem
7311-1	Wheat grass.....	per pound	0.3 ct.	0.3 ct.	2 cts.	0.4 ct.	0.4 ct.	15 p.c. ad valorem
		on and after January 1, 1969, per pound	0.2 ct.	0.2 ct.	2 cts.			
		on and after January 1, 1970, per pound	0.1 ct.	0.1 ct.	2 cts.			
		on and after January 1, 1971, per pound	Free	Free	2 cts.			
7312-1	Grass seeds, n.o.p., except mixed.....	per pound	Free	Free	2 cts.	1½ cts.	1½ cts.	15 p.c. ad valorem
7313 1	Mixed grass seeds.....	per pound	1½ cts.	1½ cts.	2 cts.	1½ cts.	1½ cts.	15 p.c. ad valorem
7320-1	Cotton seed.....		Free	Free	10 p.c.	Free	Free	10 p.c.
7325-1	Broom corn seed, when in packages weighing more than one pound each.....		Free	Free	15 p.c.	Free	Free	15 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
7400-1 Seeds, when in packages weighing more than one pound each, namely: parsley, parsnip, beet (not including sugar beet), mangel, turnip, radish, leek, lettuce, carrot, borecole (kale), cabbage, cucumber, tomato, pepper, cauliflower and onion . . . per pound	Free	Free	5 cts.	Free Free Free Free Free Free	2 cts. 2 cts. 4 cts. 7½ cts. 12½ cts. 15 cts.	5 cts. 10 cts. 10 cts. 25 cts. 25 cts. 25 cts.
7610-1 Root, garden and other seeds, n.o.p., when in packages weighing more than one pound each per pound	Free	Free	10 cts.	Free	2½ cts.	10 cts.
7615-1 Seeds, namely: Field, root, garden and other seeds, when in packages weighing one pound each, or less . .	15 p.c.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
7625-1 Seeds, namely: Canary and celery, when in packages weighing more than one pound each, imported for use exclusively in manufacturing or blending operations	Free	Free	10 p.c.	5 p.c.	5 p.c.	10 p.c.
7705-1 Cocoa beans, not crushed or ground per one hundred pounds	Free	Free	\$3.00	Free 15 p.c.	\$1.00 20 p.c.	\$3.00 25 p.c.
7710-1 Vanilla beans, crude only	Free	Free	10 p.c.	Free	2½ p.c.	10 p.c.
Florist stock, namely:						
7801-1 Palms, ferns, rubber plants (Ficus), cannas, dahlias, paeonias, rhododendrons, pot-grown lilacs, araucarias and laurels	Free	Free	20 p.c.	15 p.c. Free	17½ p.c. 12½ p.c.	25 p.c. 20 p.c.
7802-1 Gladiolus	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	17½ p.c.	25 p.c.

7803-1	Azaleas; hydrangeas and other pot-grown plants, n.o.p.; rose stock and other stock for grafting or budding, n.o.p.; seedling carnation stock, bulbs, corms, tubers, rhizomes and dormant roots, n.o.p.; Dwarf Polyantha rose bushes imported or purchased in bond in Canada by florists for <i>bona fide</i> forcing purposes in their own greenhouses prior to disposal.....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
7850-1	Laurel foliage and holly foliage, natural or preserved, whether in designs or bouquets or not.....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
	Trees, n.o.p., namely:						
8101-1	Apple..... each	Free	Free	3 cts.	Free Free	3 cts. 6 cts.	3 cts. 7½ cts.
8102-1	Plum and cherry..... each	Free	Free	3 cts.	Free Free	3 cts. 8 cts.	3 cts. 9 cts.
8103-1	Pear, apricot and quince..... each	Free	Free	9 cts.	Free	8 cts.	9 cts.
8104-1	Peach, including June buds..... each	Free	Free	6 cts.	Free	5 cts.	6 cts.
8205-1	Grape vines, gooseberry and currant bushes or roots..... each	Free	Free	2½ cts.	Free	2 cts.	2½ cts.
8210-1	Raspberry, loganberry and blackberry bushes or roots..... each	Free	Free	1 ct.	Free	1 ct.	1 ct.
8215-1	Rhubarb roots..... each	Free	Free	1 ct.	Free	½ ct.	1 ct.
8220-1	Asparagus roots..... each	Free	Free	¼ ct.	Free	1/5 ct.	¼ ct.
8225-1	Strawberry plants..... each	Free	Free	¼ ct.	Free	¼ ct.	¼ ct.
8235-1	Trees, shrubs, vines, plants, roots and cuttings, for propagation or growing purposes, n.o.p.....	Free	Free	30 p.c.	12½ p.c.	12½ p.c.	30 p.c.
8315-1	Sweet potatoes, n.o.p..... per pound	Free	Free	2½ cts.	Free	1½ cts.	2½ cts.
8505-1	Mushrooms, preserved, n.o.p.....	Free	12½ p.c.	30 p.c.	Free	12½ p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
8507-1	Mushrooms, dried.....	Free	12 p.c.	30 p.c.	Free	12½ p.c.	30 p.c.
	on and after January 1, 1969	Free	11½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	11 p.c.	30 p.c.			
	on and after January 1, 1971	Free	10½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	10 p.c.	30 p.c.			
8510-1	Truffles, fresh, dried or otherwise preserved.....	Free	Free	30 p.c.	Free	10 p.c.	30 p.c.
	Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty:						
8705-1	Brussels sprouts..... per pound	Free	3 cts. or 10 p.c. or Free	3 cts or 10 p.c. or Free	Free	3 cts. or 10 p.c.	3 cts. or 10 p.c.
	The Free rate shall apply during the months of January, February, March, April, May and June.						
	During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 16 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.						
8707-1	Carrots..... per pound	Free	0.9 ct. or Free	1 ct. or Free	Free	1 ct. or Free	1 ct. or Free
	on and after January 1, 1969, per pound	Free	0.8 ct. or Free	1 ct. or Free			
	on and after January 1, 1970, per pound	Free	0.7 ct. or Free	1 ct. or Free			
	on and after January 1, 1971, per pound	Free	0.6 ct. or Free	1 ct. or Free			
	on and after January 1, 1972, per pound	Free	0.5 ct. or Free	1 ct. or Free			
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 40 weeks which may be divided into two separate periods, and the Free rate shall apply whenever the specific duty is not in effect.						

8708-1	Cauliflower..... per pound	Free	$\frac{3}{4}$ ct. or 10 p.c. or Free	$\frac{3}{4}$ ct. or 10 p.c. or Free	Free	$\frac{3}{4}$ ct. or 10 p.c. or Free	$\frac{3}{4}$ ct. or 10 p.c. or Free
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The Free rate shall apply during the months of January, February, March, April and May.

During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 20 weeks which may be divided into two separate periods; and the 10 per cent duty shall apply whenever the specific duty is not in effect.

Note: The Free rate will in future apply for an additional month, i.e. May.

8710-1	Corn on the cob..... per pound	Free	1 $\frac{1}{2}$ cts. or Free	1 $\frac{1}{2}$ cts. or Free	Free	1 $\frac{1}{2}$ cts. or 10 p.c.	1 $\frac{1}{2}$ cts. or 10 p.c.
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In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the specific duty is not in effect.

8713-1	Eggplant.....	10 p.c. or Free	10 p.c. or Free	30 p.c. or Free	10 p.c.	10 p.c.	30 p.c.
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In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 8 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.

8718-1	Parsley.....	Free	10 p.c. or Free	30 p.c. or Free	Free	10 p.c.	30 p.c.
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In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 16 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.

8719-1	Parsnips..... per pound	Free	0.8 ct. or 8 p.c.	0.8 ct. or 8 p.c.	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.
	on and after January 1, 1969, per pound	Free	0.6 ct. or 6 p.c.	0.6 ct. or 6 p.c.			
	on and after January 1, 1970, per pound	Free	0.4 ct. or 4 p.c.	0.4 ct. or 4 p.c.			
	on and after January 1, 1971, per pound	Free	0.2 ct. or 2 p.c.	0.2 ct. or 2 p.c.			
	on and after January 1, 1972	Free	Free	Free			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
8719-1 (Cont'd)	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 36 weeks which may be divided into two separate periods, and the ad valorem duty shall apply whenever the specific duty is not in effect.						
8720-1	Peas, green.....per pound	Free	2 cts. or 10 p.c. or Free	2 cts. or 10 p.c. or Free	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.
	The Free rate shall apply during the months of October, November, December, January, February, March and April. During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.						
8725-1	Watercress.....	Free	Free	30 p.c.	Free	10 p.c.	30 p.c.
8726-1	Whitloof or endive.....	8 p.c.	8 p.c.	30 p.c.	10 p.c.	10 p.c.	30 p.c.
	on and after January 1, 1969	6 p.c.	6 p.c.	30 p.c.			
	on and after January 1, 1970	4 p.c.	4 p.c.	30 p.c.			
	on and after January 1, 1971	2 p.c.	2 p.c.	30 p.c.			
	on and after January 1, 1972	Free	Free	30 p.c.			
8727-1	Broccoli.....	Free	10 p.c. or Free	30 p.c. or Free	Free	10 p.c.	30 p.c.
	In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 16 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.						

8728-1	Green onions.....per pound	Free	1½ cts. or 9 p.c.	1½ cts. or 10 p.c.	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.
	on and after January 1, 1969, per pound	Free	1½ cts. or 8 p.c.	1½ cts. or 10 p.c.			
	on and after January 1, 1970, per pound	Free	1½ cts. or 7 p.c.	1½ cts. or 10 p.c.			
	on and after January 1, 1971, per pound	Free	1½ cts. or 6 p.c.	1½ cts. or 10 p.c.			
	on and after January 1, 1972, per pound	Free	1½ cts. or 5 p.c.	1½ cts. or 10 p.c.			

In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 44 weeks which may be divided into two separate periods, and the ad valorem duty shall apply whenever the specific duty is not in effect.

8729-1	Radishes.....	Free	10 p.c. or Free	30 p.c. or Free	Free	10 p.c.	30 p.c.
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In any 12 month period ending 31st March, the ad valorem duty shall not be maintained in force in excess of 26 weeks, and the Free rate shall apply whenever the ad valorem duty is not in effect.

8730-1	Turnips.....	Free	8 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
	on and after January 1, 1969	Free	6 p.c.	30 p.c.			
	on and after January 1, 1970	Free	4 p.c.	30 p.c.			
	on and after January 1, 1971	Free	2 p.c.	30 p.c.			
	on and after January 1, 1972	Free	Free	30 p.c.			

8731-1	N.o.p.....	Free	8 p.c.	30 p.c.	Free	10 p.c.	30 p.c.
	on and after January 1, 1969	Free	6 p.c.	30 p.c.			
	on and after January 1, 1970	Free	4 p.c.	30 p.c.			
	on and after January 1, 1971	Free	2 p.c.	30 p.c.			
	on and after January 1, 1972	Free	Free	30 p.c.			

When the beans (green), beets, Brussels sprouts, carrots, cauliflower, corn on the cob, lettuce or peas specified in items 8703-1, 8704-1, 8705-1, 8707-1, 8708-1, 8710-1, 8715-1, and 8720-1, are subject to the specific rates of duty and are imported in packages weighing five pounds or less, each, they shall be subject to an additional duty of..... Free

5 p.c.	10 p.c.	Free	5 p.c.	10 p.c.
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Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates					
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff			
9003-1	Vegetables, frozen: Sweet potatoes.....			Free	Free	30 p.c.	10 p.c.	17½ p.c.	30 p.c.
9004-1	N.o.p.....			10 p.c.	17½ p.c.	30 p.c.	10 p.c.	17½ p.c.	30 p.c.
9010-1	Vegetables, dried, desiccated, or dehydrated, including vegetable flour, n.o.p.....			15 p.c.	17½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
9015-1	Vegetables, pickled or preserved in salt, brine, oil or in any other manner, n.o.p.....			12½ p.c.	17½ p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
9020-1	Vegetable juices, n.o.p., liquid mustards, soy and vegetable sauces of all kinds.....			12½ p.c.	17½ p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
9021-1	Tomato juice.....			12½ p.c.	20 p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
9025-1	Vegetable pastes and hash and all similar products composed of vegetables and meat or fish, or both, n.o.p.....			7½ p.c.	17½ p.c.	35 p.c.	7½ p.c.	20 p.c.	35 p.c.
9030-1	Potatoes, pre-cooked, without admixture beyond the addition of preservatives, in powder, flake or granular form.....			17 p.c.	17 p.c.	25 p.c.	17½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969			16½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1970			16 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1971			15½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1972			15 p.c.	15 p.c.	25 p.c.			
9032-1	Potatoes, pre-cooked, with admixture beyond the addition of preservatives.....			15 p.c.	19½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969			15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970			15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971			15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972			15 p.c.	17½ p.c.	25 p.c.			
9035-1	Vegetable materials for use as flavourings.....			7½ p.c.	7½ p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.

9036-1	Vegetable materials for use as colourings	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
9040-1	Dried herbs in a crude state, not advanced in value or condition by grinding or refining or by any other process of manufacture, namely: Basil, bay laurel (larus nobilis), marjoram, mint, oregano, rosemary, sage, savory, tarragon and thyme	Free	Free	25 p.c.	Free	5 p.c.	25 p.c.
9045-1	Okra, sliced and salted	Free	Free	35 p.c.	Free	5 p.c.	35 p.c.
9100-1	Soups, soup rolls, tablets, cubes, or other soup preparations, n.o.p.	15 p.c.	19½ p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			

Fruits, fresh, in their natural state, the weight of the packages to be included in the weight for duty:

9201-1	Apricots	per pound	Free	1½ cts. or Free	1½ cts. or Free	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty is not in effect.							
9202-1	Cherries, sour	per pound	Free	3 cts. or Free	3 cts. or Free	Free	3 cts. or 10 p.c.	3 cts. or 10 p.c.
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 10 weeks, and the Free rate shall apply whenever the specific duty is not in effect.							
9204-1	Cranberries		Free	9 p.c.	10 p.c.	Free	10 p.c. or 2 cts. per pound	10 p.c. or 2 cts. per pound
			Free	8 p.c.	10 p.c.			
			Free	7 p.c.	10 p.c.			
			Free	6 p.c.	10 p.c.			
			Free	5 p.c.	10 p.c.			
9205-1	Peaches	per pound	Free	1½ cts. or 10 p.c. or Free	1½ cts. or 10 p.c. or Free	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
9205-1 (Cont'd)	<p>The Free rate shall apply during the months of November, December, January, February, March and April.</p> <p>During the remaining months in any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 14 weeks, and the 10 per cent duty shall apply whenever the specific duty is not in effect.</p>						
9207-1	Plums.....	Free	10 p.c. or Free	10 p.c. or Free	Free	10 p.c. or Free or 1 ct. lb.	10 p.c. or Free or 1 ct. lb.
	<p>In any 12 month period ending 31st March, the 10 per cent duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the 10 per cent duty is not in effect.</p>						
9208-1	Prune plums..... per pound	Free	1½ cts. or Free	1½ cts. or Free	Free	1½ cts. or 10 p.c.	1½ cts. or 10 p.c.
	<p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the Free rate shall apply whenever the specific duty is not in effect.</p>						
9209-1	Quinces and nectarines.....	Free	Free	20 p.c.	Free	10 p.c.	20 p.c.
9212-1	Berries, edible, n.o.p..... on and after January 1, 1969 on and after January 1, 1970 on and after January 1, 1971 on and after January 1, 1972	Free Free Free Free	8 p.c. 6 p.c. 4 p.c. 2 p.c. Free	20 p.c. 20 p.c. 20 p.c. 20 p.c. 20 p.c.	Free	10 p.c.	20 p.c.
9300-1	Apples, fresh, in their natural state, the weight of the packages to be included in the weight for duty..... per pound on and after January 1, 1969, per pound on and after January 1, 1970, per pound	Free Free Free	0.20 ct. 0.15 ct. 0.10 ct.	1 ct. 1 ct. 1 ct.	Free	0.25 ct.	20 p.c. ad valorem

	on and after January 1, 1971, per pound	Free	0.05 ct.	1 ct.			
	on and after January 1, 1972, per pound	Free	Free	1 ct.			
Grapes, fresh, in their natural state, the weight of the packages to be included in the weight for duty:							
9402-1	Vitis Labrusca species..... per pound	Free	1 ct. or Free	1 ct. or Free	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.
In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 15 weeks, and the Free rate shall apply whenever the specific duty is not in effect.							
9510-1	Passion fruit (passiflora edulis).....	Free	Free	20 p.c.	Free	15 p.c.	20 p.c.
9915-1	Raisins..... per pound	Free	2.7 cts.	4 cts.	Free	3 cts.	4 cts.
	on and after January 1, 1969, per pound	Free	2.4 cts.	4 cts.			
	on and after January 1, 1970, per pound	Free	2.1 cts.	4 cts.			
	on and after January 1, 1971, per pound	Free	1.8 cts.	4 cts.			
	on and after January 1, 1972, per pound	Free	1.5 cts.	4 cts.			
When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.							
9935-1	Dates, n.o.p..... per pound	0.8 ct.	1.2 cts.	2.5 cts.	1 ct.	1.5 cts.	2.5 cts.
	on and after January 1, 1969, per pound	0.6 ct.	0.9 ct.	2.5 cts.			
	on and after January 1, 1970, per pound	0.4 ct.	0.6 ct.	2.5 cts.			
	on and after January 1, 1971, per pound	0.2 ct.	0.3 ct.	2.5 cts.			
	on and after January 1, 1972, per pound	Free	Free	2.5 cts.			
When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.							
9945-1	Apricots, nectarines, pears and peaches, dried, desiccated, evaporated or dehydrated.....	Free	12 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	on and after January 1, 1969	Free	9 p.c.	25 p.c.			
	on and after January 1, 1970	Free	6 p.c.	25 p.c.			
	on and after January 1, 1971	Free	3 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
9950-1	Dried currants..... per pound	Free	3.6 cts.	4 cts.	Free	4 cts.	4 cts.
	on and after January 1, 1969, per pound	Free	3.2 cts.	4 cts.			
	on and after January 1, 1970, per pound	Free	2.8 cts.	4 cts.			
	on and after January 1, 1971, per pound	Free	2.4 cts.	4 cts.			
	on and after January 1, 1972, per pound	Free	2.0 cts.	4 cts.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
9950-1 (Cont'd)	When in packages weighing two pounds each, or less, the weight of such packages to be included in the weight for duty.						
10200-1	Limes.....	Free	Free	15 p.c.	Free	15 p.c.	15 p.c.
10500-1	Fruit pulp, with sugar or not, n.o.p., and fruits, crushed..... per pound	1½ cts.	1½ cts.	3 cts.	1½ cts.	2 cts.	3 cts.
10520-1	Cherries, sulphured or in brine, not bottled.....	10 p.c.	14½ p.c.	30 p.c.	10 p.c.	15 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	14 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	13½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	13 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	30 p.c.			
10525-1	Fruits and nuts, pickled or preserved in salt, brine, oil, or any other manner, n.o.p.....	19½ p.c.	23½ p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
10535-1	Fruits and peels, crystallized, glacé, candied or drained; cherries and other fruits of crème de menthe, maraschino or other flavour.....	19 p.c.	23 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	18 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
10540-1	Oranges, grapefruit, or lemons, sliced or in the form of pulp, with or without the addition of preservatives.....	Free	4 p.c.	35 p.c.	Free	5 p.c.	35 p.c.
	on and after January 1, 1969	Free	3 p.c.	35 p.c.			
	on and after January 1, 1970	Free	2 p.c.	35 p.c.			
	on and after January 1, 1971	Free	1 p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			

10545-1	Preserved ginger.....	17½ p.c.	17½ p.c.	35 p.c.	25 p.c.	35 p.c.	35 p.c.
10550-1	Zucca melons, peeled or sliced, sulphured or in brine, for use in Canadian manufactures.....	5 p.c.	5 p.c.	35 p.c.	10 p.c.	10 p.c.	35 p.c.
10555-1	Pineapples, mint flavoured, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty.....	Free	1.0 ct.	5 cts.	1 ct.	2 cts.	5 cts.
	..... per pound	Free	0.8 ct.	5 cts.			
	on and after January 1, 1970, per pound	Free	0.4 ct.	5 cts.			
	on and after January 1, 1971, per pound	Free	Free	5 cts.			
	on and after January 1, 1972, per pound	Free					
	Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:						
10605-1	Pineapples.....	Free	1.0 ct.	5 cts.	1 ct.	2 cts.	5 cts.
	on and after January 1, 1970, per pound	Free	0.8 ct.	5 cts.			
	on and after January 1, 1971, per pound	Free	0.4 ct.	5 cts.			
	on and after January 1, 1972, per pound	Free	Free	5 cts.			
	Fruits, frozen:						
10701-1	Blueberries.....	1:00 ct.	1.40 cts.	3 cts.	1.25 cts.	1.75 cts.	3 cts.
	on and after January 1, 1969, per pound	0.75 ct.	1.05 cts.	3 cts.			
	on and after January 1, 1970, per pound	0.50 ct.	0.70 ct.	3 cts.			
	on and after January 1, 1971, per pound	0.25 ct.	0.35 ct.	3 cts.			
	on and after January 1, 1972, per pound	Free	Free	3 cts.			
10900-1	Nuts of all kinds, n.o.p., shelled, or not... per pound	Free	Free	3 cts.	1 ct.	1 ct.	3 cts.
11000-1	Cococanuts..... per one hundred	Free	Free	75 cts.	Free	50 cts.	75 cts.
11300-1	Cococanut, desiccated, sweetened or not... per pound	Free	1 ct.	6 cts.	2 cts.	3 cts.	6 cts.
11500-1	Mackerel, herring, salmon and all other fish, n.o.p., fresh, salted, pickled, smoked, dried or boneless... .. per pound	0.4 ct.	0.4 ct.	1 ct.	0.5 ct.	0.5 ct.	1 ct.
	on and after January 1, 1969, per pound	0.3 ct.	0.3 ct.	1 ct.			
	on and after January 1, 1970, per pound	0.2 ct.	0.2 ct.	1 ct.			
	on and after January 1, 1971, per pound	0.1 ct.	0.1 ct.	1 ct.			
	on and after January 1, 1972, per pound	Free	Free	1 ct.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
11600-1	Halibut, fresh, pickled or salted..... per pound	0.4 ct.	0.4 ct.	2 cts.	0.5 ct.	0.5 ct.	2 cts.
	on and after January 1, 1969, per pound	0.3 ct.	0.3 ct.	2 cts.			
	on and after January 1, 1970, per pound	0.2 ct.	0.2 ct.	2 cts.			
	on and after January 1, 1971, per pound	0.1 ct.	0.1 ct.	2 cts.			
	on and after January 1, 1972, per pound	Free	Free	2 cts.			
	Sardines, sprats or pilchards, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:						
11901-1	When weighing over twenty ounces and not over thirty-six ounces each..... per box	3.15 cts.	3.15 cts.	6 cts.	3.5 cts.	3.5 cts.	6 cts.
	on and after January 1, 1969, per box	2.80 cts.	2.80 cts.	6 cts.			
	on and after January 1, 1970, per box	2.45 cts.	2.45 cts.	6 cts.			
	on and after January 1, 1971, per box	2.10 cts.	2.10 cts.	6 cts.			
	on and after January 1, 1972, per box	1.75 cts.	1.75 cts.	6 cts.			
11902-1	When weighing over twelve ounces and not over twenty ounces each..... per box	2.3 cts.	2.7 cts.	4.5 cts.	2.5 cts.	3.0 cts.	4.5 cts.
	on and after January 1, 1969, per box	2.1 cts.	2.4 cts.	4.5 cts.			
	on and after January 1, 1970, per box	1.9 cts.	2.1 cts.	4.5 cts.			
	on and after January 1, 1971, per box	1.7 cts.	1.8 cts.	4.5 cts.			
	on and after January 1, 1972, per box	1.5 cts.	1.5 cts.	4.5 cts.			
11903-1	When weighing over eight ounces and not over twelve ounces each..... per box	1.8 cts.	1.8 cts.	3.5 cts.	2 cts.	2 cts.	3.5 cts.
	on and after January 1, 1969, per box	1.6 cts.	1.6 cts.	3.5 cts.			
	on and after January 1, 1970, per box	1.4 cts.	1.4 cts.	3.5 cts.			
	on and after January 1, 1971, per box	1.2 cts.	1.2 cts.	3.5 cts.			
	on and after January 1, 1972, per box	1 ct.	1 ct.	3.5 cts.			
11904-1	When weighing eight ounces each or less.... per box	1.15 cts.	1.35 cts.	2.5 cts.	1.25 cts.	1.5 cts.	2.5 cts.
	on and after January 1, 1969, per box	1.05 cts.	1.20 cts.	2.5 cts.			
	on and after January 1, 1970, per box	0.95 ct.	1.05 cts.	2.5 cts.			
	on and after January 1, 1971, per box	0.85 ct.	0.90 ct.	2.5 cts.			
	on and after January 1, 1972, per box	0.75 ct.	0.75 ct.	2.5 cts.			

Anchovies, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:

12001-1	When weighing over twenty ounces and not over thirty-six ounces each..... per box	2.7 cts.	2.7 cts.	6 cts.	3 cts.	3 cts.	6 cts.
	on and after January 1, 1969, per box	2.4 cts.	2.4 cts.	6 cts.			
	on and after January 1, 1970, per box	2.1 cts.	2.1 cts.	6 cts.			
	on and after January 1, 1971, per box	1.8 cts.	1.8 cts.	6 cts.			
	on and after January 1, 1972, per box	1.5 cts.	1.5 cts.	6 cts.			
12002-1	When weighing over twelve ounces and not over twenty ounces each..... per box	2½ cts.	2½ cts.	4½ cts.	2½ cts.	2½ cts.	4½ cts.
	on and after January 1, 1969, per box	2 cts.	2 cts.	4½ cts.			
	on and after January 1, 1970, per box	1½ cts.	1½ cts.	4½ cts.			
	on and after January 1, 1971, per box	1½ cts.	1½ cts.	4½ cts.			
	on and after January 1, 1972, per box	1½ cts.	1½ cts.	4½ cts.			
12003-1	When weighing over eight ounces and not over twelve ounces each..... per box	1.35 cts.	1.35 cts.	3.5 cts.	1.5 cts.	1.5 cts.	3.5 cts.
	on and after January 1, 1969, per box	1.20 cts.	1.20 cts.	3.5 cts.			
	on and after January 1, 1970, per box	1.05 cts.	1.05 cts.	3.5 cts.			
	on and after January 1, 1971, per box	0.90 ct.	0.90 ct.	3.5 cts.			
	on and after January 1, 1972, per box	0.75 ct.	0.75 ct.	3.5 cts.			
12004-1	When weighing eight ounces each or less.... per box	0.9 ct.	0.9 ct.	2.5 cts.	1 ct.	1 ct.	2.5 cts.
	on and after January 1, 1969, per box	0.8 ct.	0.8 ct.	2.5 cts.			
	on and after January 1, 1970, per box	0.7 ct.	0.7 ct.	2.5 cts.			
	on and after January 1, 1971, per box	0.6 ct.	0.6 ct.	2.5 cts.			
	on and after January 1, 1972, per box	0.5 ct.	0.5 ct.	2.5 cts.			
12105-1	Bonito preserved in oil.....	14 p.c.	16 p.c.	35 p.c.	15 p.c.	17½ p.c.	35 p.c.
	on and after January 1, 1969	13 p.c.	14½ p.c.	35 p.c.			
	on and after January 1, 1970	12 p.c.	13 p.c.	35 p.c.			
	on and after January 1, 1971	11 p.c.	11½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	35 p.c.			
12200-1	Herring (not including kippered herring in sealed containers) packed in oil or otherwise, in sealed containers.....	14½ p.c.	22½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	14 p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1970	13½ p.c.	17½ p.c.	35 p.c.			
	on and after January 1, 1971	13 p.c.	15 p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
Fish, prepared or preserved, n.o.p.:							
12301-1	Kippered herring in sealed containers	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.
	on and after January 1, 1969	13 p.c.	13 p.c.	30 p.c.			
	on and after January 1, 1970	11 p.c.	11 p.c.	30 p.c.			
	on and after January 1, 1971	9 p.c.	9 p.c.	30 p.c.			
	on and after January 1, 1972	8 p.c.	8 p.c.	30 p.c.			
12302-1	Salmon.....	13½ p.c.	13½ p.c.	30 p.c.	15 p.c.	15 p.c.	30 p.c.
	on and after January 1, 1969	12 p.c.	12 p.c.	30 p.c.			
	on and after January 1, 1970	10½ p.c.	10½ p.c.	30 p.c.			
	on and after January 1, 1971	9 p.c.	9 p.c.	30 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	30 p.c.			
12303-1	All other fish, n.o.p.....	15 p.c.	20 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	17½ p.c.	30 p.c.			
	on and after January 1, 1970	13 p.c.	15 p.c.	30 p.c.			
	on and after January 1, 1971	12 p.c.	12½ p.c.	30 p.c.			
	on and after January 1, 1972	11 p.c.	11 p.c.	30 p.c.			
12400-1	Shell fish, fresh, n.o.p.....	10 p.c.	14 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	2½ p.c.	3½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
12405-1	Shell fish, prepared or preserved, n.o.p.....	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	14 p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.
	on and after January 1, 1970	13 p.c.	13 p.c.	30 p.c.			
	on and after January 1, 1971	12 p.c.	12 p.c.	30 p.c.			
	on and after January 1, 1972	11 p.c.	11 p.c.	30 p.c.			
12505-1	Oysters, prepared or preserved; oysters in the shell....	13½ p.c.	13½ p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	12 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1970	10½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1971	9 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			

12600-1	Clams in sealed containers.....	17½ p.c.	36 p.c.	40 p.c.	17½ p.c.	40 p.c.	40 p.c.
	on and after January 1, 1969	17½ p.c.	32 p.c.	40 p.c.			
	on and after January 1, 1970	17½ p.c.	28 p.c.	40 p.c.			
	on and after January 1, 1971	17½ p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	40 p.c.			
12700-1	Crustaceans, fresh, n.o.p.; crustaceans, prepared or preserved, n.o.p.....	11 p.c.	15 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	8 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1972	8 p.c.	8 p.c.	25 p.c.			
12805-1	Lobsters, prepared or preserved.....	15 p.c.	20 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	17½ p.c.	30 p.c.			
	on and after January 1, 1970	13 p.c.	15 p.c.	30 p.c.			
	on and after January 1, 1971	12 p.c.	12½ p.c.	30 p.c.			
	on and after January 1, 1972	11 p.c.	11 p.c.	30 p.c.			
12900-1	Crabs in sealed containers.....	17 p.c.	27 p.c.	40 p.c.	17½ p.c.	30 p.c.	40 p.c.
	on and after January 1, 1969	17 p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1970	17 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	40 p.c.			
13000-1	Shrimp.....	4 p.c.	4 p.c.	25 p.c.	5 p.c.	5 p.c.	25 p.c.
	on and after January 1, 1969	3 p.c.	3 p.c.	25 p.c.			
	on and after January 1, 1970	2 p.c.	2 p.c.	25 p.c.			
	on and after January 1, 1971	1 p.c.	1 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
13300-1	All other articles the produce of the fisheries, n.o.p.....	11 p.c.	15 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	25 p.c.			
	on and after January 1, 1971	8 p.c.	9 p.c.	25 p.c.			
	on and after January 1, 1972	8 p.c.	8 p.c.	25 p.c.			
13303-1	Fish solubles.....	10 p.c.	14 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	2½ p.c.	3½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			

Tariff Item		Present Rates					
		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
13650-1	Syrups, the product of the sugar beet, in which the percentage of the total of reducing sugars after inversion is less than seventy-one per cent of the total solids by weight..... per gallon	4 cts.	5 cts.	7 cts.	5 cts.	6½ cts.	7 cts.
	on and after January 1, 1969, per gallon	3 cts.	3½ cts.	7 cts.			
	on and after January 1, 1970, per gallon	2 cts.	2 cts.	7 cts.			
	on and after January 1, 1971, per gallon	1 ct.	1 ct.	7 cts.			
13800-1	Maple sugar and maple syrup.....	12 p.c.	14 p.c.	20 p.c.	15 p.c.	17½ p.c.	20 p.c.
	on and after January 1, 1969	9 p.c.	10½ p.c.	20 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	20 p.c.			
	on and after January 1, 1971	3 p.c.	3½ p.c.	20 p.c.			
	on and after January 1, 1972	Free	Free	20 p.c.			
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....	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c. plus ½ ct. per pound
	on and after January 1, 1969	12½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.			
	Tobacco, unmanufactured, for excise purposes under conditions of the Excise Act, subject to such regulations as may be prescribed by the Minister:						
	Of the type commonly known as Turkish:						
14201-1	Unstemmed..... per pound	11 cts.	11 cts.	40 cts.	12 cts.	22 cts.	40 cts.
14202-1	Stemmed..... per pound	20 cts.	20 cts.	60 cts.	30 cts.	40 cts.	60 cts.
	N.o.p.:						
14205-1	Unstemmed, when imported by cigar manufacturers for use as wrappers in the manufacture of cigars in their own factories..... per pound	5 cts.	5 cts.	40 cts.	10 cts.	10 cts.	40 cts.

14210-1	Converted tobacco leaf for use in the manufacture of cigar binders and cigar wrappers.....per pound	75 cts.	75 cts.	\$1.05	75 cts. 90 cts.	75 cts. \$1.05	\$1.05 \$1.05
	The duty under items 14201-1 to 14210-1 inclusive shall be levied on the basis of "Standard leaf tobacco" consisting of ten per cent of water and ninety per cent of solid matter.						
14305-1	Cigars, the weight of the bands and ribbons to be included in the weight for duty.....per pound and	\$1.45 10 p.c.	\$1.45 10 p.c.	\$3.00 20 p.c.	\$1.75 lb. and 15 p.c.	\$1.75 lb. and 15 p.c. and \$1 per thousand under all tariffs	\$3.50 lb. and 25 p.c.
					\$1.50 lb. and 10 p.c.	\$1.50 lb. and 10 p.c. and \$1 per thousand under all tariffs (Present rates include excise duty)	\$3.50 lb. and 25 p.c.
14315-1	Cigarettes.....	25 p.c.	25 p.c.	50 p.c.	\$2 per lb. and 15 p.c.	\$2 per lb. and 15 p.c. (Present rates include excise duty)	\$4.10 per lb. and 25 p.c.
14400-1	Cut tobacco.....per pound	40 cts.	40 cts.	75 cts.	80 cts.	80 cts. (Present rates include excise duty)	\$1.10
14450-1	Snuff.....per pound	40 cts.	55 cts.	55 cts.	75 cts.	90 cts. (Present rates include excise duty)	90 cts.
14500-1	Manufactured tobacco, n.o.p.....per pound	55 cts.	70 cts.	70 cts.	90 cts.	\$1.05 (Present rates include excise duty)	\$1.05
14700-1	Ale, beer, porter and stout.....per gallon	15 cts.	15 cts.	35 cts.	53 cts.	53 cts. (Present rates include excise duty)	73 cts.
14705-1	Beverages in the manufacture of which malt, rice or corn is used, when containing not more than two and one-half per-cent of proof spirit.....	20 p.c.	20 p.c.	40 p.c.	25 p.c.	40 p.c.	40 p.c.
	Fruit juices and fruit syrups, n.o.p., namely:						
15201-1	Lime juice.....	Free	Free	25 p.c.	10 p.c.	10 p.c.	25 p.c.
15202-1	Orange juice.....	Free	7 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
	on and after January 1, 1969	Free	6½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	6 p.c.	25 p.c.			
	on and after January 1, 1971	Free	5½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	5 p.c.	25 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
15203-1	Lemon juice.....	Free	Free	25 p.c.	10 p.c.	10 p.c.	25 p.c.
15204-1	Passion fruit juice.....	Free	Free	25 p.c.	10 p.c.	10 p.c.	25 p.c.
15205-1	Pineapple juice.....	7 p.c.	7 p.c.	25 p.c.	7½ p.c.	7½ p.c.	25 p.c.
	on and after January 1, 1969	6½ p.c.	6½ p.c.	25 p.c.			
	on and after January 1, 1970	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1971	5½ p.c.	5½ p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
15206-1	Grapefruit juice.....	Free	7 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
	on and after January 1, 1969	Free	6½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	6 p.c.	25 p.c.			
	on and after January 1, 1971	Free	5½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	5 p.c.	25 p.c.			
15207-1	Blended orange and grapefruit juice.....	Free	9 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
	on and after January 1, 1969	Free	8 p.c.	25 p.c.			
	on and after January 1, 1970	Free	7 p.c.	25 p.c.			
	on and after January 1, 1971	Free	6 p.c.	25 p.c.			
	on and after January 1, 1972	Free	5 p.c.	25 p.c.			
15209-1	Fruit syrups, n.o.p.....	9 p.c.	9 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	8 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1970	7 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
15215-1	Dehydrated citrus fruit juices with or without stabilizers or sugar.....	2½ p.c.	7 p.c.	25 p.c.	2½ p.c.	7½ p.c.	25 p.c.
	on and after January 1, 1969	2½ p.c.	6½ p.c.	25 p.c.			
	on and after January 1, 1970	2½ p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1971	2½ p.c.	5½ p.c.	25 p.c.			
	on and after January 1, 1972	2½ p.c.	5 p.c.	25 p.c.			

15300-1	Lime juice, raw and concentrated, not refined	Free	12 cts.	15 cts.	Free	15 cts.	15 cts.
	..... per gallon	Free	9 cts.	15 cts.			
	on and after January 1, 1969, per gallon	Free	6 cts.	15 cts.			
	on and after January 1, 1970, per gallon	Free	3 cts.	15 cts.			
	on and after January 1, 1971, per gallon	Free	Free	15 cts.			
	on and after January 1, 1972, per gallon	Free					
15805-1	Whiskey..... per gallon of the strength of proof	50 cts.	50 cts.	\$6.00	\$13.50	\$14.00	\$19.00
						(Present rates include \$13.00 excise duty)	
15610-1	Gin..... per gallon of the strength of proof	50 cts.	50 cts.	\$6.00	\$13.50	\$14.00	\$19.00
						(Present rates include \$13.00 excise duty)	
15615-1	Rum, n.o.p..... per gallon of the strength of proof	50 cts.	\$2.00	\$6.00	\$13.50	\$15.00	\$19.00
						(Present rates include \$13.00 excise duty)	
15620-1	Brandy..... per gallon of the strength of proof	\$1.00	\$1.00	\$8.00	\$13.00	\$13.00	\$19.00
						(Present rates include \$11.00 excise duty)	
15625-1	Liqueurs..... per gallon of the strength of proof	50 cts.	50 cts.	\$6.00	\$13.50	\$13.50	\$19.00
						(Present rates include \$13.00 excise duty)	
15627-1	Van der Hum..... per gallon of the strength of proof	Free	50 cts.	\$6.00	\$13.00	\$13.50	\$19.00
						(Present rates include \$13.00 excise duty)	
15630-1	Spirituous or alcoholic liquors, n.o.p.; absinthe, arrack or palm spirit, artificial brandy and imitations of brandy, n.o.p.; cordials of all kinds, n.o.p.; mescal, pulque, rum shrub, schiedam and other schnapps; tafia, and alcoholic bitters or beverages, n.o.p.; and wines, n.o.p., containing more than forty per cent of proof spirit..... per gallon of the strength of proof	\$1.00	\$1.00	\$6.00	\$14.00	\$19.00	\$19.00
						(Present rates include \$13.00 excise duty)	
15635-1	Vodka..... per gallon of the strength of proof	\$1.00	\$1.00	\$6.00	\$14.00	\$15.00	\$19.00
						(Present rates include \$13.00 excise duty)	
15640-1	Tequila..... per gallon of the strength of proof	\$1.00	\$1.00	\$6.00	\$14.00	\$14.00	\$19.00
						(Present rates include \$13.00 excise duty)	
15645-1	Ethyl alcohol for use as a spirituous or alcoholic beverage or for the manufacture of spirituous or alcoholic beverages..... per gallon of the strength of proof	\$1.00	\$1.00	\$6.00	\$14.00	\$19.00	\$19.00
						(Present rates include \$13.00 excise duty)	

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
15650-1	Ethyl alcohol, n.o.p. .....per gallon of the strength of proof	\$1.00	\$1.00	\$8.00	\$14.00	\$19.00 (Present rates include \$13.00 excise duty)	\$19.00
	When the goods specified in items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15627-1, 15630-1, 15635-1, 15640-1, 15645-1 and 15650-1 are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable thereon shall be increased or decreased in proportion for any greater or less strength than the strength of proof.						
	Alcoholic perfumes:						
16002-1	When in bottles, flasks or other packages, containing more than four ounces each.....per gallon and	\$4.00	— 20 p.c.	\$5.00 40 p.c.	\$4.00	\$4.00 22½ p.c.	\$5.00 40 p.c.
	Perfumed spirits, bay rum, cologne and lavender waters, lotions, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:						
16101-1	When in bottles or flasks containing not more than four ounces each.....	20 p.c.	29 p.c.	50 p.c.	20 p.c.	30 p.c.	90 p.c.
	on and after January 1, 1969	20 p.c.	28 p.c.	50 p.c.			
	on and after January 1, 1970	20 p.c.	27 p.c.	50 p.c.			
	on and after January 1, 1971	20 p.c.	26 p.c.	50 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	50 p.c.			
16102-1	When in bottles, flasks or other packages, containing more than four ounces each.....	25 p.c.	25 p.c.	50 p.c.	\$2 gallon	\$2 gallon and 20 p.c.	\$5 gallon and 40 p.c.
	but not more than, per gallon	\$2.00			\$3 gallon	\$3 gallon and 20 p.c.	\$5 gallon and 40 p.c.

16800-1	Malt flour containing less than fifty per cent in weight of malt; malt syrup or malt syrup powder, n.o.p.; extracts of malt, fluid or not; grain molasses—all articles in this item upon valuation without British or foreign excise duties, under regulations prescribed by the Minister.....	19 p.c.	24 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per pound		4 cts.	9 cts.		5 cts.	10 cts.
	on and after January 1, 1969	18 p.c.	23 p.c.	35 p.c.			
	and, per pound		3 cts.	6 cts.			
	on and after January 1, 1970	17 p.c.	22 p.c.	35 p.c.			
	and, per pound		2 cts.	4 cts.			
	on and after January 1, 1971	17 p.c.	21 p.c.	35 p.c.			
	and, per pound		1 ct.	2 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			

16805-1	Malt syrup, malt syrup powder, or other starch conversion products produced by the action of enzymes on starch, not including any such products used in the brewing of beer.....	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			

17900-1	Labels for cigar boxes, fruits, vegetables, meats, fish, confectionery or other goods or wares; shipping, price or other tags, tickets or labels, and railroad or other tickets, whether lithographed or printed, or partly printed, n.o.p.; the foregoing not including labels of textile fibres or filaments.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			

Tickets issued by railway systems in the British Commonwealth (not including railway systems operating in Canada), shall be exempt from customs duty, when produced in countries entitled to the benefits of the British Preferential Tariff.

18010-1	Decalcomania transfers of all kinds, n.o.p.....	12½ p.c.	19½ p.c.	22½ p.c.	12½ p.c.	20 p.c.	22½ p.c.
	on and after January 1, 1969	12½ p.c.	19 p.c.	22½ p.c.			
	on and after January 1, 1970	12½ p.c.	18½ p.c.	22½ p.c.			
	on and after January 1, 1971	12½ p.c.	18 p.c.	22½ p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	22½ p.c.			

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
18030-1 Plans and drawings, related specifications, any substitute therefor, reproductions of the foregoing, n.o.p.; maps and charts, n.o.p.	12½ p.c.	19½ p.c.	27½ p.c.	12½ p.c.	20 p.c.	27½ p.c.
on and after January 1, 1969	12½ p.c.	19 p.c.	27½ p.c.			
on and after January 1, 1970	12½ p.c.	18½ p.c.	27½ p.c.			
on and after January 1, 1971	12½ p.c.	18 p.c.	27½ p.c.			
on and after January 1, 1972	12½ p.c.	17½ p.c.	27½ p.c.			
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, and other printed matter, n.o.p.	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
18105-1 Pictorial post-cards, greeting cards and similar artistic cards or folders	15 p.c.	24 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c. plus 5 cts. per pound
on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.			
on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.			
on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.			
on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
18700-1 Albumenized and other papers, textile fabrics and films, n.o.p.; all the foregoing chemically prepared for photographers' use	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
on and after January 1, 1969	Free	19 p.c.	30 p.c.			
on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
on and after January 1, 1971	Free	18 p.c.	30 p.c.			
on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
19200-1 Tarred paper and prepared roofings (including shingles), fibreboard, strawboard, sheathing and insulation, manufactured wholly or in part of vegetable fibres, n.o.p.; blotting paper, not printed nor illustrated	15 p.c.	19 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.

	on and after January 1, 1969	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19201-1	Shoeboard, in rolls or sheets, of paper or paperboard, not less than 0.012 inch in thickness	13 p.c.	17 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	11 p.c.	14 p.c.	35 p.c.			
	on and after January 1, 1970	9 p.c.	11 p.c.	35 p.c.			
	on and after January 1, 1971	7 p.c.	8 p.c.	35 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	35 p.c.			
19202-1	Beer mat or coaster board, in rolls or sheets, not less than 0.012 inch in thickness, not embossed, not printed and not decorated	12 p.c.	16 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	9 p.c.	12 p.c.	35 p.c.			
	on and after January 1, 1970	6 p.c.	8 p.c.	35 p.c.			
	on and after January 1, 1971	3 p.c.	4 p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			
19205-1	Pulpboard in rolls not less than nine one-thousandths of an inch in thickness for use in wrapping rolls of paper	4 p.c.	4 p.c.	10 p.c.	5 p.c.	5 p.c.	10 p.c.
	on and after January 1, 1969	3 p.c.	3 p.c.	10 p.c.			
	on and after January 1, 1970	2 p.c.	2 p.c.	10 p.c.			
	on and after January 1, 1971	1 p.c.	1 p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			
19210-1	Pulpboard in rolls for use in the manufacture of wall-board	Free	4 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	on and after January 1, 1969	Free	3 p.c.	5 p.c.			
	on and after January 1, 1970	Free	2 p.c.	5 p.c.			
	on and after January 1, 1971	Free	1 p.c.	5 p.c.			
	on and after January 1, 1972	Free	Free	5 p.c.			
19215-1	Sandpaper, glass or flint paper, and emery paper or emery cloth	12½ p.c.	19½ p.c.	25 p.c.	12½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	25 p.c.			
19220-1	Roofing and shingles of saturated felt	Free	19 p.c.	35 p.c.	Free	20 p.c.	35 p.c.
	on and after January 1, 1969	Free	18 p.c.	35 p.c.			
	on and after January 1, 1970	Free	17 p.c.	35 p.c.			
	on and after January 1, 1971	Free	16 p.c.	35 p.c.			
	on and after January 1, 1972	Free	15 p.c.	35 p.c.			

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
19235-1 Paperboard or fiberboard, single ply, not coated nor impregnated, in rolls containing not less than five hundred square feet, when imported by manufacturers of impregnated socklining base, inner-soling, wetling, or similar materials, for use only in the manufacture of such materials in their own factories.	Free	6 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
on and after January 1, 1969	Free	4½ p.c.	25 p.c.			
on and after January 1, 1970	Free	3 p.c.	25 p.c.			
on and after January 1, 1971	Free	1½ p.c.	25 p.c.			
on and after January 1, 1972	Free	Free	25 p.c.			
19240-1 Roofing felt, single ply, not coated or impregnated, in rolls containing not less than 500 square feet, when imported by manufacturers of asphalt roofing (including shingles and sidine) for use only in the manufacture of such materials in their own factories.	Free	6 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
on and after January 1, 1969	Free	4½ p.c.	25 p.c.			
on and after January 1, 1970	Free	3 p.c.	25 p.c.			
on and after January 1, 1971	Free	1½ p.c.	25 p.c.			
on and after January 1, 1972	Free	Free	25 p.c.			
19300-1 Paper sacks or bags of all kinds, printed or not.	15 p.c.	19 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
on and after January 1, 1969	15 p.c.	18 p.c.	35 p.c.			
on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19500-1 Hanging paper, n.o.p., or wall papers, including borders or bordering.	17 p.c.	21 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c. plus 2 cts. per pound
on and after January 1, 1969	17 p.c.	19½ p.c.	35 p.c.			
on and after January 1, 1970	17 p.c.	18 p.c.	35 p.c.			
on and after January 1, 1971	15 p.c.	16½ p.c.	35 p.c.			
on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19505-1 Hanging paper, not impregnated, not coated, not surface-coloured, not embossed, not ruled, not lined, not printed and not decorated.	14 p.c.	18 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c. plus 2 cts. per pound
on and after January 1, 1969	10½ p.c.	13½ p.c.	35 p.c.			

	on and after January 1, 1970	7 p.c.	9 p.c.	35 p.c.			
	on and after January 1, 1971	3½ p.c.	4½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			
19700-1	Paper of all kinds, n.o.p.....	15 p.c.	21 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	19½ p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
19702-1	Electric cable insulating paper, n.o.p.....	15 p.c.	19 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
19710-1	Wrapping paper of all kinds, not pasted, coated or embossed.....	17 p.c.	21 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19750-1	Printing papers, coated or uncoated, in rolls or rectangular sheets, weighing over 18 pounds per ream of 432,000 square inches.....	14½ p.c.	20½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	14 p.c.	18½ p.c.	25 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1970	13½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1971	13 p.c.	14½ p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	25 p.c.			
19800-1	Ruled and border and coated papers, boxed papers, pads not printed, papier-mâché ware, n.o.p.....	17 p.c.	21 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
19802-1	Pots or boxes of pulp or pulpboard for use in growing plants for transplanting purposes, or for protecting plants while growing.....	17 p.c.	17 p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
	on and after January 1, 1969	16½ p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1970	16 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1971	15½ p.c.	15½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
19900-1	Papeteries, envelopes, and all manufactures of paper, n.o.p.....	17 p.c.	21½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1970	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
19905-1	Paper milk bottle caps, printed or not.....	15 p.c.	22½ p.c.	27½ p.c.	15 p.c.	25 p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	20 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	17½ p.c.	27½ p.c.			
19910-1	Containers wholly or partially manufactured from fibreboard or paperboard, n.o.p.....	2 p.c.	19½ p.c.	35 p.c.	4/5 ct. per pound	4/5 ct. per pound; minimum	1½ cts. per pound; minimum
	on and after January 1, 1969	1½ p.c.	19 p.c.	35 p.c.		20 p.c.	35 p.c.
	on and after January 1, 1970	1 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	½ p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	35 p.c.			
19911-1	Fibreboard shipping containers.....	2 p.c.	19 p.c.	35 p.c.	4/5 ct. per pound	4/5 ct. per pound; minimum	1½ cts. per pound; minimum
	on and after January 1, 1969	1½ p.c.	18 p.c.	35 p.c.		20 p.c.	35 p.c.
	on and after January 1, 1970	1 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	½ p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	Free	15 p.c.	35 p.c.			
19915-1	Waxed stencil paper for use on duplicating machines...	10 p.c.	21 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	16½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	35 p.c.			
19930-1	Hand made papers, not to include mould-made deckle-edge papers, valued at not less than 40 cents per pound wholesale.....	10 p.c.	20 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
19945-1	Trays of pulp or pulpboard imported for use exclusively in the packaging of apples in their natural state....	Free	Free	35 p.c.	Free	7½ p.c.	35 p.c.

19960-1	Woven paper fabrics, open mesh, not less than nine feet in width, for use in the manufacture of carpets.	15 p.c.	19 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
22800-1	Soap powders, powdered soap, mineral soap, and soap, n.o.p.	15 p.c.	19½ p.c.	32½ p.c.	15 p.c.	20 p.c.	32½ p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	32½ p.c.	15 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1970	15 p.c.	18½ p.c.	32½ p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	32½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	32½ p.c.			
23200-1	Glue, n.o.p.	15 p.c.	22 p.c.	35 p.c.	15 p.c. and	22½ p.c. and	25 p.c. and
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.	2 cts. lb.	5 cts. lb.	5 cts. lb.
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
23205-1	Gelatine, n.o.p.	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	25 p.c. and
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			5 cts. lb.
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
23210-1	Vegetable glue	10 p.c.	26 p.c.	35 p.c.	10 p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
23215-1	Gelatine, edible	7½ p.c.	22 p.c.	35 p.c.	7½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	7½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	7½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	7½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	7½ p.c.	20 p.c.	35 p.c.			
23230-1	Mucilage and adhesive paste	15 p.c.	20 p.c.	35 p.c.	15 p.c.	20 p.c.	27½ p.c.
	and, per pound	1 ct.	2 cts.		1.5 cts.	2.5 cts.	3 cts.
	on and after January 1, 1969	15 p.c.	20 p.c.	35 p.c.			
	and, per pound	0.5 ct.	1.5 cts.				
	on and after January 1, 1970	15 p.c.	20 p.c.	35 p.c.			
	and, per pound	1 ct.	1 ct.				
	on and after January 1, 1971	15 p.c.	20 p.c.	35 p.c.			
	and, per pound	0.5 ct.	0.5 ct.				
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates			
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
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	15 p.c.	22 p.c.	40 p.c.	15 p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	40 p.c.			
23500-1	Liquorice fibres, whether or not dried, cleaned, cut to size, ground or sifted.....	Free	Free	15 p.c.	Free	10 p.c.	15 p.c.
23505-1	Liquorice blocks, granules, paste or powder, not sweetened.....	Free	Free	17½ p.c.	Free	12½ p.c.	17½ p.c.
23510-1	Liquorice in rolls or sticks, not sweetened.....	Free	Free	22½ p.c.	Free	15 p.c.	22½ p.c.
25800-1	Linseed or flaxseed oil, raw or boiled.....	Free	10 p.c.	15 p.c.	\$1.25 per cwt.	\$1.55 per cwt.	\$1.65 per cwt.
25805-1	Linseed or flaxseed oil, other than raw or boiled.....	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
25900-1	Lard oil and neat's foot oil.....	15 p.c.	20 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	17½ p.c.	25 p.c.			
25915-1	Castor oil, crude.....	Free	Free	15 p.c.	Free	Free	Free
26505-1	Fish oils, n.o.p.....	12½ p.c.	17½ p.c.	22½ p.c.	12½ p.c.	20 p.c.	22½ p.c.
	on and after January 1, 1969	12½ p.c.	15 p.c.	22½ p.c.			
26507-1	Menhaden oil.....	12½ p.c.	15 p.c.	22½ p.c.	12½ p.c.	17½ p.c.	22½ p.c.
26515-1	Halibut liver oil, crude or refined.....	Free	17½ p.c.	22½ p.c.	Free	20 p.c.	22½ p.c.
	on and after January 1, 1969	Free	15 p.c.	22½ p.c.			
26605-1	Tung or china wood oil.....	Free	Free	15 p.c.	Free	Free	Free

27600-1	Mustard seed	Free	Free	10 p.c.	5 p.c.	5 p.c.	10 p.c.
					5 p.c.	7½ p.c.	15 p.c.
27605-1	Rape seed	Free	Free	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
27610-1	Sesame seed	Free	Free	10 p.c.	Free	2½ p.c.	15 p.c.
27615-1	Sunflower seed	Free	Free	10 p.c.	5 p.c.	5 p.c.	10 p.c.
	Oilcake and oilcake meal, including pellets or other shapes:						
27701-1	Cottonseed	Free	Free	10 p.c.	Free	Free	Free
27702-1	Linseed	Free	Free	10 p.c.	Free	Free	Free
27703-1	Peanut	Free	Free	10 p.c.	Free	5 p.c.	25 p.c.
27704-1	Soya bean	Free	Free	10 p.c.	Free	Free	Free
27705-1	All other, of vegetable origin	Free	Free	10 p.c.	Free	Free	Free
					15 p.c.	20 p.c.	25 p.c.
	Vegetable oils, crude or crude degummed:						
27711-1	Cocoonut	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27712-1	Corn	Free	10 p.c.	15 p.c.	15 p.c.	20 p.c.	25 p.c.
27713-1	Cottonseed	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27714-1	Palm	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27715-1	Palm kernel	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27716-1	Peanut	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27717-1	Rapeseed	Free	10 p.c.	15 p.c.	Free	Free	Free
27718-1	Soya bean	Free	10 p.c.	15 p.c.	15 p.c.	20 p.c.	25 p.c.
					Free	Free	Free
27719-1	Sunflower seed	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
27720-1	All other, n.o.p., and mixtures of vegetable oils, n.o.p.	Free	10 p.c.	15 p.c.	Various	Various	Various
	Vegetable oils, other than crude or crude degummed:						
27731-1	Cocoonut	12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	17½ p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
27732-1	Corn.....	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27733-1	Cottonseed.....	12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	17½ p.c.
27734-1	Palm.....	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27735-1	Palm kernel.....	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27736-1	Peanut.....	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27737-1	Rapeseed.....	12½ p.c.	17½ p.c.	25 p.c.	Free	Free	Free
27738-1	Soya bean.....	12½ p.c.	17½ p.c.	25 p.c.	15 p.c. Free	20 p.c. Free	25 p.c. Free
27739-1	Sunflower seed.....	12½ p.c.	17½ p.c.	25 p.c.	Free	10 p.c.	10 p.c.
27740-1	All other, n.o.p., and mixtures of vegetable oils, n.o.p.....	12½ p.c.	17½ p.c.	25 p.c.	Various	Various	Various
27800-1	Soya bean oil for use in the manufacture of paints and varnishes.....	Free	Free	15 p.c.	Free	Free	Free
27805-1	Vegetable oils for use in canning fish.....	Free	Free	15 p.c.	Free Various	Free Various	Free Various
27810-1	Olive oil.....	Free	Free	15 p.c.	Free Free	Free 5 p.c.	Free 20 p.c.
27815-1	Cashew nut shell oil.....	Free	Free	15 p.c.	Free	Free	Free
27820-1	Soapstocks of vegetable origin with a moisture content of fifty per cent or more by weight, and acid oils of vegetable origin with a free fatty acid content of less than ninety per cent by weight.....	Free	10 p.c.	15 p.c.	Various	Various	Various

27825-1	Oils, hydrogenated, blown, dehydrated or sulpho- nated, not including blown or hydrogenated fish, seal or whale oils.....	12½ p.c.	17½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
28110-1	Fire brick, n.o.p.....	5 p.c.	14 p.c.	22½ p.c.	5 p.c.	15 p.c.	22½ p.c.
	on and after January 1, 1969	5 p.c.	13 p.c.	22½ p.c.			
	on and after January 1, 1970	5 p.c.	12 p.c.	22½ p.c.			
	on and after January 1, 1971	5 p.c.	11 p.c.	22½ p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	22½ p.c.			
28200-1	Building brick and paving brick.....	12 p.c.	14 p.c.	22½ p.c.	12½ p.c.	15 p.c.	22½ p.c.
	on and after January 1, 1969	11½ p.c.	13 p.c.	22½ p.c.			and \$1.00
	on and after January 1, 1970	11 p.c.	12 p.c.	22½ p.c.			per ton
	on and after January 1, 1971	10½ p.c.	11 p.c.	22½ p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	22½ p.c.			
28205-1	Manufactures of clay or cement, n.o.p.....	12½ p.c.	16½ p.c.	22½ p.c.	12½ p.c.	17½ p.c.	22½ p.c.
	on and after January 1, 1969	12½ p.c.	15½ p.c.	22½ p.c.			
	on and after January 1, 1970	12½ p.c.	14½ p.c.	22½ p.c.			
	on and after January 1, 1971	12½ p.c.	13½ p.c.	22½ p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	22½ p.c.			
28215-1	Grog, produced by calcining fire clay, or in the form of calcined dobbies, fire brick, or other refractory shapes, which have been broken, crushed, or ground, screened to size or not, but not further manufactured, when imported for use exclusively by manufacturers of refractory materials in the manufacture of such materials..... per ton	Free	Free	\$1.15	60 cts.; maximum 12½ p.c.	\$1.00; maximum 20 p.c.	\$1.15; maximum 22½ p.c.
28220-1	Hydraulic cement concrete mixes, wet or dry.....	10 p.c.	14 p.c.	22½ p.c.	12½ p.c.	17½ p.c.	22½ p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	22½ p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	22½ p.c.			
	on and after January 1, 1971	2½ p.c.	3½ p.c.	22½ p.c.			
	on and after January 1, 1972	Free	Free	22½ p.c.			
28400-1	Drain pipes, sewer pipes and earthenware fittings therefor, chimney linings or vents, chimney tops and inverted blocks, glazed or unglazed, n.o.p.....	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
28410-1	Gypsum tile.....	15 p.c.	19 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
28415-1	Earthenware tiles, n.o.p.....	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.			
28700-1	All tableware of china, porcelain, semi-porcelain or white granite, but not to include tea-pots, jugs and similar articles of the type commonly known as earthenware.....	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
28800-1	Stoneware and Rockingham ware and earthenware, n.o.p.....	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
28805-1	Chemical stoneware composed of a non-absorbent vitrified body specially compounded to resist acids or other corrosive reagents.....	Free	16 p.c.	35 p.c.	Free	17½ p.c.	35 p.c.
	on and after January 1, 1969	Free	14½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	13 p.c.	35 p.c.			
	on and after January 1, 1971	Free	11½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	10 p.c.	35 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.	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.	
	on and after January 1, 1969	12½ p.c.	21½ p.c.	35 p.c.				
	on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.				
	on and after January 1, 1971	12½ p.c.	20½ p.c.	35 p.c.				
	on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.				
29000-1	Portland and other hydraulic cement, n.o.p.; cement clinker.....	per one hundred pounds	2 cts.	3½ cts.	6 cts.	5 cts.	8 cts.	8 cts.
	on and after January 1, 1969,	per one hundred pounds	1½ cts.	3 cts.	6 cts.	2 cts.	3½ cts.	6 cts.
	on and after January 1, 1970,	per one hundred pounds	1 ct.	2 cts.	6 cts.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1971,	per one hundred pounds	½ ct.	1 ct.	6 cts.			
	on and after January 1, 1972,	per one hundred pounds	Free	Free	6 cts.			
29005-1	White, non-staining Portland cement.....	per one hundred pounds	4½ cts.	7 cts.	8 cts.	5 cts.	8 cts.	8 cts.
	on and after January 1, 1969,	per one hundred pounds	4½ cts.	6 cts.	8 cts.			
	on and after January 1, 1970,	per one hundred pounds	4½ cts.	5 cts.	8 cts.			
	on and after January 1, 1971,	per one hundred pounds	4 cts.	4 cts.	8 cts.			
29010-1	Lime.....	12 p.c.	12 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.	
	on and after January 1, 1969	9 p.c.	9 p.c.	25 p.c.	5 cts. cwt.	8 cts. cwt.	8 cts. cwt.	
	on and after January 1, 1970	6 p.c.	6 p.c.	25 p.c.				
	on and after January 1, 1971	3 p.c.	3 p.c.	25 p.c.				
	on and after January 1, 1972	Free	Free	25 p.c.				
29300-1	Plaster of Paris, or gypsum, calcined, and prepared wall plaster, the weight of the package to be included in the weight for duty.....	per one hundred pounds	Free	10 cts.	12½ cts.	Free	11 cts.	12½ cts.
	on and after January 1, 1969,	per one hundred pounds	Free	9 cts.	12½ cts.			
	on and after January 1, 1970,	per one hundred pounds	Free	8 cts.	12½ cts.			
	on and after January 1, 1971,	per one hundred pounds	Free	7 cts.	12½ cts.			
	on and after January 1, 1972,	per one hundred pounds	Free	6 cts.	12½ cts.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
29400-1	Gypsum, ground, not calcined.....	8 p.c.	10 p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	6 p.c.	7½ p.c.	15 p.c.			
	on and after January 1, 1970	4 p.c.	5 p.c.	15 p.c.			
	on and after January 1, 1971	2 p.c.	2½ p.c.	15 p.c.			
	on and after January 1, 1972	Free	Free	15 p.c.			
29525-1	China clay.....	Free	Free	25 p.c.	Free 15 p.c.	Free 20 p.c.	25 p.c. 25 p.c.
29615-1	Magnesium carbonate, basic or otherwise, excepting crude rock, n.o.p.....	15 p.c.	15 p.c.	30 p.c.	20 p.c.	20 p.c.	30 p.c.
29625-1	Feldspar, ground but not further manufactured.....	Free	13½ p.c.	30 p.c.	Free	15 p.c.	30 p.c.
	on and after January 1, 1969	Free	12 p.c.	30 p.c.			
	on and after January 1, 1970	Free	10½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	9 p.c.	30 p.c.			
	on and after January 1, 1972	Free	7½ p.c.	30 p.c.			
29650-1	Mica, phlogopite and muscovite, unmanufactured, in blocks, sheets, splittings, films, waste and scrap..	8 p.c.	8 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1970	4 p.c.	4 p.c.	25 p.c.			
	on and after January 1, 1971	2 p.c.	2 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
30000-1	Crucibles, n.o.p., and covers therefor.....	Free	14 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	on and after January 1, 1969	Free	13 p.c.	15 p.c.			
	on and after January 1, 1970	Free	12 p.c.	15 p.c.			
	on and after January 1, 1971	Free	11 p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
30400-1	Grindstones, mounted or not, n.o.p.....	17 p.c.	21½ p.c.	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1970	17 p.c.	19½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			

30500-1	Flagstone, sandstone and all building stone, not hammered, sawn or chiselled.....	Free	Free	20 p.c.	10 p.c.	10 p.c.	20 p.c.
30510-1	Granite, rough, not hammered or chiselled.....	Free	Free	20 p.c.	10 p.c.	12½ p.c.	20 p.c.
30520-1	Granite, sawn.....	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
30525-1	Paving blocks of stone.....	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
30530-1	Flagstone and building stone, other than marble or granite, sawn on not more than two sides.....	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
30605-1	Building stone, other than marble or granite, sawn on more than two sides but not sawn on more than four sides.....	5 p.c.	7½ p.c.	10 p.c.	10 cts. cwt.	20 cts. cwt.	25 cts. cwt.
30610-1	Building stone, other than marble or granite, planed, turned, cut or further manufactured than sawn on four sides.....	7½ p.c.	12½ p.c.	15 p.c.	30 cts. cwt.	45 cts. cwt.	50 cts. cwt.
30710-1	Granite, n.o.p.....	19½ p.c.	23½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	40 p.c.			
30715-1	Manufactures of granite, n.o.p.....	19½ p.c.	23½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	40 p.c.			
30800-1	Manufactures of stone, n.o.p.....	19½ p.c.	25 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	19½ p.c.	23½ p.c.	85 p.c.			
	on and after January 1, 1970	19½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	85 p.c.			
30900-1	Roofing slate, per square of one hundred square feet.	Free	Free	75 cts.	50 cts.	70 cts.	75 cts.
31000-1	Slate mantels and other manufactures of slate, n.o.p.	19½ p.c.	25 p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	19 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
31100-1	Slate pencils and school writing slates	Free	21½ p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	20½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	25 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	25 p.c.			
31215-1	Yarns, wholly or in part of asbestos, for use in the manufacture of clutch facings and brake linings	7½ p.c.	11½ p.c.	25 p.c.	7½ p.c.	12½ p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	10½ p.c.	25 p.c.			
	on and after January 1, 1970	7½ p.c.	9½ p.c.	25 p.c.			
	on and after January 1, 1971	7½ p.c.	8½ p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
31300-1	Plumbago, not ground or otherwise manufactured	Free	4 p.c.	10 p.c.	Free	5 p.c.	10 p.c.
	on and after January 1, 1969	Free	3 p.c.	10 p.c.			
	on and after January 1, 1970	Free	2 p.c.	10 p.c.			
	on and after January 1, 1971	Free	1 p.c.	10 p.c.			
	on and after January 1, 1972	Free	Free	10 p.c.			
31400-1	Plumbago, ground, and manufactures of, n.o.p., and foundry facings of all kinds	15 p.c.	19 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
31600-1	Electric light and arc carbons, pointed or not, and contact carbons, n.o.p.	22½ p.c.	22 p.c.	35 p.c.	22½ p.c.	22½ p.c.	35 p.c.
	and, per pound		6 cts.	16 cts.		7½ cts.	20 cts.
	on and after January 1, 1969	22½ p.c.	21½ p.c.	35 p.c.			
	and, per pound		4½ cts.	12 cts.			
	on and after January 1, 1970	22 p.c.	21 p.c.	35 p.c.			
	and, per pound		3 cts.	8 cts.			
	on and after January 1, 1971	21 p.c.	20½ p.c.	35 p.c.			
	and, per pound		1½ cts.	4 cts.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			

Laminated glass, of sheet glass, plate glass or float glass, or combinations thereof:							
32202-1	N.o.p.	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
32300-1	Manufactures of laminated glass, n.o.p.	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
32606-1	Glass tableware, n.o.p., and illuminating glassware, n.o.p.	10 p.c.	22 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	32½ p.c.			
32609-1	Opal glassware, n.o.p.	10 p.c.	22 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	32½ p.c.			
32612-1	Cut glass tableware and cut glassware, n.o.p.	10 p.c.	22 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	32½ p.c.			
32616-1	Glass beads for cleaning, peening or surface finishing	10 p.c.	16½ p.c.	22½ p.c.	10 p.c.	17½ p.c.	22½ p.c.
	on and after January 1, 1969	10 p.c.	15½ p.c.	22½ p.c.			
	on and after January 1, 1970	10 p.c.	14½ p.c.	22½ p.c.			
	on and after January 1, 1971	10 p.c.	13½ p.c.	22½ p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	22½ p.c.			
32700-1	Spectacles; eyeglasses, and ground or finished spectacle or eyeglass lenses, n.o.p.	19½ p.c.	19½ p.c.	30 p.c.	20 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
33700-1	Lead, old, scrap, pig and block..... per pound	Free	Free	1 ct.	½ ct.	½ ct.	1 ct.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
33800-1	Lead, in bars and in sheets.....	9 p.c.	9 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
	on and after January 1, 1969	8 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1970	7 p.c.	7 p.c.	25 p.c.			
	on and after January 1, 1971	6 p.c.	6 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
33900-1	Lead, manufactures of, n.o.p.....	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
33905-1	Lead capsules for bottles.....	Free	21½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	20½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
33910-1	Collapsible tubes of lead or tin or lead coated with tin	10 p.c.	23½ p.c.	30 p.c.	10 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
34505-1	Zinc spelter, zinc, and zinc alloys containing not more than ten per cent by weight of other metal or metals, in the form of pigs, slabs, blocks, dust or granules.....per pound	Free	Free	2 cts.	½ ct.	½ ct.	2 cts.
34710-1	Tungsten rod and tungsten wire.....	Free	Free	25 p.c.	Free	Free	25 p.c.
34800-1	Copper scrap, matte and blister, and copper in pigs, blocks or ingots; cathode plates of electrolytic copper for melting.....per pound	Free	Free	1½ cts.	½ ct. 15 p.c.	½ ct. 20 p.c.	1½ cts. 25 p.c.

Nothing shall be deemed to be copper scrap except waste or refuse copper fit only to be remanufactured in furnaces.

34815-1	Brass scrap and brass in blocks, ingots or pigs; copper in bars or rods, not less than six feet in length, unmanufactured, n.o.p.; copper in strips, sheets or plates, not polished, planished or coated; brass or copper tubing, in lengths not less than six feet, and not polished, bent or otherwise manufactured.....	5 p.c.	9 p.c.	10 p.c.	5 p.c.	10 p.c.	10 p.c.	
		on and after January 1, 1969	5 p.c.	8 p.c.	10 p.c.			
		on and after January 1, 1970	5 p.c.	7 p.c.	10 p.c.			
		on and after January 1, 1971	5 p.c.	6 p.c.	10 p.c.			
		on and after January 1, 1972	5 p.c.	5 p.c.	10 p.c.			
34820-1	Copper in bars or in rods, when imported by manufacturers of trolley, telegraph and telephone wires, electric wires and electric cables, for use only in the manufacture of such articles in their own factories..	Free	9 p.c.	10 p.c.	Free	10 p.c.	10 p.c.	
		on and after January 1, 1969	Free	8 p.c.	10 p.c.			
		on and after January 1, 1970	Free	7 p.c.	10 p.c.			
		on and after January 1, 1971	Free	6 p.c.	10 p.c.			
		on and after January 1, 1972	Free	5 p.c.	10 p.c.			
34825-1	Brass or copper tubing, not more than one-half of an inch in diameter, in lengths not less than six feet, coated with metal, and not polished, bent, or otherwise manufactured.....	5 p.c.	9 p.c.	10 p.c.	5 p.c.	10 p.c.	10 p.c.	
		on and after January 1, 1969	5 p.c.	8 p.c.	10 p.c.			
		on and after January 1, 1970	5 p.c.	7 p.c.	10 p.c.			
		on and after January 1, 1971	5 p.c.	6 p.c.	10 p.c.			
		on and after January 1, 1972	5 p.c.	5 p.c.	10 p.c.			
34900-1	Brass in bars and rods, in coil or otherwise, not less than six feet in length, and brass in strips, sheets or plates, not polished, planished or coated.....	5 p.c.	9 p.c.	15 p.c.	5 p.c.	10 p.c.	15 p.c.	
		on and after January 1, 1969	5 p.c.	8 p.c.	15 p.c.			
		on and after January 1, 1970	5 p.c.	7 p.c.	15 p.c.			
		on and after January 1, 1971	5 p.c.	6 p.c.	15 p.c.			
		on and after January 1, 1972	5 p.c.	5 p.c.	15 p.c.			
34905-1	Alloys of copper, n.o.p., containing 50 per cent or more by weight of copper, namely: sheets, plates, strips, bars, rods and tubes.....	7 p.c.	13 p.c.	25 p.c.	7½ p.c.	15 p.c.	25 p.c.	
		on and after January 1, 1969	6½ p.c.	11 p.c.	25 p.c.			
		on and after January 1, 1970	6 p.c.	9 p.c.	25 p.c.			
		on and after January 1, 1971	5½ p.c.	7 p.c.	25 p.c.			
		on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
34907-1	Copper beryllium alloys, namely: ingots, sheets, plates, strips, bars, rods, tubes and wire.....	7 p.c.	7 p.c.	25 p.c.	7½ p.c.	7½ p.c.	25 p.c.
		on and after January 1, 1969 6½ p.c.	6½ p.c.	25 p.c.	7½ p.c.	7½ p.c.	35 p.c.
		on and after January 1, 1970 6 p.c.	6 p.c.	25 p.c.			
		on and after January 1, 1971 5½ p.c.	5½ p.c.	25 p.c.			
		on and after January 1, 1972 5 p.c.	5 p.c.	25 p.c.			
34910-1	Alloys of magnesium, namely: ingots, pigs, sheets, plates, strips, bars, rods and tubes.....	5 p.c.	9 p.c.	25 p.c.	5 p.c.	10 p.c.	25 p.c.
		on and after January 1, 1969 5 p.c.	8 p.c.	25 p.c.			
		on and after January 1, 1970 5 p.c.	7 p.c.	25 p.c.			
		on and after January 1, 1971 5 p.c.	6 p.c.	25 p.c.			
		on and after January 1, 1972 5 p.c.	5 p.c.	25 p.c.			
Metals, n.o.p., not including alloys, in lumps, powders, ingots or blocks:							
35101-1	Other than the following.....	Free	13 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
		on and after January 1, 1969 Free	11 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
		on and after January 1, 1970 Free	9 p.c.	25 p.c.			
		on and after January 1, 1971 Free	7 p.c.	25 p.c.			
		on and after January 1, 1972 Free	5 p.c.	25 p.c.			
35102-1	Cadmium.....	12 p.c.	16 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
		on and after January 1, 1969 9 p.c.	12 p.c.	25 p.c.			
		on and after January 1, 1970 6 p.c.	8 p.c.	25 p.c.			
		on and after January 1, 1971 3 p.c.	4 p.c.	25 p.c.			
		on and after January 1, 1972 Free	Free	25 p.c.			
35103-1	Cobalt.....	Free	8 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
		on and after January 1, 1969 Free	6 p.c.	25 p.c.			
		on and after January 1, 1970 Free	4 p.c.	25 p.c.			
		on and after January 1, 1971 Free	2 p.c.	25 p.c.			
		on and after January 1, 1972 Free	Free	25 p.c.			
35105-1	Magnesium.....	13 p.c.	17 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
		on and after January 1, 1969 11 p.c.	14 p.c.	25 p.c.			
		on and after January 1, 1970 9 p.c.	11 p.c.	25 p.c.			
		on and after January 1, 1971 7 p.c.	8 p.c.	25 p.c.			
		on and after January 1, 1972 5 p.c.	5 p.c.	25 p.c.			

35106-1	Bismuth, n.o.p.....	12 p.c.	16 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	9 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1970	6 p.c.	8 p.c.	25 p.c.			
	on and after January 1, 1971	3 p.c.	4 p.c.	25 p.c.			
	on and after January 1, 1972	Free	Free	25 p.c.			
35110-1	Cobalt metal, in bars.....	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 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.....	19½ p.c.	19½ p.c.	30 p.c.	20 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
35215-1	Screws of brass, copper or other metal, n.o.p.....	21½ p.c.	27½ p.c.	35 p.c.	22½ p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	20½ p.c.	25 p.c.	35 p.c.			
	on and after January 1, 1970	19½ p.c.	22½ p.c.	35 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
35220-1	Coin locks of which solid brass or bronze are the components of chief value, plain, polished or plated.	15 p.c.	28 p.c.	40 p.c.	15 p.c.	30 p.c.	40 p.c.
	on and after January 1, 1969	15 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1970	15 p.c.	24 p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	40 p.c.			
Aluminum and alloys thereof:							
35301-1	Pigs, ingots, blocks, notch bars, slabs, billets, blooms, and wire bars..... per pound	Free	1 ct.	5 cts.	Free	1½ cts.	5 cts.
35302-1	Bars, rods, plates, sheets, strips, circles, squares, discs and rectangles..... per pound	Free	2.8 cts.	7.5 cts.	Free	3 cts.	7.5 cts.
	on and after January 1, 1969, per pound	Free	2.6 cts.	7.5 cts.			
	on and after January 1, 1970, per pound	Free	2.4 cts.	7.5 cts.			
	on and after January 1, 1971, per pound	Free	2.2 cts.	7.5 cts.			
	on and after January 1, 1972, per pound	Free	2 cts.	7.5 cts.			
35303-1	Angles, channels, beams, tees and other rolled, drawn or extruded sections and shapes.....	Free	20½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	16½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	14½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
35305-1	Pipes and tubes.....	Free	20½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	16½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	14½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			
35306-1	Leaf, n.o.p., or foil, less than .005 inch in thickness, plain or embossed, with or without backing.....	Free	27 p.c.	30 p.c.	Free	30 p.c.	30 p.c.
	on and after January 1, 1969	Free	24 p.c.	30 p.c.			
	on and after January 1, 1970	Free	21 p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
35307-1	Aluminum powder.....	Free	25 p.c.	30 p.c.	Free	27½ p.c.	30 p.c.
	on and after January 1, 1969	Free	22½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	20 p.c.	30 p.c.			
	on and after January 1, 1971	Free	17½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
35310-1	Granules, cut from ingots, for use in the manufacture of cleaning compounds..... per pound	Free	1 ct.	5 cts.	Free	1½ cts.	5 cts.
35400-1	Manufactures of aluminum, n.o.p.....	15 p.c.	20 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
35405-1	Kitchen or household hollow-ware of aluminum, n.o.p.....	19½ p.c.	21½ p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	19 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
35410-1	Kitchen or household hollow-ware of nickel, n.o.p....	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			

35515-1	Nickel, and alloys containing sixty per cent by weight or more of nickel, in powder form.....	Free	Free	Free	Free	Free	Free
35520-1	Nickel or nickel alloys, namely: matte, sludges, spent catalysts and scrap, and concentrates other than ores.....	Free	Free	Free	Free	Free	Free
35700-1	Britannia metal, nickel silver, Nevada and German silver, manufactures of, not plated, n.o.p.....	15 p.c.	19½ p.c.	40 p.c.	15 p.c.	20 p.c.	40 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	40 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	40 p.c.			
35800-1	Anodes of nickel, zinc, copper, silver or gold.....	Free	Free	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
36100-1	Gold and silver leaf; Dutch or schlag metal leaf; brocade and bronze powders.....	12½ p.c.	24 p.c.	30 p.c.	12½ p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	30 p.c.			
36200-1	Articles consisting wholly or in part of sterling or other silverware, n.o.p.; manufactures of gold or silver, n.o.p.....	17½ p.c.	26½ p.c.	45 p.c.	17½ p.c.	27½ p.c.	45 p.c.
	on and after January 1, 1969	17½ p.c.	25½ p.c.	45 p.c.			
	on and after January 1, 1970	17½ p.c.	24½ p.c.	45 p.c.			
	on and after January 1, 1971	17½ p.c.	23½ p.c.	45 p.c.			
	on and after January 1, 1972	17½ p.c.	22½ p.c.	45 p.c.			
36205-1	Metal parts, electro-plated, for loose-leaf binders.....	12½ p.c.	12½ p.c.	45 p.c.	17½ p.c.	17½ p.c.	45 p.c.
36210-1	Toilet articles of all kinds, including atomizers, brushes, buffers, button hooks, combs, cuticle knives, hair receivers, hand-mirrors, jewel boxes, manicure scissors, nail files, perfume bottles, puff jars, shoe horns, trays and tweezers, of which the manufactured component material of chief value is sterling silver.....	15 p.c.	24 p.c.	45 p.c.	15 p.c.	25 p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	45 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
36215-1	Nickel-plated ware, gilt or electro-plated ware, n.o.p.	15 p.c.	20 p.c.	45 p.c.	15 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	45 p.c.			
36220-1	Cigar and cigarette lighters, n.o.p., nickel-plated, gilt or electro-plated	15 p.c.	22 p.c.	45 p.c.	15 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	45 p.c.			
36505-1	Findings of metal, not plated or coated, including stampings, trimmings, spring-rings, bolt-rings, clasps, snaps, swivels, vest chain bars, joints, catches, pin tongues, buckle tongues, coil pins, clip actions, settings and eyepins, when imported by manufacturers of jewellery or ornaments for the adornment of the person, for use exclusively in the manufacture of such articles, in their own factories	14½ p.c.	18½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1970	13½ p.c.	15½ p.c.	30 p.c.			
	on and after January 1, 1971	13 p.c.	14 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	30 p.c.			
36800-1	Watches of all kinds	19 p.c.	28 p.c.	35 p.c.	20 p.c.	30 p.c.	35 p.c.
	but not less than.....each		32 cts.	40 cts.		40 cts.	40 cts.
	on and after January 1, 1969	18 p.c.	26 p.c.	35 p.c.			
	but not less than.....each		24 cts.	40 cts.			
	on and after January 1, 1970	17 p.c.	24 p.c.	35 p.c.			
	but not less than.....each		16 cts.	40 cts.			
	on and after January 1, 1971	17 p.c.	22 p.c.	35 p.c.			
	but not less than.....each		8 cts.	40 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
	but not less than.....each			40 cts.			

36605-1	Watch actions and movements, finished or unfinished but not less than..... each	Free	14 p.c.	15 p.c.	Free	15 p.c. 40 cts.	15 p.c. 40 cts.
		Free	32 cts.	40 cts.			
		Free	13 p.c.	15 p.c.			
		Free	24 cts.	40 cts.			
		Free	12 p.c.	15 p.c.			
		Free	16 cts.	40 cts.			
36610-1	Parts of watch movements, finished or unfinished... on and after January 1, 1969	Free	14 p.c.	15 p.c.	Free	15 p.c.; minimum 5 cts. per plate	15 p.c.; minimum 10 cts. per plate
		Free	13 p.c.	15 p.c.			
		Free	12 p.c.	15 p.c.			
		Free	11 p.c.	15 p.c.			
36700-1	Watch cases, and parts thereof, finished or unfinished on and after January 1, 1969	15 p.c.	22 p.c.	45 p.c.	15 p.c.	22½ p.c.	45 p.c.
		15 p.c.	21½ p.c.	45 p.c.			
		15 p.c.	21 p.c.	45 p.c.			
		15 p.c.	20½ p.c.	45 p.c.			
		15 p.c.	20 p.c.	45 p.c.			
36800-1	Clocks, time recorders, clock movements, clockwork mechanisms, and clock cases..... each	15 p.c.	29 p.c.	35 p.c.	15 p.c.	30 p.c. 40 cts.	35 p.c. 50 cts.
		15 p.c.	32 cts.	50 cts.			
		15 p.c.	28 p.c.	35 p.c.			
		15 p.c.	24 cts.	50 cts.			
		15 p.c.	27 p.c.	35 p.c.			
		15 p.c.	16 cts.	50 cts.			
		15 p.c.	26 p.c.	35 p.c.			
		15 p.c.	8 cts.	50 cts.			
36900-1	Parts of clock movements or of clockwork mechanisms, finished or unfinished, not including plates... on and after January 1, 1969	10 p.c.	22½ p.c.	25 p.c.	10 p.c.	25 p.c.	25 p.c.
		10 p.c.	20 p.c.	25 p.c.			
		10 p.c.	17½ p.c.	25 p.c.			
		10 p.c.	15 p.c.	25 p.c.			
		10 p.c.	12½ p.c.	25 p.c.			
37000-1	Copper rollers, and stones, used in the printing of textile fabrics or wallpaper..... each	Free	8 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
		Free	6 p.c.	10 p.c.			
		Free	4 p.c.	10 p.c.			
		Free	2 p.c.	10 p.c.			
		Free	Free	10 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
37400-1	Pig iron, n.o.p..... per ton	\$1.20	\$2.00	\$2.50	\$1.50	\$2.50	\$2.50
	on and after January 1, 1969, per ton	90 cts.	\$1.50	\$2.50			
	on and after January 1, 1970, per ton	60 cts.	\$1.00	\$2.50			
	on and after January 1, 1971, per ton	30 cts.	50 cts.	\$2.50			
	on and after January 1, 1972, per ton	Free	Free	\$2.50			
	Ferro-alloys:						
37501-1	Ferro-manganese, spiegeleisen and other alloys of manganese and iron containing not more than 1 per cent, by weight, of silicon—per pound, or fraction thereof, on the manganese contained therein.....	Free	0.9 ct.	1.25 cts.	Free	1 ct.	1.25 cts.
	on and after January 1, 1969	Free	0.8 ct.	1.25 cts.			
	on and after January 1, 1970	Free	0.7 ct.	1.25 cts.			
	on and after January 1, 1971	Free	0.6 ct.	1.25 cts.			
	on and after January 1, 1972	Free	0.5 ct.	1.25 cts.			
37502-1	Silico-manganese, silico spiegel and other alloys of manganese and iron containing more than 1 per cent, by weight, of silicon—per pound or fraction thereof, on the manganese contained therein.....	Free	1.35 cts.	1.75 cts.	Free	1.5 cts.	1.75 cts.
	on and after January 1, 1969	Free	1.20 cts.	1.75 cts.			
	on and after January 1, 1970	Free	1.05 cts.	1.75 cts.			
	on and after January 1, 1971	Free	0.90 cts.	1.75 cts.			
	on and after January 1, 1972	Free	0.75 ct.	1.75 cts.			
37503-1	Ferro-silicon, being an alloy of iron and silicon containing 8 per cent or more, by weight, of silicon and less than 60 per cent—per pound, or fraction thereof, on the silicon contained therein.....	Free	0.8 ct.	1.75 cts.	Free	1 ct.	1.75 cts.
	on and after January 1, 1969	Free	0.6 ct.	1.75 cts.			
	on and after January 1, 1970	Free	0.4 ct.	1.75 cts.			
	on and after January 1, 1971	Free	0.2 ct.	1.75 cts.			
	on and after January 1, 1972	Free	Free	1.75 cts.			

37504-1	Ferro-silicon, being an alloy of iron and silicon containing 60 per cent or more, by weight, of silicon and less than 90 per cent—per pound, or fraction thereof, on the silicon contained therein.....	Free	1.15 cts.	2.75 cts.	Free	1.25 cts.	2.75 cts.
		Free	1.05 cts.	2.75 cts.			
		Free	0.95 ct.	2.75 cts.			
		Free	0.85 ct.	2.75 cts.			
		Free	0.75 ct.	2.75 cts.			
37505-1	Ferro-silicon, being an alloy of iron and silicon containing 90 per cent or more, by weight, of silicon—per pound, or fraction thereof, on the silicon contained therein.....	Free	4½ cts.	5½ cts.	Free	5 cts.	5½ cts.
		Free	4 cts.	5½ cts.			
		Free	3½ cts.	5½ cts.			
		Free	3 cts.	5½ cts.			
		Free	2½ cts.	5½ cts.			
37700-1	Ingots of iron or steel, n.o.p..... per ton	Free	\$2.40	\$5.00	Free	\$3.00	\$5.00
		Free	\$1.80	\$5.00			
		Free	\$1.20	\$5.00			
		Free	60 cts.	\$5.00			
		Free	Free	\$5.00			
37905-1	Bars or rods of iron or steel, as described in tariff item 37900-1, cold-rolled or cold-drawn.....	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
		5 p.c.	14 p.c.	25 p.c.			
		5 p.c.	13½ p.c.	25 p.c.			
		5 p.c.	13 p.c.	25 p.c.			
		5 p.c.	12½ p.c.	25 p.c.			
37910-1	Bars or rods of iron or steel, as described in tariff item 37900-1, further processed than hot- or cold-rolled or cold-drawn, or otherwise processed.....	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
		5 p.c.	14 p.c.	25 p.c.			
		5 p.c.	13½ p.c.	25 p.c.			
		5 p.c.	13 p.c.	25 p.c.			
		5 p.c.	12½ p.c.	25 p.c.			
37950-1	Shapes or sections of iron or steel, n.o.p., not further manufactured than extruded or drawn.....	10 p.c.	14½ p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
		10 p.c.	14 p.c.	35 p.c.			
		10 p.c.	13½ p.c.	35 p.c.			
		10 p.c.	13 p.c.	35 p.c.			
		10 p.c.	12½ p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
38010-1	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot-rolled, n.o.p.....	17 p.c.	20 p.c.	40 p.c.	17½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	17 p.c.	19 p.c.	40 p.c.			
	on and after January 1, 1970	17 p.c.	18½ p.c.	40 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	40 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	40 p.c.			
38105-1	Plate of iron or steel, flanged or dished.....	5 p.c.	19 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	30 p.c.			
38110-1	Plate of iron or steel, n.o.p.....	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	25 p.c.			
	Sheet or strip of iron or steel, corrugated or not, and whether or not with rolled surface pattern:						
38202-1	Cold-rolled or cold-drawn.....	5 p.c.	14½ p.c.	25 p.c.	5 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	25 p.c.			
38203-1	Coated with tin or vitreous enamel.....	10 p.c.	14½ p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	10 p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	10 p.c.	12½ p.c.	25 p.c.			
38204-1	Coated with zinc.....	7½ p.c.	14½ p.c.	25 p.c.	7½ p.c.	15 p.c.	25 p.c.
	on and after January 1, 1969	7½ p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1970	7½ p.c.	13½ p.c.	25 p.c.			
	on and after January 1, 1971	7½ p.c.	13 p.c.	25 p.c.			
	on and after January 1, 1972	7½ p.c.	12½ p.c.	25 p.c.			

38205-1	Coated, n.o.p.....	7½ p.c.	14½ p.c.	20 p.c.	7½ p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	7½ p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	7½ p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	7½ p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	7½ p.c.	12½ p.c.	20 p.c.			
38715-1	Railway intersection layouts, intersections, switches, crossings, frogs, guard rails, of iron or steel.....	15 p.c.	23½ p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
39000-1	Castings, of iron or steel, in the rough, n.o.p.....	15 p.c.	17 p.c.	27½ p.c.	15 p.c.	17½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	16½ p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	15½ p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
39200-1	Forgings, of iron or steel, in any degree of manufacture, n.o.p.....	17 p.c.	20 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
39205-1	Forgings of iron or steel, hollow, rough-machined or not, not less than twelve inches in internal diameter; all other forgings, solid or otherwise, rough-turned or rough-machined or not, of a weight of twenty tons or more.....	5 p.c.	10½ p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	10 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	10½ p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	10 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	17½ p.c.	30 p.c.			
	Axles and axle bars, n.o.p., and axle blanks, and parts thereof, of iron or steel:						
39401-1	For railway vehicles, including locomotives and tenders.....	7½ p.c.	20 p.c.	30 p.c.	7½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	7½ p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	7½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	7½ p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	7½ p.c.	17½ p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
39402-1	For other vehicles, n.o.p.....	20 p.c.	20 p.c.	35 p.c.	22½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
39403-1	N.o.p.....	19½ p.c.	20 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	18½ p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	18 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
39700-1	Pipes or tubes of iron or steel, n.o.p., with plain or processed ends, whether or not coated or lined.....	12½ p.c.	19½ p.c.	30 p.c.	12½ p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	30 p.c.			
40000-1	Fittings and couplings of iron or steel, n.o.p., for pipes and tubes; parts therefor.....	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
40005-1	Fittings and couplings of iron or steel, not further manufactured than forged or bent to shape, whether or not deburred or descaled, for use in the manufacture of fittings and couplings.....	Free	10 p.c.	25 p.c.	Free 10 p.c.	10 p.c. 22½ p.c.	25 p.c. 35 p.c.
40101-1	Wire of iron or steel, single: Round, n.o.p.....	2½ p.c.	7½ p.c.	20 p.c.	15 p.c. Various	15 p.c. Various	20 p.c. Various
40102-1	Other than round, n.o.p.....	5 p.c.	10 p.c.	20 p.c.	7½ p.c. 15 p.c. Various	20 p.c. 15 p.c. Various	20 p.c. 20 p.c. Various

40103-1	Coated or covered with any material, n.o.p.....	5 p.c.	10 p.c.	20 p.c.	10 p.c. 15 p.c. Various	20 p.c. 25 p.c. Various	20 p.c. 30 p.c. Various
40104-1	Valued at not less than two and three-quarter cents per pound for use in the manufacture of wire rope..	Free	5 p.c.	7½ p.c.	Free	5 p.c.	7½ p.c.
Products of wire of iron or steel, namely:							
40111-1	Barbed wire.....	Free	10 p.c.	20 p.c.	Free	10 p.c.	10 p.c.
40112-1	Cloth, fencing, mesh, netting and screening.....	7½ p.c.	12½ p.c.	25 p.c.	17½ p.c. 10 p.c. Various	25 p.c. 22½ p.c. Various	35 p.c. 35 p.c. Various
40113-1	Wire rope and strand, n.o.p.; wires, twisted, braided, bunched or otherwise conjoined, n.o.p.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	25 p.c. Various	25 p.c. Various
40114-1	Wire rope or cable, coated or not, for use exclusively in commercial fishing operations.....	Free	10 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
Wire of all metals or alloys thereof, n.o.p.:							
40121-1	Single, not coated or covered.....	7½ p.c.	12½ p.c.	25 p.c.	10 p.c. Free	20 p.c. 15 p.c.	35 p.c. 35 p.c.
40122-1	Single, coated or covered.....	10 p.c.	15 p.c.	25 p.c.	20 p.c. 10 p.c.	20 p.c. 20 p.c.	30 p.c. 35 p.c.
40123-1	Twisted, braided, bunched or otherwise conjoined, whether or not reinforced with steel, coated or covered or not, including cable, rope and strand..	12½ p.c.	17½ p.c.	25 p.c.	20 p.c. 17½ p.c.	20 p.c. 22½ p.c.	30 p.c. 25 p.c.
40130-1	Wire cloth or woven wire including fourdrinier wire cloth, of copper or alloys of copper containing 50 per cent or more by weight of copper.....	12½ p.c.	17½ p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
Springs, of iron or steel:							
40401-1	For the running and draft gear of railway vehicles, including locomotives and tenders.....	10½ p.c.	25 p.c.	30 p.c.	20 p.c.	27½ p.c.	30 p.c.
	on and after January 1, 1969.....	19½ p.c.	22½ p.c.	30 p.c.			
	on and after January 1, 1970.....	19½ p.c.	20 p.c.	30 p.c.			
	on and after January 1, 1971.....	17½ p.c.	17½ p.c.	30 p.c.			
40402-1	For the running gear of other vehicles, n.o.p.....	21½ p.c.	25 p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969.....	20½ p.c.	22½ p.c.	35 p.c.			
	on and after January 1, 1970.....	19½ p.c.	20 p.c.	35 p.c.			
	on and after January 1, 1971.....	17½ p.c.	17½ p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
40510-1	Furniture springs.....	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
	Coil chain, coil chain links, including repair links, and chain shackles, of iron or steel:						
40602-1	Less than one and one-eighth inches in diameter...	15 p.c.	21½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
40705-1	Chains, of iron or steel, n.o.p., and complete parts thereof.....	15 p.c.	20 p.c.	25 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			
40954-1	Poultry processing equipment, namely: plucking, scalding, washing, singeing, eviscerating and packaging equipment; parts of the foregoing.....	Free	Free	35 p.c.	Free	5 p.c.	35 p.c.
40960-1	Roofs, chutes, ladders, wall sections with or without doors incorporated therein, materials and parts: all of the foregoing for the construction or repair of silos for storing ensilage.....	10 p.c.	10 p.c.	25 p.c.	10 p.c. 17½ p.c.	17½ p.c. 20 p.c.	35 p.c. 25 p.c.
41110-1	Cylinder stave saws, wheel type stave jointers, crozing and champhering machinery, and complete parts thereof.....	10 p.c.	12½ p.c.	20 p.c.	10 p.c.	15 p.c.	20 p.c.

41430-1	Cash registers.....	20 p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	20 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	20 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	20 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	30 p.c.			
41515-1	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines.....	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
41520-1	Clothes wringers, domestic, and complete parts of metal thereof.....	20 p.c.	22 p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	20 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	20 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	20 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			
41535-1	Carpet sweepers.....	19 p.c.	24 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	18 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	17 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
41540-1	Domestic clothes drying machines, and parts thereof.....	10 p.c.	22 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
41545-1	Domestic combination clothes washing and drying machines, and parts thereof.....	10 p.c.	22 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
42400-1	Fire engines and other fire extinguishing machines and chassis for same; complete parts other than chassis parts.....	Free	19½ p.c.	35 p.c.	Free	20 p.c.	35 p.c.
	on and after January 1, 1969	Free	19 p.c.	35 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	35 p.c.			
	on and after January 1, 1971	Free	18 p.c.	35 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
42405-1	Hand fire extinguishers, and sprinkler heads for automatic sprinkler systems for fire protection.....	19½ p.c.	19½ p.c.	35 p.c.	20 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	19 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	18½ p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
42505-1	Power lawn mowers, self-propelled or not, whether or not containing the power unit.....	15 p.c.	19½ p.c.	32½ p.c.	15 p.c.	20 p.c.	32½ p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	32½ p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	32½ p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	32½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	32½ p.c.			
42515-1	Lawn mowers, n.o.p.....	10 p.c.	21 p.c.	32½ p.c.	10 p.c.	22½ p.c.	32½ p.c.
	on and after January 1, 1969	10 p.c.	19½ p.c.	32½ p.c.			
	on and after January 1, 1970	10 p.c.	18 p.c.	32½ p.c.			
	on and after January 1, 1971	10 p.c.	16½ p.c.	32½ p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	32½ p.c.			
42610-1	Veneer-drying machines, and complete parts thereof.	4 p.c.	4 p.c.	35 p.c.	5 p.c.	5 p.c.	35 p.c.
	on and after January 1, 1969	3 p.c.	3 p.c.	35 p.c.			
	on and after January 1, 1970	2 p.c.	2 p.c.	35 p.c.			
	on and after January 1, 1971	1 p.c.	1 p.c.	35 p.c.			
	on and after January 1, 1972	Free	Free	35 p.c.			
42700-1	Machines, n.o.p., and accessories, attachments, control equipment and tools for use therewith; parts of the foregoing.....	2½ p.c.	15 p.c.	35 p.c.	10 p.c. Free Various	22½ p.c. 7½ p.c. Various	35 p.c. 35 p.c. Various

Except that in the case of the importation into Canada of any goods enumerated in this item, the Governor in Council on the recommendation of the Minister of Industry 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 this item applicable to the goods, and subsections (2), (3), (4), (5) and (8) of section 22 of the Financial Administration Act apply in the case of a remission granted under this provision.

42729-1	Ball and roller bearings, n.o.p.; parts thereof.....	Free	15 p.c.	35 p.c.	Free	17½ p.c.	35 p.c.
42732-1	Machinery and apparatus for dairying purposes, namely: power churns, power milk coolers, power ice cream mixers, power butter printers, power cream savers, power bottle sterilizers, power brine tanks, valveless or centrifugal milk pumps, sanitary milk and cream vats; none of the foregoing machinery to include motive power; parts of all the foregoing.....	Free	15 p.c.	35 p.c.	Free	15 p.c.	35 p.c.
42733-1	Machinery for dairying purposes, namely: power fillers and cappers, power milk bottle washers, power milk can washers, ice-breaking machines; none of the foregoing machinery to include motive power; parts of all the foregoing.....	Free	7½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.
42738-1	Automatic machines for making and packaging cigars and cigarettes, not to include tobacco-preparing machines; parts thereof.....	Free	Free	35 p.c.	Free	7½ p.c.	35 p.c.
	Machines and tools, including blades, loaders, rippers, rakes and related operating and controlling gear; all the foregoing for use on internal combustion tractors entitled to entry under tariff item 40938-1:						
42761-1	Of a class or kind made in Canada; parts thereof...	2½ p.c.	15 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
42762-1	Of a class or kind not made in Canada; parts thereof	Free	Free	35 p.c.	Free	7½ p.c.	35 p.c.
42805-1	Engines or boilers and complete parts thereof, n.o.p..	15 p.c.	19 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most- Favoured- Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most- Favoured-Nation Tariff	General Tariff
42815-1	Diesel and semi-diesel engines, and complete parts thereof, n.o.p.....	Free	19 p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	18 p.c.	30 p.c.			
	on and after January 1, 1970	Free	17 p.c.	30 p.c.			
	on and after January 1, 1971	Free	16 p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
42817-1	Diesel and semi-diesel engines of 500 horsepower or less, and complete parts thereof, n.o.p.....	Free	17 p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
	on and after January 1, 1969	Free	16½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	16 p.c.	30 p.c.			
	on and after January 1, 1971	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
42820-1	Air-cooled internal combustion engines of not greater than 1½ h.p. rating, and complete parts thereof.....	Free	19 p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	18 p.c.	30 p.c.			
	on and after January 1, 1970	Free	17 p.c.	30 p.c.			
	on and after January 1, 1971	Free	16 p.c.	30 p.c.			
	on and after January 1, 1972	Free	15 p.c.	30 p.c.			
	Cutlery of iron or steel, plated or not:						
42907-1	Razors and complete parts thereof; razor blades, n.o.p.....	Free	23½ p.c.	30 p.c.	Free	25 p.c.	30 p.c.
	on and after January 1, 1969	Free	22 p.c.	30 p.c.			
	on and after January 1, 1970	Free	20½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	19 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
42908-1	Safety razor blades.....	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			

43000-1	Nuts and bolts with or without threads, washers, rivets, of iron or steel, coated or not, n.o.p.; nut and bolt blanks, of iron and steel.....	7½ p.c.	17½ p.c.	30 p.c.	7½ p.c. and 25 cts. cwt.	17½ p.c. and 50 cts. cwt.	25 p.c. and 75 cts. cwt.
43005-1	Hinges and butts. of iron or steel, coated or not, n.o.p.; hinge and butt blanks, of iron or steel.....	5 p.c.	17½ p.c.	30 p.c.	5 p.c. and 75 cts. cwt.	20 p.c. and 75 cts. cwt.	30 p.c. and 75 cts. cwt.
43010-1	Screws, of iron or steel, coated or not.....	15 p.c.	17½ p.c.	30 p.c.	15 p.c. 15 p.c.	20 p.c. 17½ p.c. and 50 cts. cwt.	30 p.c. 30 p.c.
43025-1	Wire nails less than one inch in length, and nails or tacks of all kinds, n.o.p., of iron or steel, coated or not.....	10 p.c.	20 p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
43030-1	Railway spikes, of iron or steel, coated or not.....	19½ p.c.	27½ p.c.	30 p.c.	20 p.c.	30 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	25 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	22½ p.c.	30 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
43035-1	Spikes, of iron or steel, coated or not, n.o.p.....	19½ p.c.	27½ p.c.	30 p.c.	20 p.c.	30 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	25 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	22½ p.c.	30 p.c.			
	on and after January 1, 1971	19½ p.c.	20 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
43120-1	Adzes, anvils, vises, cleavers, hatchets, saws, augers, bits, drills, screw-drivers, planes, spokeshaves, chisels, mallets, metal wedges, wrenches, sledges, hammers, crowbars, cantdogs, and track tools, picks, mattocks, and eyes or polls for the same....	10 p.c.	22 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
43135-1	Measuring rules and tapes of all kinds.....	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
43140-1	Files and rasps.....	Free	21½ p.c.	35 p.c.	Free	22½ p.c.	35 p.c.
	on and after January 1, 1969	Free	20½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	35 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	35 p.c.			
43200-1	Hollow-ware, of iron or steel, coated or not, n.o.p.....	10 p.c.	19½ p.c.	30 p.c.	10 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
43205-1	Kitchen and dairy hollow-ware of iron or steel, coated with tin, including cans for shipping milk or cream, not painted, japanned or decorated.....	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
43210-1	Hollow-ware, of iron or steel, coated with vitreous enamel.....	17 p.c.	21½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
43215-1	Containers manufactured from tinplate, when imported by manufacturers of food products for use exclusively in the hermetical sealing of food products, in their own factories, under regulations prescribed by the Minister.....	10 p.c.	17½ p.c.	25 p.c.	10 p.c.	20 p.c.	25 p.c.
43220-1	Manufactures of tinplate, painted, japanned, decorated or not, and manufactures of tin, n.o.p.....	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			

43405-1 Locomotives and motor cars for railways, for use exclusively in mining, metallurgical or sawmill operations, n.o.p. and chassis, tops, wheels and bodies for the same, n.o.p.	15 p.c.	19½ p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	35 p.c.		
	on and after January 1, 1970	15 p.c.	18½ p.c.	35 p.c.		
	on and after January 1, 1971	15 p.c.	18 p.c.	35 p.c.		
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.		
43410-1 Locomotives for use on railways, and chassis, tops, wheels and bodies for the same, n.o.p.	15 p.c.	23½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	35 p.c.		
	on and after January 1, 1970	15 p.c.	20½ p.c.	35 p.c.		
	on and after January 1, 1971	15 p.c.	19 p.c.	35 p.c.		
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.		
43420-1 Steel wheels for use on railway rolling stock, n.o.p.	7½ p.c.	25½ p.c.	30 p.c.	7½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	7½ p.c.	23½ p.c.	30 p.c.	7½ p.c.	30 p.c.
	on and after January 1, 1970	7½ p.c.	21½ p.c.	30 p.c.		
	on and after January 1, 1971	7½ p.c.	19½ p.c.	30 p.c.		
	on and after January 1, 1972	7½ p.c.	17½ p.c.	30 p.c.		
43430-1 Rolled steel wheels in one piece in the rough, not drilled nor machined in any manner, for railway vehicles, including locomotives and tenders, when imported for use in the manufacture of steel wheels for use on railway rolling stock.	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	19 p.c.	30 p.c.		
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.		
	on and after January 1, 1971	Free	18 p.c.	30 p.c.		
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.		
43800-1 Railway cars and parts thereof, n.o.p.	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.		
	on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.		
	on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.		
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.		
43803-1 Automobiles and motor vehicles of all kinds, n.o.p.; electric trackless trolley buses; chassis for all the foregoing.	Free	17 p.c.	27½ p.c.	Free	17½ p.c.	27½ p.c.
	on and after January 1, 1969	Free	16½ p.c.	27½ p.c.		
	on and after January 1, 1970	Free	16 p.c.	27½ p.c.		
	on and after January 1, 1971	Free	15½ p.c.	27½ p.c.		
	on and after January 1, 1972	Free	15 p.c.	27½ p.c.		

Tariff Item	—	British Preferential Tariff	Most- Favoured- Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most- Favoured-Nation Tariff	General Tariff
43803-1 (Cont'd)	Machines or other articles mounted on the foregoing or attached thereto for purposes other than loading or unloading the vehicle shall be valued separately and duty assessed under the tariff items regularly applicable thereto.						
	Bearings, clutch release, with or without collar attached;						
	Bearings, graphite;						
	Bearings, steel or bronze backed, with non-ferrous metal lining, parts and materials therefor;						
	Bearings, steering knuckle thrust;						
	Bushings or sleeve bearings of bronze or powdered metal;						
	Bushings, graphited or oil impregnated;						
	Ceramic insulator spark plug cores not further manufactured than burned and glazed, printed or decorated or not, without fittings;						
	Collars, crankshaft thrust;						
	Compressors and parts thereof, air;						
	Commutator copper segments; commutator insulating end rings;						
	Tapered discs of hot-rolled steel, with or without centre hole, for disc wheels;						
	Diaphragms for fuel and vacuum pumps;						
	Distributor rotors and cam assemblies;						
	Door bumper shoes;						
	Electric wiring terminals, sockets, fittings and connectors and parts and combinations thereof, including brackets and fittings permanently attached thereto, but not to include battery terminals;						
	Gaskets of any material except cork or felt, composite or not, parts and materials therefor;						
	Ignition contact points;						
	Keys for shafting;						

Auxiliary driving control kits, designed for attachment to motor vehicles to facilitate their operation by physically disabled persons, and parts thereof;
 Laminated composition plastic timing gear blanks;
 Lenses of glass for motor vehicle lamps and for light reflectors;
 Lock washers;
 Magnetic plugs;
 Metal frames for convertible soft tops;
 Permanent mould pistons for brake master cylinders;
 Piston ring castings in the rough, with or without gates and fins removed;
 Propeller shaft tubes of steel bonded by rubber;
 Rails of lock seam section, corners, locks and catches, unplated ventilators and parts thereof, the foregoing being of metal other than aluminum, for the manufacture of window sashes for bus bodies;
 Shift control, electric, for two speed rear axles;
 Steel bolts, studs, plugs, rivets or nuts, capped with stainless steel, and parts thereof;
 Switches, relays, circuit breakers and solenoids and combinations and parts thereof, including starter switch assemblies;
 Synchronizing cones or blocking rings for transmissions;
 Vacuum, hydraulic or air control assemblies and parts thereof;
 Vulcanized fibre in sheets, rods, strips and tubings;
 Parts of all the foregoing;

All of the foregoing for use in the manufacture or repair of goods enumerated in tariff items 41006-1, 42400-1 and 43803-1, or for use in the manufacture of parts therefor:

43807-1	When of a class or kind made in Canada.....	Free	16½ p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
	on and after January 1, 1969	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	14½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	13½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			

Ammeters;
 Arm rests and wheel housing lining of indurated fibre, pressed to shape;
 Axle housings, one piece welded, machined or not, including parts welded thereto;

Tariff Item	British Preferential Tariff	Most- Favoured- Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most- Favoured-Nation Tariff	General Tariff
(Cont'd) Carburetors;						
Chassis frames and steel shapes for the manufacture thereof;						
Cigar and cigarette lighters, whether in combination with a cigarette holder or not, including base;						
Composite frame and floor structure of metal in the rough;						
Control ventilator gear box;						
Cylinder lock barrels, with or without sleeves and keys therefor;						
Dash heat indicators;						
Door opening weatherseal retainers;						
Engine speed governor units;						
External ornaments unplated, including name plates, letters and numerals, but not including finish or decorative mouldings;						
Fluid couplings with or without drive plate assemblies;						
Gauges, gasoline, oil or air;						
Grilles not plated, polished or not before assembly, and parts thereof not plated or polished after final forming, casting or piercing, not including added finish or decorative mouldings;						
Hinges, finished or not, for bodies;						
Horns;						
Instrument bezel assemblies; instrument board lamps; instrument panel, glove compartment, luggage compartment, hood compartment and door step lamps and wire assemblies;						
Instrument board panels of moulded or laminated glass fibres and plastic;						
Locks, electric ignition, steering gear, transmission, or combinations of such locks;						
Mouldings of metal, with nails or prongs set in position, lead filled or not;						

Oil filter parts, namely: perforated filter refill oil board bodies, refill and discs, and roll-seam perforated tubes;

Ornaments and identification plates of metal, unplated, not including finished or decorative mouldings;

Pipe lines of tubing, rigid, covered or not, with or without fittings, and tubing therefor;

Purifiers for gasoline, including brackets and fittings therefor;

Radiator shutter assemblies, automatic;

Radiator water gauges;

Radiator shells not plated nor metal finished in any degree;

Reclining seat mechanisms;

Shackles, bearing spring;

Speedometers;

Spring covers of metal and closing strips or shapes therefor;

Stampings, body, cowl, fender, front end, hood, instrument board, shields and baffles, of plain or coated metal, in the rough, trimmed or not, whether or not welded in any manner before final forming or piercing, but not metal finished in any degree, including such stampings incorporating pierce or clinch nuts;

Steering wheels, rims and spiders therefor;

Sun visor blanks of gypsum weatherboard;

Swivel seat mechanisms;

Tachometers, with or without tachographs, both electric and gear driven;

Thermostatic controls;

Throttle, spark, choke, and hood lock release assemblies, including buttons therefor;

Torque converters;

Auxiliary transmission overdrive units and controls therefor;

Universal joint ball assemblies;

Windshield and window wipers;

Parts of all the foregoing, including brackets, fittings and connections therefor;

43810-1 All of the foregoing when for use in the manufacture or repair of the goods enumerated in tariff items 41006-1, 42400-1 and 43803-1, or for use in the manufacture of parts therefor..... Free

16½ p.c.

30 p.c.

Free

17½ p.c.

30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
43810-1 (Cont'd)	on and after January 1, 1969	Free	15½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	14½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	13½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	12½ p.c.	30 p.c.			
	Air cleaners;						
	Axles, front and rear;						
	Bell or clutch housings for vehicles having a gross vehicle weight rating of over 19,500 pounds;						
	Brakes;						
	Brake drums;						
	Cast aluminum road wheels for tube type tires using rim sizes larger than twenty inches by eight inches and for tubeless type tires using rim sizes larger than twenty-two and one-half inches by eight and one-quarter inches;						
	Clutches;						
	Drive shafts;						
	Fuel pumps;						
	Hubs;						
	Hydraulic or fluid couplings;						
	Internal combustion engines over 348 cubic inches in displacement;						
	Linkages and controls for use with clutches, transmission assemblies, power dividers or transfer cases, when the main assemblies are of a class or kind not made in Canada;						
	Magnetos;						
	Power dividers or transfer cases;						
	Rims for pneumatic tires;						
	Spring shrouds, spring seats, and spring anchor plates of metal for vehicles having a gross vehicle weight rating of over 19,500 pounds;						
	Steel road wheels;						
	Steering drag links for vehicles having a gross vehicle weight rating of 20,000 pounds or over;						
	Steering gears;						
	Tandem axle suspensions, not to include springs;						
	Transmission assemblies;						
	Universal joints;						

Parts of the foregoing;

All of the foregoing when of a class or kind not made in Canada, and

43819-1	For the manufacture of motor trucks, motor buses, electric trackless trolley buses, fire fighting vehicles, ambulances, hearses, and the chassis for same	Free	16½ p.c.	27½ p.c.	Free	17½ p.c.	27½ p.c.	
		on and after January 1, 1969	Free	15½ p.c.				27½ p.c.
		on and after January 1, 1970	Free	14½ p.c.				27½ p.c.
		on and after January 1, 1971	Free	13½ p.c.				27½ p.c.
		on and after January 1, 1972	Free	12½ p.c.				27½ p.c.

Internal combustion engines of 348 cubic inches and under in displacement;

Parts of the foregoing;

All of the foregoing when of a class or kind not made in Canada, and

43824-1	For the manufacture of motor trucks, motor buses, electric trackless trolley buses, fire fighting vehicles, ambulances, hearses, and the chassis for same.....	Free	16½ p.c.	27½ p.c.	Free	17½ p.c.	27½ p.c.	
		on and after January 1, 1969	Free	15½ p.c.				27½ p.c.
		on and after January 1, 1970	Free	14½ p.c.				27½ p.c.
		on and after January 1, 1971	Free	13½ p.c.				27½ p.c.
		on and after January 1, 1972	Free	12½ p.c.				27½ p.c.

43829-1	Parts, n.o.p., electro-plated or not, whether finished or not, for automobiles, motor vehicles, electric trackless trolley buses, fire fighting vehicles, ambulances and hearses, or chassis enumerated in tariff items 42400-1 and 43803-1, including engines, but not including ball or roller bearings, wireless receiving sets, die castings of zinc, electric storage batteries, parts of wood, tires and tubes or parts of which the component material of chief value is rubber.....	Free	23 p.c.	35 p.c.	Free	25 p.c.	35 p.c.	
		on and after January 1, 1969	Free	21 p.c.				35 p.c.
		on and after January 1, 1970	Free	19 p.c.				35 p.c.
		on and after January 1, 1971	Free	17 p.c.				35 p.c.
		on and after January 1, 1972	Free	15 p.c.				35 p.c.

Brake linings and clutch facings, whether or not including metallic wires or threads, for automobiles, motor vehicles, electric trackless trolley buses, fire fighting vehicles, ambulances and hearses, or chassis enumerated in tariff items 42400-1 and 43803-1;

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
43832-1	When made wholly or in part from crude asbestos of British Commonwealth origin.....	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
43833-1	When made wholly or in part from crude asbestos, n.o.p.....	15 p.c.	24 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
43845-1	Piston castings of any material, in the rough or semi-finished.....	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
43910-1	Cars, trailers including house trailers and mobile homes, n.o.p., wheelbarrows, trucks, road or railway scrapers and hand carts.....	10 p.c.	21½ p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
43915-1	Farm wagons, including four-wheeled farm wagons equipped to be tractor-drawn; farm sleds; logging wagons; logging sleds; and complete parts of all the foregoing.....	Free	12½ p.c.	25 p.c.	Free	15 p.c.	25 p.c.
43920-1	Freight wagons, drays, sleighs, n.o.p., and complete parts thereof.....	Free	23 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
	on and after January 1, 1969	Free	21 p.c.	25 p.c.			
	on and after January 1, 1970	Free	19 p.c.	25 p.c.			
	on and after January 1, 1971	Free	17 p.c.	25 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			

43930-1	Children's carriages, sleds and other vehicles; complete parts of all the foregoing.....	15 p.c.	21½ p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			

Vessels, dredges, scows, yachts, boats and other water borne craft, built outside of Canada, of any material, destined for use or service in Canadian waters (not including registered vessels, entitled to engage in the coasting trade, nor vessels in transit between Canada and any place outside thereof) n.o.p.; on the fair market value of the hull, rigging, machinery, boilers, furniture, and appurtenances thereof, on arrival in Canada:

44002-1	Other than the following.....	15 p.c.	25 p.c.	25 p.c.	15 p.c.	25 p.c.	25 p.c.
44003-1	Boats, open, including sail boats, skiffs and canoes, but not including those with inboard motors or for use with inboard motors.....	15 p.c.	19½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			

44004-1	Boats, open, including sail boats, with inboard motors or for use with inboard motors; yachts and pleasure boats, not exceeding 30 feet in length overall.....	15 p.c.	23½ p.c.	25 p.c.	15 p.c.	25 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			

Regulations may be prescribed by the Minister for exemption from further duty after the duty specified in items 44002-1, 44003-1 and 44004-1 is once paid.

44009-1	Racing shells or oars therefor, when imported by amateur rowing clubs for use exclusively by such clubs.....	Free	Free	25 p.c.	Free	20 p.c.	25 p.c.
44034-1	Trawls, trawling spoons, fly hooks, hooks, sinkers, swivels, bait, sportsmen's fishing reels, fishing rods, and fishing tackle, n.o.p.....	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
44034-1 (Cont'd)	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
Aircraft, not including engines, under such regulations as the Minister may prescribe:							
44043-1	When of types or sizes not made in Canada.....	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	on and after July 1, 1969	Free	7½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
44044-1	When of types and sizes made in Canada.....	Free	13½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
	on and after January 1, 1969	Free	12 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	10½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	9 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	7½ p.c.	27½ p.c.			
Aircraft engines, when imported for use in the equipment of aircraft:							
44047-1	When of types or sizes not made in Canada.....	Free	Free	27½ p.c.	Free	Free	27½ p.c.
	on and after July 1, 1969	Free	7½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
44048-1	When of types and sizes made in Canada.....	Free	13½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
	on and after January 1, 1969	Free	12 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	10½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	9 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	7½ p.c.	27½ p.c.			
Parts of aircraft, n.o.p.:							
44052-1	When of types and sizes made in Canada.....	Free	13½ p.c.	27½ p.c.	Free	15 p.c.	27½ p.c.
	on and after January 1, 1969	Free	12 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	10½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	9 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	7½ p.c.	27½ p.c.			

44100-1	Guns, rifles, including air guns and air rifles not being toys; muskets, cannons, pistols, revolvers, or other firearms, n.o.p.; cartridge cases, cartridges, primers, percussion caps, wads or other ammunition, n.o.p.; bayonets, swords, fencing foils and masks; gun or pistol covers or cases, game bags, loading tools and cartridge belts of any material.....	10 p.c.	22 p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.	
		on and after January 1, 1969	10 p.c.	21½ p.c.	30 p.c.			
		on and after January 1, 1970	10 p.c.	21 p.c.	30 p.c.			
		on and after January 1, 1971	10 p.c.	20½ p.c.	30 p.c.			
		on and after January 1, 1972	10 p.c.	20 p.c.	30 p.c.			
44300-1	Apparatus, and parts thereof, for cooking or for heating buildings.....	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.	
		on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
		on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
		on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
		on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
44330-1	Timing devices for apparatus for cooking or for heating buildings; parts thereof.....	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.	
		on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.			
		on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.			
		on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.			
		on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
44335-1	Timers for radios and parts thereof.....	15 p.c.	21½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.	
		on and after January 1, 1969	15 p.c.	20½ p.c.	30 p.c.			
		on and after January 1, 1970	15 p.c.	19½ p.c.	30 p.c.			
		on and after January 1, 1971	15 p.c.	18½ p.c.	30 p.c.			
		on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
44400-1	Gas meters, and complete parts thereof.....	12½ p.c.	21½ p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.	
		on and after January 1, 1969	12½ p.c.	20½ p.c.	35 p.c.			
		on and after January 1, 1970	12½ p.c.	19½ p.c.	35 p.c.			
		on and after January 1, 1971	12½ p.c.	18½ p.c.	35 p.c.			
		on and after January 1, 1972	12½ p.c.	17½ p.c.	35 p.c.			
44405-1	Gas, coal oil or other lighting fixtures and appliances, n.o.p., including tips, burners, collars and galleries; gas mantles and incandescent gas burners; complete parts of all the foregoing.....	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.	
		on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
		on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
		on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
		on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
44410-1	Lamp shades, n.o.p., and shade holders.....	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
44500-1	Electric light fixtures and appliances, n.o.p., and complete parts thereof.....	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
44502-1	Electric head, side, and tail lights, n.o.p.; electric torches or flashlights and complete parts thereof..	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
44504-1	Electric arc lamps and incandescent electric light lamps, n.o.p.	19 p.c.	24 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	18 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	17 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
44506-1	Electric telegraph apparatus and complete parts thereof.....	Free	19½ p.c.	30 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	19 p.c.	30 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18 p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
44508-1	Electric telephone apparatus and complete parts thereof.....	10 p.c.	21½ p.c.	30 p.c.	10 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 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.....	15 p.c.	21½ p.c.	27½ p.c.	15 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	19½ p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	27½ p.c.			
44514-1	Electric dynamos or generators and transformers, and complete parts thereof, n.o.p.....	15 p.c.	19 p.c.	37½ p.c.	15 p.c.	22½ p.c.	37½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	37½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	37½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	37½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	37½ p.c.			
44516-1	Electric motors, and complete parts thereof, n.o.p....	15 p.c.	19 p.c.	37½ p.c.	15 p.c.	22½ p.c.	37½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	37½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	37½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	37½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	37½ p.c.			
44518-1	Electric insulators of all kinds, n.o.p., and complete parts thereof.....	15 p.c.	19 p.c.	27½ p.c.	15 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
44520-1	Electric sad irons and complete parts thereof.....	12½ p.c.	22 p.c.	27½ p.c.	12½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	27½ p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	27½ p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	27½ p.c.			
44524-1	Electric apparatus and complete parts thereof, n.o.p..	15 p.c.	20 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
44526-1	Electric storage batteries, composed of plates measuring not less than eleven inches by fourteen inches and not less than three-quarters inch in thickness; complete parts thereof.....	Free	19½ p.c.	27½ p.c.	Free	20 p.c.	27½ p.c.
	on and after January 1, 1969	Free	19 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	18 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	17½ p.c.	27½ p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
44533-1	Radio and television apparatus and parts thereof, n.o.p.....	Free	19 p.c.	29 p.c.	Free	20 p.c.	30 p.c.
	on and after January 1, 1969	Free	18 p.c.	28 p.c.			
	on and after January 1, 1970	Free	17 p.c.	27 p.c.			
	on and after January 1, 1971	Free	16 p.c.	26 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			
44534-1	Radio or television receiving sets incorporating a record playing device.....	14 p.c.	19 p.c.	29 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	13 p.c.	18 p.c.	28 p.c.			
	on and after January 1, 1970	12 p.c.	17 p.c.	27 p.c.			
	on and after January 1, 1971	11 p.c.	16 p.c.	26 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	25 p.c.			
44535-1	Phonographs and parts thereof, n.o.p.....	14 p.c.	19 p.c.	29 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	13 p.c.	18 p.c.	28 p.c.			
	on and after January 1, 1970	12 p.c.	17 p.c.	27 p.c.			
	on and after January 1, 1971	11 p.c.	16 p.c.	26 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	25 p.c.			
44548-1	Transformers and inductors for use in the manufacture or repair of the goods enumerated in tariff items 44533-1, 44534-1, 44535-1, 44536-1, 44538-1 and 44540-1.....	14 p.c.	19 p.c.	29 p.c.	15 p.c.	22½ p.c.	37½ p.c.
	on and after January 1, 1969	13 p.c.	18 p.c.	28 p.c.	Various	Various	Various
	on and after January 1, 1970	12 p.c.	17 p.c.	27 p.c.			
	on and after January 1, 1971	11 p.c.	16 p.c.	26 p.c.			
	on and after January 1, 1972	10 p.c.	15 p.c.	25 p.c.			
44600-1	Electric steam turbo generator sets, 700 h.p. and greater, of a class or kind not made in Canada, and complete parts thereof.....	Free	17½ p.c.	25 p.c.	Free	20 p.c.	25 p.c.
44603-1	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.....	10 p.c.	20 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	35 p.c.			

44606-1	Steel bicycle rims, not enamelled nor plated.....	Free	17½ p.c.	35 p.c.	Free	27½ p.c.	35 p.c.
44612-1	Bottles or cylinders of steel for use as high-pressure containers for gas.....	Free	19½ p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	19 p.c.	25 p.c.			
	on and after January 1, 1970	Free	18½ p.c.	25 p.c.			
	on and after January 1, 1971	Free	18 p.c.	25 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	25 p.c.			
44621-1	Electric apparatus designed for welding, n.o.p., and parts thereof, not including motors.....	5 p.c.	19 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	30 p.c.			
44622-1	High frequency and ultra high frequency electric resistance welding apparatus.....	5 p.c.	10 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
44627-1	Gas apparatus designed for welding or cutting and parts thereof, n.o.p.....	5 p.c.	19 p.c.	30 p.c.	5 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	30 p.c.			
44641-1	Welding rods or welding wires, including consumable welding electrodes, of iron or steel, flux-coated, other than as provided for in tariff item 44640-1.....	10 p.c.	20 p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	35 p.c.			
44700-1	Water pumps, hand or power, for domestic purposes only.....	Free	21½ p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
	on and after January 1, 1969	Free	20½ p.c.	30 p.c.			
	on and after January 1, 1970	Free	19½ p.c.	30 p.c.			
	on and after January 1, 1971	Free	18½ p.c.	30 p.c.			
	on and after January 1, 1972	Free	17½ p.c.	30 p.c.			
45005-1	Ice skates, not including skates with boots attached, and metal parts thereof.....	14½ p.c.	20½ p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	14 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1970	13½ p.c.	16½ p.c.	30 p.c.			
	on and after January 1, 1971	13 p.c.	14½ p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	30 p.c.			

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
45100-1 Buckles, clasps, eyelets, hooks and eyes, dome, snap or other fasteners of iron, steel, brass or other metal, coated or not, n.o.p. (not being jewellery); parts of all the foregoing.....	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
45105-1 Spring-beard needles and latch needles.....	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
and, per thousand		\$1.20	\$1.50		\$1.50	\$1.50
on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
and, per thousand		90 cts.	\$1.50			
on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
and, per thousand		60 cts.	\$1.50			
on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
and, per thousand		30 cts.	\$1.50			
on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
45110-1 Needles, of any material or kind, n.o.p.....	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
45116-1 Pins manufactured from wire of any metal:						
N.o.p;.....	15 p.c.	24 p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.
and, per pound		8 cts.	10 cts.		10 cts.	10 cts.
on and after January 1, 1969	15 p.c.	23 p.c.	30 p.c.			
and, per pound		6 cts.	10 cts.			
on and after January 1, 1970	15 p.c.	22 p.c.	30 p.c.			
and, per pound		4 cts.	10 cts.			
on and after January 1, 1971	15 p.c.	21 p.c.	30 p.c.			
and, per pound		2 cts.	10 cts.			
on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
45120-1 Corset clasps, busks, blanks, steels, and covered corset wires, cut to length, tipped or untipped; reed, rattan or horn, covered.....	15 p.c.	26 p.c.	30 p.c.	15 p.c.	27½ p.c.	30 p.c.

	on and after January 1, 1969	15 p.c.	24½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
45130-1	Slide, hookless, or zipper fasteners.....	25 p.c.	26½ p.c.	40 p.c.	25 p.c.	27½ p.c.	40 p.c.
	on and after January 1, 1969	25 p.c.	25½ p.c.	40 p.c.			
	on and after January 1, 1970	24 p.c.	24½ p.c.	40 p.c.			
	on and after January 1, 1971	23 p.c.	23½ p.c.	40 p.c.			
	on and after January 1, 1972	22½ p.c.	22½ p.c.	40 p.c.			
45300-1	Metal parts when imported by manufacturers of covered buttons for use exclusively in the manufacture of covered buttons, in their own factories, under regulations prescribed by the Minister.....	Free	20 p.c.	30 p.c.	Free	22½ p.c.	30 p.c.
46105-1	Safes including doors; doors and door frames for vaults; scales, balances and weighing beams of all kinds, n.o.p.....	10 p.c.	19½ p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	35 p.c.			
46205-1	Cameras, n.o.p., of a class or kind made in Canada; complete parts thereof.....	7½ p.c.	19 p.c.	30 p.c.	7½ p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	7½ p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	7½ p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	7½ p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	7½ p.c.	15 p.c.	30 p.c.			
46230-1	Parts, unfinished, for use in the manufacture of cameras.....	Free	Free	7½ p.c.	Free	5 p.c.	7½ p.c.
46505-1	Radioisotope activated light sources and signs or indicating markers of material other than paper with radioisotope activated light source.....	7½ p.c.	7½ p.c.	30 p.c.	7½ p.c.	17½ p.c.	30 p.c.
46510-1	Radioisotope activated self-luminous standards for calibration purposes.....	7½ p.c.	7½ p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
46700-1	Window shade or blind rollers.....	12½ p.c.	22 p.c.	30 p.c.	12½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
46800-1	Animal cages of wire and metal parts thereof.....	10 p.c.	17½ p.c.	35 p.c.	10 p.c.	22½ p.c.	35 p.c.
47000-1	Patterns of iron, steel, brass or other metal, not being models.....	17½ p.c.	17½ p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
47100-1	Belt pulleys of all kinds, n.o.p., for power transmission	15 p.c.	19 p.c.	27½ p.c.	15 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	27½ p.c.			
47105-1	Pressed steel belt pulleys for power transmission, and finished or unfinished parts thereof, including interchangeable bushings.....	Free	19 p.c.	27½ p.c.	Free	20 p.c.	27½ p.c.
	on and after January 1, 1969	Free	18 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	17 p.c.	27½ p.c.			
	on and after January 1, 1971	Free	16 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	15 p.c.	27½ p.c.			
48900-1	Crucibles of platinum, rhodium and iridium, and covers therefor.....	Free	Free	15 p.c.	Free	Free	Free
					Free	15 p.c.	15 p.c.
49400-1	Manufactures of corkwood or cork bark, n.o.p., including strips, shives, shells and washers of cork..	Free	8 p.c.	20 p.c.	Free	10 p.c.	20 p.c.
	on and after January 1, 1969	Free	6 p.c.	20 p.c.			
	on and after January 1, 1970	Free	4 p.c.	20 p.c.			
	on and after January 1, 1971	Free	2 p.c.	20 p.c.			
	on and after January 1, 1972	Free	Free	20 p.c.			
49500-1	Corks, manufactured from corkwood.....per pound	Free	Free	5 cts.	2 cts. 2 cts.	2 cts. 2 cts.	5 cts. 8 cts.
50000-1	Logs, poles, sticks, roots, posts, piles and railway ties of wood.....	Free	Free	Free	Free	Free	Free
					17½ p.c.	20 p.c.	25 p.c.
50005-1	Firewood, wood waste, fuel made from wood waste with or without a binder, saw dust of wood and wood chips.....	Free	Free	Free	Free	Free	Free
					15 p.c.	20 p.c.	25 p.c.

50010-1	Blocks and bolts of wood, not further manufactured than rough shaped by boring, hewing or sawing....	Free	Free	Free	Free Various	Free Various	Free Various
50015-1	Shingles, lath and treenails of wood.....	Free	Free	Free	Free Free	Free Free	Free 25 p.c.
50020-1	Fence pickets, palings and rails of wood, whether or not assembled into fence sections.....	Free	Free	Free	Free 17½ p.c.	Free 20 p.c.	Free 25 p.c.
50025-1	Staves, hoops and heading of wood for use in the manufacture of barrels or kegs.....	Free	Free	Free	Free Various	Free Various	Free Various
50030-1	Dowel rods and pins of wood, not sanded, grooved or otherwise further manufactured.....	Free	Free	Free	17½ p.c.	20 p.c.	25 p.c.
50035-1	Wooden handles or stems for handles for axes, spades, hand shovels, hand hoes, hand rakes, and hand forks, not further manufactured than turned; scale board for cheese; Mexican saddle trees and stirrups of wood; felloes of hickory or oak; wooden spokes and wooden last blocks, not further manufactured than turned.....	Free	Free	Free	Free 10 p.c.	Free 10 p.c.	Free 15 p.c.
50040-1	Timber or lumber of wood of any species, not further manufactured than sawn.....	Free	Free	Free	Free	Free	Free
50045-1	Timber or lumber of wood of any species, further manufactured than sawn but not further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder.....	Free	Free	Free	Free 10 p.c. Various	Free 10 p.c. Various	Free 25 p.c. Various
50050-1	Timber or lumber of softwood (the wood of any coniferous species of tree), drilled but not otherwise further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder.....	Free	Free	Free	17½ p.c.	20 p.c.	25 p.c.

Tariff Item	Present Rates					
	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
50055-1 Edge-glued or end-glued rectangular wood not over six feet in length or over fifteen inches in width, not drilled and not further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder.....	Free	Free	Free	Free 5 p.c. 10 p.c.	Free 5 p.c. 10 p.c.	25 p.c. 25 p.c. 25 p.c.
50060-1 Timber or lumber of hardwood (the wood of any deciduous species of tree), drilled but not otherwise further manufactured than the product of a planing machine with various profile attachments or not further manufactured than matched or patterned on a matching machine, sticker or moulder.....	5 p.c.	5 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
50065-1 Floor tiles made of individual strips of wood joined together.....	11½ p.c.	11½ p.c.	25 p.c.	12½ p.c.	12½ p.c.	25 p.c.
on and after January 1, 1969	10½ p.c.	10½ p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
on and after January 1, 1970	9½ p.c.	9½ p.c.	25 p.c.			
on and after January 1, 1971	8½ p.c.	8½ p.c.	25 p.c.			
on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
50066-1 Flooring of oak, tongued, grooved or jointed, whether drilled or not.....	11½ p.c.	11½ p.c.	25 p.c.	12½ p.c.	12½ p.c.	25 p.c.
on and after January 1, 1969	10½ p.c.	10½ p.c.	25 p.c.			
on and after January 1, 1970	9½ p.c.	9½ p.c.	25 p.c.			
on and after January 1, 1971	8½ p.c.	8½ p.c.	25 p.c.			
on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
50068-1 Flooring of wood, n.o.p., tongued, grooved or jointed, whether drilled or not.....	Free	Free	25 p.c.	12½ p.c. 17½ p.c.	12½ p.c. 20 p.c.	25 p.c. 25 p.c.
50070-1 Timber or lumber of wood of any species, whether or not drilled, but otherwise not further manufactured than surface-sanded or otherwise surface processed, or dimensionally stabilized, n.o.p.....	5 p.c.	5 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.

50075-1	Timber, lumber and mouldings of wood, n.o.p.....	10 p.c.	10 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
	<p>1. The term "lumber" in items 50000-1 to 50075-1, inclusive, includes: siding and mouldings of wood having the same profile and cross-section throughout their length, edge-glued or end-glued wood over 6 feet in length and not over 15 inches in width if such wood as a solid piece without joints would be deemed to be lumber.</p> <p>2. The provisions of tariff items 50000-1 to 50060-1, inclusive, apply to the products specified therein whether or not they have been treated with creosote or other wood preservative, but not if they have been dimensionally stabilized, or treated with fire retardant materials, fillers, sealers, waxes, oils, stains, varnishes, paints or enamels.</p> <p>3. The provisions of tariff items 50065-1, 50066-1, 50068-1, 50070-1 and 50075-1 apply to the products specified therein whether or not dimensionally stabilized, treated with creosote, other preservative, fire retardant materials, fillers, sealers, waxes, oils, stains, varnishes, paints or enamels.</p>						
50600-1	Manufactures of wood, n.o.p.....	17 p.c.	19 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	17 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			
50603-1	Hockey sticks.....	15 p.c.	15 p.c.	25 p.c.	17½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	12½ p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	10 p.c.	25 p.c.			
	on and after January 1, 1971	7½ p.c.	7½ p.c.	25 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
50610-1	Wooden doors of a height and width not less than 6 feet and 2 feet, respectively.....	Free	21 p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	19½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	18 p.c.	25 p.c.			
	on and after January 1, 1971	Free	16½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			
50705-1	Single-ply, sliced or rotary-cut veneers of wood, n.o.p., not over five-sixteenths of an inch in thickness, not taped nor jointed.....	9½ p.c.	11½ p.c.	20 p.c.	10 p.c.	12½ p.c.	20 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
50705-1 (Cont'd)	on and after January 1, 1969	9 p.c.	10½ p.c.	20 p.c.			
	on and after January 1, 1970	8½ p.c.	9½ p.c.	20 p.c.			
	on and after January 1, 1971	8 p.c.	8½ p.c.	20 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	20 p.c.			
50710-1	Veneers of wood of any kind, not over five-sixteenths of an inch in thickness, taped or jointed.....	10 p.c.	18 p.c.	25 p.c.	10 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	10 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1970	10 p.c.	14 p.c.	25 p.c.			
	on and after January 1, 1971	10 p.c.	12 p.c.	25 p.c.			
	on and after January 1, 1972	10 p.c.	10 p.c.	25 p.c.			
50715-1	Plywood.....	17 p.c.	19 p.c.	35 p.c.	17½ p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	35 p.c.			
50720-1	Veneers, namely: Australian blackwood, walnut, silky oak, silkwood, blackbean, maple, Tasmanian myrtle, and eucalyptus, single-ply and not over three thirty-seconds of an inch in thickness.....	9½ p.c.	11½ p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	9 p.c.	10½ p.c.	15 p.c.			
	on and after January 1, 1970	8½ p.c.	9½ p.c.	15 p.c.			
	on and after January 1, 1971	8 p.c.	8½ p.c.	15 p.c.			
	on and after January 1, 1972	7½ p.c.	7½ p.c.	15 p.c.			
50725-1	Plywood faced with metal on one or both sides.....	5 p.c.	19 p.c.	35 p.c.	5 p.c.	20 p.c.	35 p.c.
	on and after January 1, 1969	5 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1970	5 p.c.	17 p.c.	35 p.c.			
	on and after January 1, 1971	5 p.c.	16 p.c.	35 p.c.			
	on and after January 1, 1972	5 p.c.	15 p.c.	35 p.c.			
50900-1	Vulcanized fibre, kartavert, indurated fibre, and like material, and manufactures thereof, n.o.p.....	17 p.c.	17 p.c.	25 p.c.	17½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	16½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1970	16 p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1971	15½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	25 p.c.			

51100-1	Walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; racquets and racquet frames and baseball bats; balls of all kinds for use in sports, games or athletics, n.o.p.	15 p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.	
		on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
		on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
		on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.	Various	Various	Various
		on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
51105-1	Cricket bats, balls, gloves and leg guards	Free	28 p.c.	35 p.c.	Free	30 p.c.	35 p.c.	
		on and after January 1, 1969	Free	26 p.c.				35 p.c.
		on and after January 1, 1970	Free	24 p.c.				35 p.c.
		on and after January 1, 1971	Free	22 p.c.				35 p.c.
		on and after January 1, 1972	Free	20 p.c.				35 p.c.
51120-1	Ski poles	19½ p.c.	19½ p.c.	35 p.c.	20 p.c.	20 p.c.	35 p.c.	
		on and after January 1, 1969	19 p.c.	35 p.c.				
		on and after January 1, 1970	18½ p.c.	35 p.c.				
		on and after January 1, 1971	18 p.c.	35 p.c.				
		on and after January 1, 1972	17½ p.c.	35 p.c.				
51200-1	Picture frames and photograph frames, of any material	17 p.c.	19 p.c.	30 p.c.	17½ p.c.	20 p.c.	30 p.c.	
		on and after January 1, 1969	17 p.c.	18 p.c.				30 p.c.
		on and after January 1, 1970	15 p.c.	17 p.c.				30 p.c.
		on and after January 1, 1971	15 p.c.	16 p.c.				30 p.c.
		on and after January 1, 1972	15 p.c.	15 p.c.				30 p.c.
51300-1	Window cornices and cornice poles of all kinds	19 p.c.	23 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.	
		on and after January 1, 1969	18 p.c.	21 p.c.				30 p.c.
		on and after January 1, 1970	17 p.c.	19 p.c.				30 p.c.
		on and after January 1, 1971	15 p.c.	17 p.c.				30 p.c.
		on and after January 1, 1972	15 p.c.	15 p.c.				30 p.c.
51400-1	Coffins and caskets, and metal parts thereof	17½ p.c.	22 p.c.	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.	
		on and after January 1, 1969	17½ p.c.	21½ p.c.				25 p.c.
		on and after January 1, 1970	17½ p.c.	21 p.c.				25 p.c.
		on and after January 1, 1971	17½ p.c.	20½ p.c.				25 p.c.
		on and after January 1, 1972	17½ p.c.	20 p.c.				25 p.c.
51500-1	Show-cases, of all kinds, and metal parts thereof	22½ p.c.	24 p.c.	35 p.c.	22½ p.c.	25 p.c.	35 p.c.	
		on and after January 1, 1969	22½ p.c.	23 p.c.				35 p.c.
		on and after January 1, 1970	21½ p.c.	22 p.c.				35 p.c.
		on and after January 1, 1971	20½ p.c.	21 p.c.				35 p.c.
		on and after January 1, 1972	20 p.c.	20 p.c.				35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
51600-1	Blinds of wood, metal or other material, not textile or paper.....	Free	28 p.c.	35 p.c.	Free	30 p.c.	35 p.c.
	on and after January 1, 1969	Free	26 p.c.	35 p.c.			
	on and after January 1, 1970	Free	24 p.c.	35 p.c.			
	on and after January 1, 1971	Free	22 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
51700-1	Wire screens, wire doors and wire windows.....	19½ p.c.	23½ p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1970	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
51800-1	Bagatelle and other game tables or boards.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
51805-1	Billiard tables, with or without pockets; cues, balls, cue-racks and cue-tips.....	17½ p.c.	28 p.c.	35 p.c.	17½ p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	26 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 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:						
51901-1	Other than the following.....	15 p.c.	24 p.c.	45 p.c.	15 p.c.	25 p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	23 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	45 p.c.			

51902-1	In chief part by value of metal.....	15 p.c.	23½ p.c.	45 p.c.	15 p.c.	25 p.c.	45 p.c.
	on and after January 1, 1969	15 p.c.	22 p.c.	45 p.c.			
	on and after January 1, 1970	15 p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1971	15 p.c.	19 p.c.	45 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	45 p.c.			
52010-1	Cotton fibres, n.o.p., and carded sliver, wholly of cotton.....	5 p.c.	9 p.c.	12½ p.c.	5 p.c.	10 p.c.	13½ p.c.
	on and after January 1, 1969	5 p.c.	8 p.c.	12½ p.c.			
	on and after January 1, 1970	5 p.c.	7 p.c.	12½ p.c.			
	on and after January 1, 1971	5 p.c.	6 p.c.	12½ p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	12½ p.c.			
	Yarns and rovings, including threads, cords and twines, wholly of cotton:						
52107-1	Other, n.o.p.....	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
	Woven fabrics, wholly of cotton:						
52201-1	Not bleached, mercerized nor coloured, n.o.p.....	15 p.c.	19½ p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	30 p.c.			
52202-1	Bleached or mercerized, not coloured, n.o.p.....	17½ p.c.	22 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
52203-1	Coloured, n.o.p.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
52204-1	Composed of yarns of counts of one hundred or more, including all such fabrics in which the average of the count of warp and weft yarns is one hundred or more, not including labels or name-tapes.....	Free	24 p.c.	35 p.c.	Free	25 p.c.	35 p.c.
	on and after January 1, 1969	Free	23 p.c.	35 p.c.			
	on and after January 1, 1970	Free	22 p.c.	35 p.c.			
	on and after January 1, 1971	Free	21 p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
52205-1	With cut pile.....	10 p.c.	24 p.c.	35 p.c.	10 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	35 p.c.			
52208-1	Not coloured, for use in the manufacture of ribbons for typewriters, calculators, or other office appliances.....	Free	12 p.c.	15 p.c.	Free	12½ p.c.	15 p.c.
	on and after January 1, 1969	Free	11½ p.c.	15 p.c.			
	on and after January 1, 1970	Free	11 p.c.	15 p.c.			
	on and after January 1, 1971	Free	10½ p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
52305-1	Clothing, wearing apparel and other articles, made from woven fabrics wholly of cotton; all textile manufactures, wholly or partially manufactured, the component fibre of which is wholly cotton, n.o.p.....	24½ p.c.	24½ p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	24 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	23½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	23 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	22½ p.c.	22½ p.c.	35 p.c.			
52310-1	Handkerchiefs, wholly of cotton.....	12½ p.c.	26½ p.c.	35 p.c.	12½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	12½ p.c.	25½ p.c.	35 p.c.			
	on and after January 1, 1970	12½ p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1971	12½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1972	12½ p.c.	22½ p.c.	35 p.c.			

52500-1	Woven fabrics, wholly of cotton, specially treated and glazed, when imported by rubber manufacturers for use, in their own factories, exclusively as a detachable protective covering for uncured rubber sheeting.....	Free	26½ p.c.	35 p.c.	Free	27½ p.c.	35 p.c.	
		on and after January 1, 1969	Free	25½ p.c.	35 p.c.			
		on and after January 1, 1970	Free	24½ p.c.	35 p.c.			
		on and after January 1, 1971	Free	23½ p.c.	35 p.c.			
		on and after January 1, 1972	Free	22½ p.c.	35 p.c.			
52800-1	White cotton bobbinet, plain, in the web.....	Free	12 p.c.	25 p.c.	Free	12½ p.c.	25 p.c.	
		on and after January 1, 1969	Free	11½ p.c.	25 p.c.			
		on and after January 1, 1970	Free	11 p.c.	25 p.c.			
		on and after January 1, 1971	Free	10½ p.c.	25 p.c.			
		on and after January 1, 1972	Free	10 p.c.	25 p.c.			
53010-1	Slivers, wholly or in part of wool, not containing man-made fibres or glass fibres..... per pound	Free	9 cts.	15 cts.	Free	10 cts.	15 cts.	
		on and after January 1, 1969, per pound	Free	8 cts.	15 cts.			
		on and after January 1, 1970, per pound	Free	7 cts.	15 cts.			
		on and after January 1, 1971, per pound	Free	6 cts.	15 cts.			
		on and after January 1, 1972, per pound	Free	5 cts.	15 cts.			
53020-1	Hair, curled or dyed, n.o.p.....	11½ p.c.	13½ p.c.	20 p.c.	12½ p.c.	15 p.c.	20 p.c.	
		on and after January 1, 1969	10½ p.c.	12 p.c.	20 p.c.			
		on and after January 1, 1970	9½ p.c.	10½ p.c.	20 p.c.			
		on and after January 1, 1971	8½ p.c.	9 p.c.	20 p.c.			
		on and after January 1, 1972	7½ p.c.	7½ p.c.	20 p.c.			
53105-1	Rovings and yarns, fifty per cent or more, by weight, of hair.....	Free	9½ p.c.	20 p.c.	Free	10 p.c.	20 p.c.	
		and, per pound		17½ cts.			17½ cts.	
		on and after January 1, 1969	Free	9 p.c.	20 p.c.			
		and, per pound		17½ cts.				
		on and after January 1, 1970	Free	8½ p.c.	20 p.c.			
		and, per pound		17½ cts.				
		on and after January 1, 1971	Free	8 p.c.	20 p.c.			
and, per pound		17½ cts.						
53110-1	Rovings and yarns, wholly or in part of wool, or in part of hair, n.o.p.....	7½ p.c.	12 p.c.	22½ p.c.	7½ p.c.	12½ p.c.	22½ p.c.	
		and, per pound	7 cts.	15.6 cts.	7 cts.	17 cts.	22½ cts.	
		on and after January 1, 1969	7½ p.c.	11½ p.c.	22½ p.c.			
		and, per pound	7 cts.	14.2 cts.	22½ cts.			
		on and after January 1, 1970	7½ p.c.	11 p.c.	22½ p.c.			
		and, per pound	7 cts.	12.8 cts.	22½ cts.			
		on and after January 1, 1971	7½ p.c.	10½ p.c.	22½ p.c.			
and, per pound	7 cts.	11.4 cts.	22½ cts.					
	on and after January 1, 1972	7½ p.c.	10 p.c.	22½ p.c.				
		and, per pound	7 cts.	10 cts.	22½ cts.			

Tariff Item	Present Rates					
	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
53115-1 Rovings and yarns, wholly or in part of wool or hair, in measured skeins or balls.....	7½ p.c.	12 p.c.	22½ p.c.	7½ p.c.	12½ p.c.	22½ p.c.
and, per pound	10 cts.	19 cts.	22½ cts.	10 cts.	20 cts.	22½ cts.
on and after January 1, 1969	7½ p.c.	11½ p.c.	22½ p.c.			
and, per pound	10 cts.	18 cts.	22½ cts.			
on and after January 1, 1970	7½ p.c.	11 p.c.	22½ p.c.			
and, per pound	10 cts.	17 cts.	22½ cts.			
on and after January 1, 1971	7½ p.c.	10½ p.c.	22½ p.c.			
and, per pound	10 cts.	16 cts.	22½ cts.			
on and after January 1, 1972	7½ p.c.	10 p.c.	22½ p.c.			
and, per pound	10 cts.	15 cts.	22½ cts.			
53120-1 Yarns and warps, spun on the worsted system, composed wholly of wool or in part of wool or hair, imported by manufacturers for use in their own factories in the manufacture of woven fabrics in chief part by weight of wool or hair and not exceeding six ounces to the square yard, when in the gray or unfinished condition, under such regulations as may be prescribed by the Minister.....	Free	14 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
and, per pound		14 cts.	17½ cts.		15 cts.	17½ cts.
on and after January 1, 1969	Free	13 p.c.	20 p.c.			
and, per pound		13 cts.	17½ cts.			
on and after January 1, 1970	Free	12 p.c.	20 p.c.			
and, per pound		12 cts.	17½ p.c.			
on and after January 1, 1971	Free	11 p.c.	20 p.c.			
and, per pound		11 cts.	17½ cts.			
on and after January 1, 1972	Free	10 p.c.	20 p.c.			
and, per pound		10 cts.	17½ cts.			

53205-1	Woven fabrics composed wholly or in part of yarns of wool or hair, n.o.p.....	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	and, per pound	20 cts.	35.4 cts.	40 cts.	20 cts.	38 cts.	40 cts.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	and, per pound	20 cts.	32.8 cts.	40 cts.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	and, per pound	20 cts.	30.2 cts.	40 cts.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	and, per pound	20 cts.	27.6 cts.	40 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound	20 cts.	25 cts.	40 cts.			

The total duty leviable shall not be in excess of....
.....per pound 60 cts.

53210-1	Woven fabrics composed wholly or in part of yarns of wool or hair and weighing not less than twelve ounces to the square yard.....	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	and, per pound	15 cts.	31.4 cts.	40 cts.	15 cts.	33 cts.	40 cts.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	and, per pound	15 cts.	29.8 cts.	40 cts.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	and, per pound	15 cts.	28.2 cts.	40 cts.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	and, per pound	15 cts.	26.6 cts.	40 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound	15 cts.	25 cts.	40 cts.			

The total duty leviable shall not be in excess of....
.....per pound 55 cts.

53215-1	Woven fabrics composed wholly or in chief part by weight of yarns of wool or hair and weighing not more than nine ounces to the square yard, n.o.p....	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	and, per pound	20 cts.	35.4 cts.	40 cts.	20 cts.	38 cts.	40 cts.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	and, per pound	20 cts.	32.8 cts.	40 cts.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	and, per pound	20 cts.	30.2 cts.	40 cts.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	and, per pound	20 cts.	27.6 cts.	40 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound	20 cts.	25 cts.	40 cts.			

The total duty leviable shall not be in excess of..
.....per pound 60 cts.

\$1.10

60 cts.

\$1.10

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
53220-1	Woven fabrics, composed wholly or in chief part by weight of yarns of wool or hair, not exceeding in weight four ounces to the square yard, when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada.....	Free	20 p.c. 12 cts.	30 p.c. 20 cts.	Free	20 p.c. 15 cts.	30 p.c. 20 cts.
	and, per pound						
	on and after January 1, 1969	Free	20 p.c. 9 cts.	30 p.c. 20 cts.			
	and, per pound						
	on and after January 1, 1970	Free	20 p.c. 6 cts.	30 p.c. 20 cts.			
	and, per pound						
	on and after January 1, 1971	Free	20 p.c. 3 cts.	30 p.c. 20 cts.			
	and, per pound						
	on and after January 1, 1972	Free	20 p.c.	30 p.c. 20 cts.			
	and, per pound						
53225-1	Woven fabrics composed wholly or in part of yarns of wool, imported in the web in lengths of not less than five yards each, for use exclusively in the manufacture of neckties, matching necktie and pocket puff sets, scarves or mufflers, but not including such fabrics for use as interlining.....	Free	14 p.c.	40 p.c. 40 cts.	Free	15 p.c.	40 p.c. 40 cts.
	and, per pound						
	on and after January 1, 1969	Free	13 p.c.	40 p.c. 40 cts.	Various	Various	Various
	and, per pound						
	on and after January 1, 1970	Free	12 p.c.	40 p.c. 40 cts.			
	and, per pound						
	on and after January 1, 1971	Free	11 p.c.	40 p.c. 40 cts.			
	and, per pound						
	on and after January 1, 1972	Free	10 p.c.	40 p.c. 40 cts.			
	and, per pound						
	In the case of such fabrics weighing not more than nine ounces to the square yard, the total duty leviable shall not be in excess of.....per pound	—	\$1.10	—	—	\$1.10	—
53230-1	Woven billiard cloth composed wholly or in part of wool or hair; melton cloth for use in the manufacture of tennis balls.....	Free	20 p.c.	40 p.c.	Free	20 p.c.	40 p.c.

	and, per pound		20 cts.	35 cts.		25 cts.	35 cts.	
	on and after January 1, 1969	Free	20 p.c.	40 p.c.				
	and, per pound		15 cts.	35 cts.				
	on and after January 1, 1970	Free	20 p.c.	40 p.c.				
	and, per pound		10 cts.	35 cts.				
	on and after January 1, 1971	Free	20 p.c.	40 p.c.				
	and, per pound		5 cts.	35 cts.				
	on and after January 1, 1972	Free	20 p.c.	40 p.c.				
	and, per pound			35 cts.				
53235-1	Haircloth, composed of horsehair in combination with any vegetable fibre.....		17½ p.c.	26 p.c.	30 p.c.	17½ p.c.	27½ p.c.	30 p.c.
	on and after January 1, 1969		17½ p.c.	24½ p.c.	30 p.c.			
	on and after January 1, 1970		17½ p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1971		17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1972		17½ p.c.	20 p.c.	30 p.c.			
53305-1	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or hair, when the textile component thereof is not more than fifty per cent, by weight, of silk, n.o.p.....		24½ p.c.	27 p.c.	55 p.c.	25 p.c.	27½ p.c.	55 p.c.
	on and after January 1, 1969		24 p.c.	26½ p.c.	55 p.c.			
	on and after January 1, 1970		23½ p.c.	26 p.c.	55 p.c.			
	on and after January 1, 1971		23 p.c.	25½ p.c.	55 p.c.			
	on and after January 1, 1972		22½ p.c.	25 p.c.	55 p.c.			
53310-1	Felt, pressed, in the web, wholly or in part of wool, not consisting of or in combination with any woven, knitted or other fabric or material.....		12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	and, per pound			10 cts.	20 cts.		12½ cts.	20 cts.
	on and after January 1, 1969		12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound			7½ cts.	20 cts.			
	on and after January 1, 1970		12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound			5 cts.	20 cts.			
	on and after January 1, 1971		12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound			2½ cts.	20 cts.			
	on and after January 1, 1972		12½ p.c.	17½ p.c.	25 p.c.			
	and, per pound				20 cts.			
53405-1	Household blankets of any material except wholly of cotton.....		20 p.c.	21 p.c.	40 p.c.	20 p.c.	20 p.c.	40 p.c.

Tariff Item		Present Rates					
		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
53405-1 (Cont'd)	and, per pound	4 cts.	12 cts.	30 cts.	5 cts.	15 cts.	30 cts.
	on and after January 1, 1969	20 p.c.	22 p.c.	40 p.c.			
	and, per pound	3 cts.	9 cts.	30 cts.			
	on and after January 1, 1970	20 p.c.	23 p.c.	40 p.c.			
	and, per pound	2 cts.	6 cts.	30 cts.			
	on and after January 1, 1971	20 p.c.	24 p.c.	40 p.c.			
	and, per pound	1 ct.	3 cts.	30 cts.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound			30 cts.			
53410-1	Automobile rugs, steamer rugs, travel rugs and similar articles of any material except wholly of cotton.....	20 p.c.	21 p.c.	40 p.c.	20 p.c.	20 p.c.	40 p.c.
	and, per pound	4 cts.	12 cts.	30 cts.	5 cts.	15 cts.	30 cts.
	The total duty leviable shall not be in excess of....		37½ p.c.			37½ p.c.	
	on and after January 1, 1969	20 p.c.	22 p.c.	40 p.c.			
	and, per pound	3 cts.	9 cts.	30 cts.			
	The total duty leviable shall not be in excess of....		37½ p.c.				
	on and after January 1, 1970	20 p.c.	23 p.c.	40 p.c.			
	and, per pound	2 cts.	6 cts.	30 cts.			
	The total duty leviable shall not be in excess of....		37½ p.c.				
	on and after January 1, 1971	20 p.c.	24 p.c.	40 p.c.			
	and, per pound	1 ct.	3 cts.	30 cts.			
	The total duty leviable shall not be in excess of....		37½ p.c.				
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
	and, per pound			30 cts.			
54010-1	Grasses, seaweed, mosses and vegetable fibres other than cotton, n.o.p.; bagasse of sugar cane, whether or not dried, cleaned, cut to size, ground or sifted..	Free	Free	17½ p.c.	Free	10 p.c.	17½ p.c.
	Yarns and rovings, including threads, cords and twines, wholly or in part of vegetable fibres, n.o.p., not containing silk, wool or hair, man-made fibres or filaments nor glass fibres or filaments:						

54105-1	Linen thread for hand or machine sewing.....	Free	16 p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
	on and after January 1, 1969	Free	14½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	13 p.c.	25 p.c.			
	on and after January 1, 1971	Free	11½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	10 p.c.	25 p.c.			
54107-1	Singles, n.o.p.....	12½ p.c.	17 p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	16½ p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	15½ p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	15 p.c.	25 p.c.			
54120-1	Cordage, exceeding one inch in circumference, wholly of vegetable fibres, n.o.p.....	17½ p.c.	22 p.c.	25 p.c.	17½ p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	25 p.c.			
54125-1	Cordage, exceeding one inch in circumference, n.o.p....	19½ p.c.	22 p.c.	25 p.c.	20 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	25 p.c.			
54205-1	Woven fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, wool or hair, man-made fibres or filaments nor glass fibres or filaments.....	17½ p.c.	22 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
54210-1	Woven fabrics, wholly of jute.....	Free	Free	15 p.c.	Free	5 cts. per 100 lineal yards	15 p.c.
	Woven fabrics, in the web, wholly of flax or hemp:						
54215-1	Towelling and glass-cloth of crash or huck; table-cloth and napkin fabrics of crash.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
54216-1	Other.....	Free	22 p.c.	35 p.c.	Free	22½ p.c.	35 p.c.
	on and after January 1, 1969	Free	21½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	21 p.c.	35 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			
54305-1	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres, n.o.p., when the textile component is not more than fifty per cent, by weight, of silk nor fifty per cent or more, by weight, of man-made fibres or filaments or glass fibres or filaments, not containing wool or hair.....	24½ p.c.	24½ p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	24 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	23½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	23 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	22½ p.c.	22½ p.c.	35 p.c.			
54310-1	Towels and glass-cloths of crash or huck, table-cloths and napkins of crash, wholly in or part of flax or hemp, not containing more than fifty per cent, by weight, of silk nor fifty per cent or more, by weight, of man-made fibres or filaments or glass fibres or filaments, nor wool or hair.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
54315-1	Articles made from woven fabrics wholly of jute and all textile manufactures: wholly or partially manufactured, the textile component of which is wholly of jute, n.o.p.; jute fabric backed with paper.....	12½ p.c.	22 p.c.	30 p.c.	12½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	30 p.c.			

54320-1	Sheets, pillow-cases, bed-spreads, dresser-scarves, doilies, tray-cloths, table-cloths, napkins, towels, glass-cloths and handkerchiefs, wholly of flax or hemp, but not to include towels or glass-cloths of crash or huck, nor table-cloths and napkins of crash	Free	22 p.c.	35 p.c.	Free	22½ p.c.	35 p.c.
	on and after January 1, 1969	Free	21½ p.c.	35 p.c.			
	on and after January 1, 1970	Free	21 p.c.	35 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	35 p.c.			
	on and after January 1, 1972	Free	20 p.c.	35 p.c.			

Hemming, hemstitching or embroidering with cotton thread of the foregoing articles, or the weaving of cotton thread in the borders of the handkerchiefs, will not remove such goods from this item.

54325-1	Bags or sacks of jute, hemp, linen or sisal	12½ p.c.	14½ p.c.	20 p.c.	12½ p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	12½ p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	12½ p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	12½ p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	12½ p.c.	12½ p.c.	20 p.c.			

Yarns and rovings, wholly of silk, degummed or not:

55106-1	Not further advanced than thrown or spun	Free	7 p.c.	10 p.c.	Free	7½ p.c.	10 p.c.
	on and after January 1, 1969	Free	6½ p.c.	10 p.c.			
	on and after January 1, 1970	Free	6 p.c.	10 p.c.			
	on and after January 1, 1971	Free	5½ p.c.	10 p.c.			
	on and after January 1, 1972	Free	5 p.c.	10 p.c.			
55107-1	N.o.p., including threads, cords or twines	12½ p.c.	19 p.c.	25 p.c.	12½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	15 p.c.	25 p.c.			
55110-1	Yarns and rovings of silk and vegetable fibres	12½ p.c.	19 p.c.	25 p.c.	12½ p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	12½ p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1970	12½ p.c.	17 p.c.	25 p.c.			
	on and after January 1, 1971	12½ p.c.	16 p.c.	25 p.c.			
	on and after January 1, 1972	12½ p.c.	15 p.c.	25 p.c.			
55205-1	Woven fabrics, more than fifty per cent, by weight, of silk, not containing wool or hair	12½ p.c.	22 p.c.	45 p.c.	12½ p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	45 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
55210-1	Woven fabrics of silk and vegetable fibres, n.o.p.	12½ p.c.	22 p.c.	45 p.c.	12½ p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	45 p.c.			
	The following, when the textile component thereof is more than fifty per cent, by weight, of silk:						
55301-1	Handkerchiefs, made from woven fabric.	19½ p.c.	22 p.c.	45 p.c.	20 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	45 p.c.			
55302-1	Headsquares, scarves or mufflers, made from woven fabrics.	19½ p.c.	22 p.c.	45 p.c.	20 p.c.	22½ p.c.	45 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	45 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	45 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	45 p.c.			
55303-1	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured.	27½ p.c.	29 p.c.	45 p.c.	27½ p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969	27½ p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970	26½ p.c.	27 p.c.	45 p.c.			
	on and after January 1, 1971	25½ p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972	25 p.c.	25 p.c.	45 p.c.			
55910-1	Waste portions of unused fabrics, n.o.p., not to include remnants or mill ends.	7 p.c.	9 p.c.	20 p.c.	7½ p.c.	10 p.c.	20 p.c.
	on and after January 1, 1969	6½ p.c.	8 p.c.	20 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	20 p.c.			
	on and after January 1, 1971	5½ p.c.	6 p.c.	20 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	20 p.c.			

55920-1	Garnetted material, obtained by disintegrating yarns or fabrics, n.o.p.....	7 p.c.	9 p.c.	20 p.c.	7½ p.c.	10 p.c.	20 p.c.
		on and after January 1, 1969 6½ p.c.	8 p.c.	20 p.c.			
		on and after January 1, 1970 6 p.c.	7 p.c.	20 p.c.			
		on and after January 1, 1971 5½ p.c.	6 p.c.	20 p.c.			
		on and after January 1, 1972 5 p.c.	5 p.c.	20 p.c.			
55930-1	Washed wiping rags, trimmed or untrimmed; machined wiping wastes or machined journal-box packing wastes.....	7 p.c.	9 p.c.	20 p.c.	7½ p.c.	10 p.c.	20 p.c.
		on and after January 1, 1969 6½ p.c.	8 p.c.	20 p.c.			
		on and after January 1, 1970 6 p.c.	7 p.c.	20 p.c.			
		on and after January 1, 1971 5½ p.c.	6 p.c.	20 p.c.			
		on and after January 1, 1972 5 p.c.	5 p.c.	20 p.c.			
55935-1	Batts, batting and wadding of wool, cotton or other textile fibre, n.o.p.....	10 p.c.	17 p.c.	25 p.c.	10 p.c.	17½ p.c.	25 p.c.
		on and after January 1, 1969 10 p.c.	16½ p.c.	25 p.c.			
		on and after January 1, 1970 10 p.c.	16 p.c.	25 p.c.			
		on and after January 1, 1971 10 p.c.	15½ p.c.	25 p.c.			
		on and after January 1, 1972 10 p.c.	15 p.c.	25 p.c.			
56005-1	Man-made fibres or glass fibres, not exceeding twelve inches in length.....	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
		on and after January 1, 1969 5 p.c.	11½ p.c.	15 p.c.			
		on and after January 1, 1970 5 p.c.	11 p.c.	15 p.c.			
		on and after January 1, 1971 5 p.c.	10½ p.c.	15 p.c.			
		on and after January 1, 1972 5 p.c.	10 p.c.	15 p.c.			
56010-1	Sliver, wholly or in part of man-made fibres or of glass fibres.....	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
		on and after January 1, 1969 5 p.c.	11½ p.c.	15 p.c.			
		on and after January 1, 1970 5 p.c.	11 p.c.	15 p.c.			
		on and after January 1, 1971 5 p.c.	10½ p.c.	15 p.c.			
		on and after January 1, 1972 5 p.c.	10 p.c.	15 p.c.			
56015-1	Man-made filaments or glass filaments imported for converting into lengths not exceeding twelve inches, for use in the manufacture of textile yarns or flock.	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
		on and after January 1, 1969 5 p.c.	11½ p.c.	15 p.c.			
		on and after January 1, 1970 5 p.c.	11 p.c.	15 p.c.			
		on and after January 1, 1971 5 p.c.	10½ p.c.	15 p.c.			
		on and after January 1, 1972 5 p.c.	10 p.c.	15 p.c.			

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates			
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
56025-1	Man-made filaments imported for use in the manufacture of cigarette filter tips.....	5 p.c.	12 p.c.	15 p.c.	5 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	5 p.c.	11½ p.c.	15 p.c.			
	on and after January 1, 1970	5 p.c.	11 p.c.	15 p.c.			
	on and after January 1, 1971	5 p.c.	10½ p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	10 p.c.	15 p.c.			
56105-1	Yarns and rovings, wholly of man-made fibres or filaments or of glass fibres or filaments, not more advanced than singles, not coloured, with not more than seven turns to the inch.....	20 p.c.	20 p.c.	35 p.c.	20 p.c.	22½ p.c.; minimum 22 cts. per pound	35 p.c.; minimum 28 cts. per pound
	and, per pound		2 cts.	20 cts.			
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		2 p.c.				
	and, per pound		19.6 cts.				
	on and after January 1, 1969	20 p.c.	17½ p.c.	35 p.c.			
	and, per pound		4 cts.	20 cts.			
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		4 p.c.				
	and, per pound		17.2 cts.				
	on and after January 1, 1970	20 p.c.	15 p.c.	35 p.c.			
	and, per pound		6 cts.	20 cts.			
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		6 p.c.				
	and, per pound		14.8 cts.				
	on and after January 1, 1971	20 p.c.	12½ p.c.	35 p.c.			
	and, per pound		8 cts.	20 cts.			

	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		8 p.c.			
	and, per pound		12.4 cts.			
	on and after January 1, 1972	20 p.c.	10 p.c.	35 p.c.		
	and, per pound		10 cts.	20 cts.		
56110-1	Yarns and rovings, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, including threads, cords or twines, not containing wool or hair.....	22½ p.c.	20 p.c.	35 p.c.	22½ p.c.	22½ p.c.; minimum 22 cts. per pound
	and, per pound		2 cts.	20 cts.		35 p.c.; minimum 28 cts. per pound
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		2 p.c.			
	and, per pound		19.6 cts.			
	on and after January 1, 1969	22½ p.c.	17½ p.c.	35 p.c.		
	and, per pound		4 cts.	20 cts.		
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		4 p.c.			
	and, per pound		17.2 cts.			
	on and after January 1, 1970	22½ p.c.	15 p.c.	35 p.c.		
	and, per pound		6 cts.	20 cts.		
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		6 p.c.			
	and, per pound		14.8 cts.			
	on and after January 1, 1971	22½ p.c.	12½ p.c.	35 p.c.		
	and, per pound		8 cts.	20 cts.		
	except that on goods valued at less than one dollar per pound the duty under the Most-Favoured-Nation tariff shall be.....		8 p.c.			
	and, per pound		12.4 cts.			
	on and after January 1, 1972	22½ p.c.	10 p.c.	35 p.c.		
	and, per pound		10 cts.	20 cts.		

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
56120-1						
Yarns and rovings, including threads, cords or twines, wholly or in part of man-made fibres or filaments, not containing silk, wool or hair, for use in the manufacture of fabrics for conveyor or transmission belts or belting containing rubber.....	12½ p.c.	22 p.c.	35 p.c.	12½ p.c.	22½ p.c.	35 p.c.
on and after January 1, 1969	12½ p.c.	21½ p.c.	35 p.c.			
on and after January 1, 1970	12½ p.c.	21 p.c.	35 p.c.			
on and after January 1, 1971	12½ p.c.	20½ p.c.	35 p.c.			
on and after January 1, 1972	12½ p.c.	20 p.c.	35 p.c.			
Woven fabrics, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair, not including fabrics more than fifty per cent, by weight, of silk:						
56205-1						
Exceeding twelve inches in width.....	22½ p.c.	29 p.c.	45 p.c.	22½ p.c.	30 p.c.	45 p.c.
and, per pound		19 cts.	40 cts.		20 cts.	40 cts.
on and after January 1, 1969	22½ p.c.	28 p.c.	45 p.c.			
and, per pound		18 cts.	40 cts.			
on and after January 1, 1970	22½ p.c.	27 p.c.	45 p.c.			
and, per pound		17 cts.	40 cts.			
on and after January 1, 1971	22½ p.c.	26 p.c.	45 p.c.			
and, per pound		16 cts.	40 cts.			
on and after January 1, 1972	22½ p.c.	25 p.c.	45 p.c.			
and, per pound		15 cts.	40 cts.			
56206-1						
Not exceeding twelve inches in width.....	24½ p.c.	27 p.c.	55 p.c.	25 p.c.	27½ p.c.	55 p.c.
on and after January 1, 1969	24 p.c.	26½ p.c.	55 p.c.			
on and after January 1, 1970	23½ p.c.	26 p.c.	55 p.c.			
on and after January 1, 1971	23 p.c.	25½ p.c.	55 p.c.			
on and after January 1, 1972	22½ p.c.	25 p.c.	55 p.c.			

Woven fabrics containing five per cent or less, by weight, of man-made fibres or filaments or of glass fibres or filaments shall not be dutiable under items 56205-1 and 56206-1 but shall be dutiable as though composed wholly of the remaining constituents.

56210-1	Woven fabrics with cut pile, wholly or in part of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair.....	20 p.c.	29 p.c.	45 p.c.	20 p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969.....	20 p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970.....	20 p.c.	27 p.c.	45 p.c.			
	on and after January 1, 1971.....	20 p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972.....	20 p.c.	25 p.c.	45 p.c.			
56225-1	Woven fabrics, wholly or in part of silk or of man-made fibres or filaments, imported in lengths of not less than five yards, by manufacturers of neckties, for use in the manufacture of neckties, or matching necktie and pocket puff sets, but not including such fabrics for use as interlining.....	14 p.c.	14 p.c.	45 p.c.	15 p.c.	15 p.c.	45 p.c.
	on and after January 1, 1969.....	13 p.c.	13 p.c.	45 p.c.	Various	Various	Various
	on and after January 1, 1970.....	12 p.c.	12 p.c.	45 p.c.			
	on and after January 1, 1971.....	11 p.c.	11 p.c.	45 p.c.			
	on and after January 1, 1972.....	10 p.c.	10 p.c.	45 p.c.			
56230-1	Woven cord tire fabric, wholly or in chief part, by weight, of man-made fibres or filaments, not to contain silk or wool, for use in the manufacture of pneumatic tires, n.o.p.....	7½ p.c.	8½ p.c.	45 p.c.	7½ p.c.	7½ p.c.	45 p.c.
	and, per pound.....		6 cts.	32 cts.		7½ cts.	40 cts.
	on and after January 1, 1969.....	7½ p.c.	9½ p.c.	45 p.c.			
	and, per pound.....		4½ cts.	24 cts.			
	on and after January 1, 1970.....	7½ p.c.	10½ p.c.	45 p.c.			
	and, per pound.....		3 cts.	16 cts.			
	on and after January 1, 1971.....	7½ p.c.	11½ p.c.	45 p.c.			
	and, per pound.....		1½ cts.	8 cts.			
	on and after January 1, 1972.....	7½ p.c.	12½ p.c.	45 p.c.			
56235-1	Woven cord tire fabric, wholly or in chief part, by weight, of man-made fibres or filaments, not to contain silk or wool, coated with a rubber composition, when imported by manufacturers of rubber tires, to be incorporated by them in pneumatic tires, in their own factories.....	Free	14½ p.c.	45 p.c.	Free	15 p.c.	45 p.c.
	on and after January 1, 1969.....	Free	14 p.c.	45 p.c.			
	on and after January 1, 1970.....	Free	13½ p.c.	45 p.c.			
	on and after January 1, 1971.....	Free	13 p.c.	45 p.c.			
	on and after January 1, 1972.....	Free	12½ p.c.	45 p.c.			

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
56240-1						
Woven fabrics, wholly or in part of man-made fibres or filaments, not containing silk, wool or hair, whether or not coated or impregnated, when imported by manufacturers of conveyor or transmission belts or belting containing rubber, for use in the manufacture of such belts or belting.....	15 p.c.	27 p.c.	45 p.c.	15 p.c.	27½ p.c.	45 p.c.
on and after January 1, 1969	15 p.c.	26½ p.c.	45 p.c.			
on and after January 1, 1970	15 p.c.	26 p.c.	45 p.c.			
on and after January 1, 1971	15 p.c.	25½ p.c.	45 p.c.			
on and after January 1, 1972	15 p.c.	25 p.c.	45 p.c.			
56300-1						
Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, the textile component of which is fifty per cent or more, by weight, of man-made fibres or filaments or of glass fibres or filaments, not containing wool or hair.....	20 p.c.	27 p.c.	50 p.c.	20 p.c.	27½ p.c.	50 p.c.
on and after January 1, 1969	20 p.c.	26½ p.c.	50 p.c.			
on and after January 1, 1970	20 p.c.	26 p.c.	50 p.c.			
on and after January 1, 1971	20 p.c.	25½ p.c.	50 p.c.			
on and after January 1, 1972	20 p.c.	25 p.c.	50 p.c.			
56500-1						
Saris of any material.....	15 p.c.	15 p.c.	50 p.c.	20 p.c.	22½ p.c.	50 p.c.
56510-1						
Braids of all kinds, n.o.p.....	20 p.c.	24½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
on and after January 1, 1969	20 p.c.	24 p.c.	40 p.c.			
on and after January 1, 1970	20 p.c.	23½ p.c.	40 p.c.			
on and after January 1, 1971	20 p.c.	23 p.c.	40 p.c.			
on and after January 1, 1972	20 p.c.	22½ p.c.	40 p.c.			
56515-1						
Linen fire-hose, lined or unlined, with or without attached couplings.....	15 p.c.	29 p.c.	35 p.c.	15 p.c.	30 p.c.	35 p.c.
on and after January 1, 1969	15 p.c.	28 p.c.	35 p.c.			
on and after January 1, 1970	15 p.c.	27 p.c.	35 p.c.			
on and after January 1, 1971	15 p.c.	26 p.c.	35 p.c.			
on and after January 1, 1972	15 p.c.	25 p.c.	35 p.c.			

Seamless woven textile jackets, in tubular form, for use in the manufacture of fire-hose; fire-hose made from such jackets, with or without attached couplings:

56520-1	The textile component of which is wholly cotton...	20 p.c.	22 p.c.	40 p.c.	20 p.c.	22½ p.c.	40 p.c.	
		on and after January 1, 1969	20 p.c.	21½ p.c.				40 p.c.
		on and after January 1, 1970	20 p.c.	21 p.c.				40 p.c.
		on and after January 1, 1971	20 p.c.	20½ p.c.				40 p.c.
		on and after January 1, 1972	20 p.c.	20 p.c.				40 p.c.
56521-1	The textile component of which is other than wholly cotton.....	22½ p.c.	27 p.c.	45 p.c.	22½ p.c. —	27½ p.c.	45 p.c.	
		on and after January 1, 1969	22½ p.c.	26½ p.c.				45 p.c.
		on and after January 1, 1970	22½ p.c.	26 p.c.				45 p.c.
		on and after January 1, 1971	22½ p.c.	25½ p.c.				45 p.c.
		on and after January 1, 1972	22½ p.c.	25 p.c.				45 p.c.
Lace and netting, other than woven, bobbinet, embroideries, n.o.p.								
56611-1	Wholly or in part of other textile fibres or filaments	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.	
		on and after January 1, 1969	17½ p.c.	21½ p.c.				35 p.c.
		on and after January 1, 1970	17½ p.c.	21 p.c.				35 p.c.
		on and after January 1, 1971	17½ p.c.	20½ p.c.				35 p.c.
		on and after January 1, 1972	17½ p.c.	20 p.c.				35 p.c.
56700-1	Sails for boats and ships; textile fabrics, in the web or with fused edges, for use in the manufacture of such sails.....	15 p.c.	22 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.	
		on and after January 1, 1969	15 p.c.	21½ p.c.				25 p.c.
		on and after January 1, 1970	15 p.c.	21 p.c.				25 p.c.
		on and after January 1, 1971	15 p.c.	20½ p.c.				25 p.c.
		on and after January 1, 1972	15 p.c.	20 p.c.				25 p.c.
56805-1	Knitted garments, knitted fabrics and knitted goods, n.o.p.....	20 p.c.	33½ p.c.	55 p.c.	20 p.c.	35 p.c.	55 p.c.	
		on and after January 1, 1969	20 p.c.	32 p.c.				55 p.c.
		on and after January 1, 1970	20 p.c.	30½ p.c.				55 p.c.
		on and after January 1, 1971	20 p.c.	29 p.c.				55 p.c.
		on and after January 1, 1972	20 p.c.	27½ p.c.				55 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	Present Rates			
			General Tariff	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
56810-1 Knitted garments, women's and girls', wholly or in chief part by weight of wool or hair, valued at not less than \$9.00 per pound.....	20 p.c.	31½ p.c.	55 p.c.	20 p.c.	32½ p.c.	55 p.c.
on and after January 1, 1969	20 p.c.	30½ p.c.	55 p.c.			
on and after January 1, 1970	20 p.c.	29½ p.c.	55 p.c.			
on and after January 1, 1971	20 p.c.	28½ p.c.	55 p.c.			
on and after January 1, 1972	20 p.c.	27½ p.c.	55 p.c.			
Socks and stockings:						
56820-1 Wholly or in chief part, by weight, of wool.....	20 p.c.	26 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
and, per dozen pairs	30 cts.	\$1.08	\$1.50	30 cts.	\$1.20	\$1.50
on and after January 1, 1969	20 p.c.	24½ p.c.	40 p.c.			
and, per dozen pairs	30 cts.	96 cts.	\$1.50			
on and after January 1, 1970	20 p.c.	23 p.c.	40 p.c.			
and, per dozen pairs	30 cts.	84 cts.	\$1.50			
on and after January 1, 1971	20 p.c.	21½ p.c.	40 p.c.			
and, per dozen pairs	30 cts.	72 cts.	\$1.50			
on and after January 1, 1972	20 p.c.	20 p.c.	40 p.c.			
and, per dozen pairs	30 cts.	60 cts.	\$1.50			
56821-1 N.o.p.....	17½ p.c.	17½ p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
and, per dozen pairs		68 cts.	\$1.50		75 cts.	\$1.50
on and after January 1, 1969	17½ p.c.	17½ p.c.	35 p.c.			
and, per dozen pairs		61 cts.	\$1.50			
on and after January 1, 1970	17½ p.c.	17½ p.c.	35 p.c.			
and, per dozen pairs		54 cts.	\$1.50			
on and after January 1, 1971	17½ p.c.	17½ p.c.	35 p.c.			
and, per dozen pairs		47 cts.	\$1.50			
on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
and, per dozen pairs		40 cts.	\$1.50			
56905-1 Hats, hoods and shapes of fur felt or of wool-and-fur felt.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			

56910-1	Hoods and shapes, caps, bonnets and berets, n.o.p.	22½ p.c.	29 p.c.	45 p.c.	22½ p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969	22½ p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970	22½ p.c.	27 p.c.	45 p.c.			
	on and after January 1, 1971	22½ p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972	22½ p.c.	25 p.c.	45 p.c.			
56915-1	Hats, n.o.p.	20 p.c.	25 p.c.	37 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per dozen	60 cts.	80 cts.	\$1.20			
	on and after January 1, 1969	20 p.c.	25 p.c.	39 p.c.			
	and, per dozen	45 cts.	60 cts.	90 cts.			
	on and after January 1, 1970	20 p.c.	25 p.c.	41 p.c.			
	and, per dozen	30 cts.	40 cts.	60 cts.			
	on and after January 1, 1971	20 p.c.	25 p.c.	43 p.c.			
and, per dozen	15 cts.	20 cts.	30 cts.				
on and after January 1, 1972	20 p.c.	25 p.c.	45 p.c.				
57000-1	Mats, door or carriage, other than metal, n.o.p.	25 p.c.	29 p.c.	35 p.c.	25 p.c.	30 p.c.	35 p.c.
	on and after January 1, 1969	25 p.c.	28 p.c.	35 p.c.			
	on and after January 1, 1970	25 p.c.	27 p.c.	35 p.c.			
	on and after January 1, 1971	25 p.c.	26 p.c.	35 p.c.			
	on and after January 1, 1972	25 p.c.	25 p.c.	35 p.c.			
57010-1	Carpeting, rugs, mats and matting of paper; stair pads	15 p.c.	22 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
57015-1	Carpeting, rugs, mats and matting of sisal, palm straw or cane straw	10 p.c.	10 p.c.	25 p.c.	15 p.c.	17½ p.c.	25 p.c.
57105-1	Mats with cut pile, of cocoa fibre per square foot	Free	Free	5 cts.	2 cts.	2½ cts.	5 cts.
57110-1	Mats, rugs, carpeting and matting of cocoa fibre, n.o.p. per square yard	Free	Free	10 cts.	6½ cts.	7 cts.	10 cts.
57200-1	Oriental and imitation Oriental rugs or carpets and carpeting, carpets and rugs, n.o.p.	24 p.c.	24 p.c.	40 p.c.	25 p.c.	25 p.c.	40 p.c.
	and, per square foot		5 cts.	20 cts.			
	on and after January 1, 1969	23 p.c.	23 p.c.	40 p.c.			
	and, per square foot		5 cts.	20 cts.			
	on and after January 1, 1970	22 p.c.	22 p.c.	40 p.c.			
	and, per square foot		5 cts.	20 cts.			
	on and after January 1, 1971	21 p.c.	21 p.c.	40 p.c.			
and, per square foot		5 cts.	20 cts.				
on and after January 1, 1972	20 p.c.	20 p.c.	40 p.c.				
and, per square foot		5 cts.	20 cts.				

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
57205-1	Carpets of sisal, palm straw or cane straw.....	10 p.c.	10 p.c.	40 p.c.	17½ p.c.	17½ p.c.	40 p.c.
57300-1	Enamelled carriage, shelf and table oilcloth, and cork matting or carpets.	15 p.c.	26 p.c.	35 p.c.	15 p.c.	27½ p.c.	35 p.c. plus 4 cts. per pound
	on and after January 1, 1969	15 p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
57305-1	Linoleum; felt base floor covering not including such materials in which are incorporated synthetic resin sheets or cellulose plastic sheets.....	15 p.c.	24 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c. plus 4 cts. per pound
	on and after January 1, 1969	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
	Coated or impregnated fabrics, containing textile fabric, produced by any method, including lamination, if the weight of the textile fabric is less than two-thirds of the weight of the coated or impregnated fabric:						
57401-1	The textile fabric being wholly or in part of man-made fibres or filaments or of glass fibres or filaments.	26½ p.c.	31½ p.c.	50 p.c.	27½ p.c.	32½ p.c.	50 p.c.
	on and after January 1, 1969	25½ p.c.	30½ p.c.	50 p.c.			
	on and after January 1, 1970	24½ p.c.	29½ p.c.	50 p.c.			
	on and after January 1, 1971	23½ p.c.	28½ p.c.	50 p.c.			
	on and after January 1, 1972	22½ p.c.	27½ p.c.	50 p.c.			
57402-1	The textile fabric not being wholly or in part of man-made fibres or filaments or of glass fibres or filaments.	20 p.c.	24½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.

on and after January 1, 1969	20 p.c.	24 p.c.	40 p.c.
on and after January 1, 1970	20 p.c.	23½ p.c.	40 p.c.
on and after January 1, 1971	20 p.c.	23 p.c.	40 p.c.
on and after January 1, 1972	20 p.c.	22½ p.c.	40 p.c.

57410-1	Canvas in the web, wholly of flax or hemp, or both, plain woven, coloured or not, treated with weather-proofing or preservative materials, weighing more than six ounces per square yard, when the weight of the untreated fabric is two-thirds or more of the weight of the treated fabric.....	17½ p.c.	22 p.c.	40 p.c.	17½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	40 p.c.			
57800-1	Window shades, mounted on rollers.....	20 p.c.	29 p.c.	40 p.c.	20 p.c.	30 p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	28 p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	27 p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
57800-1	Regalia, badges and belts of all kinds, n.o.p.....	22½ p.c.	26 p.c.	45 p.c.	22½ p.c.	27½ p.c.	45 p.c.
	on and after January 1, 1969	22½ p.c.	24½ p.c.	45 p.c.			
	on and after January 1, 1970	22½ p.c.	23 p.c.	45 p.c.			
	on and after January 1, 1971	21 p.c.	21½ p.c.	45 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	45 p.c.			
	Buffing and polishing wheels or discs:						
57901-1	The component of chief value being cotton.....	24 p.c.	24 p.c.	35 p.c.	25 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	23 p.c.	23 p.c.	35 p.c.			plus 4 cts.
	on and after January 1, 1970	22 p.c.	22 p.c.	35 p.c.			per pound
	on and after January 1, 1971	21 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			
58000-1	Hair, spring and other mattresses.....	19 p.c.	24 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	18 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	17 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	17 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	30 p.c.			
58800-1	Coal, n.o.p., including screenings and coal dust of all kinds.....	per ton	28 cts.	40 cts.	35 cts.	50 cts.	75 cts.
	on and after January 1, 1969, per ton		21 cts.	30 cts.			75 cts.
	on and after January 1, 1970, per ton		14 cts.	20 cts.			75 cts.
	on and after January 1, 1971, per ton		7 cts.	10 cts.			75 cts.
	on and after January 1, 1972, per ton		Free	Free			75 cts.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates.		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
58805-1	Gas for heating, cooking or illuminating, imported by pipe line, per one thousand cubic feet.....	—	2.4 cts.	6 cts.	—	3 cts.	6 cts.
	on and after January 1, 1969	—	1.8 cts.	6 cts.			
	on and after January 1, 1970	—	1.2 cts.	6 cts.			
	on and after January 1, 1971	—	0.6 ct.	6 cts.			
	on and after January 1, 1972	—	Free	6 cts.			
59705-1	Pianofortes and organs, n.o.p.....	19½ p.c.	22 p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
59707-1	Electric organs.....	19½ p.c.	21½ p.c.	30 p.c.	20 p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	19½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1970	19 p.c.	19½ p.c.	30 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	30 p.c.			
59720-1	Parts of pianofortes and parts of organs, n.o.p.....	Free	19 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	18 p.c.	25 p.c.			
	on and after January 1, 1970	Free	17 p.c.	25 p.c.			
	on and after January 1, 1971	Free	16 p.c.	25 p.c.			
	on and after January 1, 1972	Free	15 p.c.	25 p.c.			
59725-1	Musical instruments of all kinds, n.o.p.....	15 p.c.	17 p.c.	30 p.c.	15 p.c.	17½ p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	16½ p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	15½ p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			
59730-1	Phonograph records.....	15 p.c.	20 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
59735-1	Mechanical piano and organ players.....	15 p.c.	19 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	15 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1970	15 p.c.	17 p.c.	30 p.c.			
	on and after January 1, 1971	15 p.c.	16 p.c.	30 p.c.			
	on and after January 1, 1972	15 p.c.	15 p.c.	30 p.c.			
59745-1	Accordions.....	Free	Free	30 p.c.	2½ p.c.	2½ p.c.	30 p.c.
59805-1	Brass band instruments.....	Free	15 p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
					Free	20 p.c.	25 p.c.

59815-1	Bagpipes and complete parts thereof.....	Free	15 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
59820-1	Parts for use in the manufacture of brass band instruments.....	Free	7½ p.c.	25 p.c.	Free	17½ p.c.	25 p.c.
60300-1	Fur skins wholly or partially dressed, n.o.p.....	10 p.c.	12 p.c.	15 p.c.	10 p.c.	12½ p.c.	15 p.c.
	on and after January 1, 1969	10 p.c.	11½ p.c.	15 p.c.			(Minimum
	on and after January 1, 1970	10 p.c.	11 p.c.	15 p.c.			72 cts. dozen on
	on and after January 1, 1971	10 p.c.	10½ p.c.	15 p.c.			hare or rabbit
	on and after January 1, 1972	10 p.c.	10 p.c.	15 p.c.			skins)
60407-1	Patent leather.....	7½ p.c.	16 p.c.	27½ p.c.	7½ p.c.	17½ p.c.	27½ p.c.
	on and after January 1, 1969	7½ p.c.	14½ p.c.	27½ p.c.			
	on and after January 1, 1970	7½ p.c.	13 p.c.	27½ p.c.			
	on and after January 1, 1971	7½ p.c.	11½ p.c.	27½ p.c.			
	on and after January 1, 1972	7½ p.c.	10 p.c.	27½ p.c.			
60410-1	Sheepskin or lambskin leather, further finished than tanned, n.o.p.....	7½ p.c.	21½ p.c.	27½ p.c.	7½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	7½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1970	7½ p.c.	19½ p.c.	27½ p.c.			
	on and after January 1, 1971	7½ p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1972	7½ p.c.	17½ p.c.	27½ p.c.			
60425-1	Sole leather.....	12½ p.c.	21½ p.c.	27½ p.c.	12½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	12½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1970	12½ p.c.	19½ p.c.	27½ p.c.			
	on and after January 1, 1971	12½ p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1972	12½ p.c.	17½ p.c.	27½ p.c.			
60505-1	Leather produced from East India tanned kip, uncoloured or coloured other than black, when imported for use exclusively in lining boots and shoes.	Free	14 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	on and after January 1, 1969	Free	13 p.c.	15 p.c.			
	on and after January 1, 1970	Free	12 p.c.	15 p.c.			
	on and after January 1, 1971	Free	11 p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
60515-1	Genuine pig leathers, n.o.p., and genuine Morocco leathers; so-called roller leathers.....	Free	19½ p.c.	27½ p.c.	Free	20 p.c.	27½ p.c.
	on and after January 1, 1969	Free	19 p.c.	27½ p.c.			
	on and after January 1, 1970	Free	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	Free	18 p.c.	27½ p.c.			
	on and after January 1, 1972	Free	17½ p.c.	27½ p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
60600-1	Leather produced from East India tanned kip, n.o.p.	20 p.c.	20 p.c.	27½ p.c.	20 p.c. and 2 cts. sq. ft.	25 p.c. and 2 cts. sq. ft.	25 p.c. and 4 cts. sq. ft.
60705-1	Leather, consisting of beef-cattle hides, horse-hides or sheepskins, but not including suedes, Cabrettas, Spanish capes or African capes, when imported by manufacturers of gloves or leather clothing, for use exclusively in manufacturing gloves or leather clothing in their own factories.....	Free	14 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
	on and after January 1, 1969	Free	13 p.c.	20 p.c.			
	on and after January 1, 1970	Free	12 p.c.	20 p.c.			
	on and after January 1, 1971	Free	11 p.c.	20 p.c.			
	on and after January 1, 1972	Free	10 p.c.	20 p.c.			
60710-1	Leather, not further finished than tanned, in whole hides, in grains, or splits, when imported by manufacturers of upholstering leathers, for use exclusively in the manufacture of upholstering leathers, in their own factories.....	Free	14 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
	on and after January 1, 1969	Free	13 p.c.	15 p.c.			
	on and after January 1, 1970	Free	12 p.c.	15 p.c.			
	on and after January 1, 1971	Free	11 p.c.	15 p.c.			
	on and after January 1, 1972	Free	10 p.c.	15 p.c.			
60800-1	Leather not further finished than tanned, and skins, n.o.p.....	5 p.c.	14½ p.c.	20 p.c.	5 p.c.	15 p.c.	20 p.c.
	on and after January 1, 1969	5 p.c.	14 p.c.	20 p.c.			
	on and after January 1, 1970	5 p.c.	13½ p.c.	20 p.c.			
	on and after January 1, 1971	5 p.c.	13 p.c.	20 p.c.			
	on and after January 1, 1972	5 p.c.	12½ p.c.	20 p.c.			
61100-1	Boots and shoes, pegged or wire fastened, with unstitched soles close edged.....	15 p.c.	24½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.

	on and after January 1, 1969	15 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	22½ p.c.	35 p.c.			
61105-1	Boots, shoes, slippers and insoles of any material, n.o.p.....	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
61110-1	Canvas shoes with rubber soles.....	20 p.c.	27 p.c.	40 p.c.	20 p.c.	27½ p.c.	40 p.c.
	on and after January 1, 1969	20 p.c.	26½ p.c.	40 p.c.			
	on and after January 1, 1970	20 p.c.	26 p.c.	40 p.c.			
	on and after January 1, 1971	20 p.c.	25½ p.c.	40 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	40 p.c.			
61120-1	Leather garments, lined or unlined.....	17½ p.c.	26½ p.c.	35 p.c.	17½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	25½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	22½ p.c.	35 p.c.			
61205-1	English type saddles.....	10 p.c.	24 p.c.	30 p.c.	10 p.c.	25 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	30 p.c.			
61300-1	Manufactures of leather, including manufactures of rawhide, n.o.p.....	17 p.c.	21½ p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	17 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	18½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	35 p.c.			
61400-1	Leather-board, leatheroid, and manufactures thereof, n.o.p.....	15 p.c.	22 p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	25 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
61500-1	Whips of all kinds, including thongs and lashes.....	17½ p.c.	22 p.c.	30 p.c.	17½ p.c.	22½ p.c.	30 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	30 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	30 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	30 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	30 p.c.			
61605-1	Rubber, crude, caoutchouc or India-rubber, unmanufactured, n.o.p.....	Free	4½ p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	on and after January 1, 1969	Free	4 p.c.	5 p.c.			
	on and after January 1, 1970	Free	3½ p.c.	5 p.c.			
	on and after January 1, 1971	Free	3 p.c.	5 p.c.			
	on and after January 1, 1972	Free	2½ p.c.	5 p.c.			
61630-1	Balata, crude, unmanufactured.....	Free	8½ p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	on and after January 1, 1969	Free	7 p.c.	10 p.c.			
	on and after January 1, 1970	Free	5½ p.c.	10 p.c.			
	on and after January 1, 1971	Free	4 p.c.	10 p.c.			
	on and after January 1, 1972	Free	2½ p.c.	10 p.c.			
61635-1	Gutta percha, unmanufactured.....	Free	8½ p.c.	10 p.c.	Free	10 p.c.	10 p.c.
	on and after January 1, 1969	Free	7 p.c.	10 p.c.			
	on and after January 1, 1970	Free	5½ p.c.	10 p.c.			
	on and after January 1, 1971	Free	4 p.c.	10 p.c.			
	on and after January 1, 1972	Free	2½ p.c.	10 p.c.			
61700-1	Rubber boots and shoes.....	Free	22 p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	21½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	21 p.c.	25 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	20 p.c.	25 p.c.			
61800-1	Rubber cement and all manufactures of rubber and gutta percha, n.o.p.....	15 p.c.	19½ p.c.	27½ p.c.	15 p.c.	20 p.c.	27½ p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	27½ p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	27½ p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	27½ p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	27½ p.c.			

61815-1	Tires and tubes, wholly or in part of rubber.....	19½ p.c.	21½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	19½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1970	19 p.c.	19½ p.c.	35 p.c.			
	on and after January 1, 1971	18 p.c.	18 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	17½ p.c.	35 p.c.			
61905-1	Rubber clothing and clothing made from water- proofed cotton fabrics.....	22 p.c.	26½ p.c.	35 p.c.	22½ p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969	21½ p.c.	25½ p.c.	35 p.c.			plus 50 cts.
	on and after January 1, 1970	21 p.c.	24½ p.c.	35 p.c.			each on raincoats
	on and after January 1, 1971	20½ p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	22½ p.c.	35 p.c.			
62200-1	Trunks, valises, hat boxes, carpet bags, tool bags, and baskets of all kinds, n.o.p.....	12½ p.c.	22 p.c.	40 p.c.	12½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	40 p.c.			
62300-1	Musical instrument cases and fancy cases or boxes of all kinds, portfolios and fancy writing desks, satch- els, reticules, card cases, purses, pocket-books, fly books; parts of the foregoing.....	12½ p.c.	22 p.c.	40 p.c.	12½ p.c.	22½ p.c.	40 p.c.
	on and after January 1, 1969	12½ p.c.	21½ p.c.	40 p.c.			
	on and after January 1, 1970	12½ p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1971	12½ p.c.	20½ p.c.	40 p.c.			
	on and after January 1, 1972	12½ p.c.	20 p.c.	40 p.c.			
62405-1	Dolls.....	10 p.c.	24 p.c.	40 p.c.	10 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1970	10 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	40 p.c.			
62410-1	Toys of all kinds, n.o.p.....	10 p.c.	24 p.c.	40 p.c.	10 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	10 p.c.	23 p.c.	40 p.c.	10 p.c.	30 p.c.	40 p.c.
	on and after January 1, 1970	10 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971	10 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972	10 p.c.	20 p.c.	40 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
62415-1	Mechanical toys of metal.....	5 p.c.	24 p.c.	40 p.c.	5 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969	5 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1970	5 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971	5 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972	5 p.c.	20 p.c.	40 p.c.			
	Juvenile construction sets of metal or rubber, consisting of various stampings, punched or moulded, and connections therefor; parts of the foregoing:						
62420-1	Of metal.....	Free	24 p.c.	40 p.c.	Free	25 p.c.	40 p.c.
	on and after January 1, 1969	Free	23 p.c.	40 p.c.			
	on and after January 1, 1970	Free	22 p.c.	40 p.c.			
	on and after January 1, 1971	Free	21 p.c.	40 p.c.			
	on and after January 1, 1972	Free	20 p.c.	40 p.c.			
62500-1	Caps, hats, muffs, tippets, capes, coats and cloaks of fur, and other manufactures of fur, n.o.p.....	15 p.c.	24½ p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	24 p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	23½ p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	22½ p.c.	35 p.c.			
62800-1	Braces or suspenders, and finished parts thereof.....	15 p.c.	22 p.c.	35 p.c.	15 p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	15 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	15 p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	15 p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
62900-1	Umbrellas, parasols and sunshades of all kinds and materials.....	22½ p.c.	24 p.c.	35 p.c.	22½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	22½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	21½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	20½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	20 p.c.	20 p.c.	35 p.c.			

63300-1	Feathers, in their natural state	7 p.c.	9 p.c.	15 p.c.	7½ p.c.	10 p.c.	15 p.c.
	on and after January 1, 1969	6½ p.c.	8 p.c.	15 p.c.			
	on and after January 1, 1970	6 p.c.	7 p.c.	15 p.c.			
	on and after January 1, 1971	5½ p.c.	6 p.c.	15 p.c.			
	on and after January 1, 1972	5 p.c.	5 p.c.	15 p.c.			
63400-1	Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits, grains, leaves and flowers suitable for ornamenting hats	19½ p.c.	22 p.c.	27½ p.c.	20 p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969	19 p.c.	21½ p.c.	27½ p.c.			
	on and after January 1, 1970	18½ p.c.	21 p.c.	27½ p.c.			
	on and after January 1, 1971	18 p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	27½ p.c.			
64700-1	Jewellery of any material, for the adornment of the person, n.o.p.	20 p.c.	29 p.c.	45 p.c.	20 p.c.	30 p.c.	45 p.c.
	on and after January 1, 1969	20 p.c.	28 p.c.	45 p.c.			
	on and after January 1, 1970	20 p.c.	27 p.c.	45 p.c.			
	on and after January 1, 1971	20 p.c.	26 p.c.	45 p.c.			
	on and after January 1, 1972	20 p.c.	25 p.c.	45 p.c.			
64800-1	Precious or semi-precious stones and imitations thereof, not mounted or set; pearls, pierced, split, strung or not, but not mounted or set	6 p.c.	6 p.c.	10 p.c.	7½ p.c.	7½ p.c.	10 p.c.
	on and after January 1, 1969	4½ p.c.	4½ p.c.	10 p.c.	7½ p.c.	10 p.c.	10 p.c.
	on and after January 1, 1970	3 p.c.	3 p.c.	10 p.c.	15 p.c.	20 p.c.	10 p.c.
	on and after January 1, 1971	1½ p.c.	1½ p.c.	10 p.c.			25 p.c.
	on and after January 1, 1972	Free	Free	10 p.c.			
64803-1	Imitation pearls, pierced, split, strung or not, but not mounted or set	7½ p.c.	10 p.c.	10 p.c.	7½ p.c.	10 p.c.	10 p.c.
65100-1	Buttons of all kinds, covered or not, and button blanks other than in the rough, n.o.p.; recognition buttons and cuff or collar buttons	19 p.c.	24 p.c.	35 p.c.	20 p.c.	25 p.c.	35 p.c.
	and, per gross	5 cts.	5 cts.	5 cts.	5 cts.	5 cts.	5 cts.
	on and after January 1, 1969	18 p.c.	23 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			
	on and after January 1, 1970	17 p.c.	22 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			
	on and after January 1, 1971	16 p.c.	21 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			
	on and after January 1, 1972	15 p.c.	20 p.c.	35 p.c.			
	and, per gross	5 cts.	5 cts.	5 cts.			

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
65105-1 Buttons, and button blanks other than in the rough, of vegetable ivory	19 p.c.	24 p.c.	35 p.c.	20 p.c. 5 cts.	25 p.c. 10 cts.	35 p.c. 10 cts.
	and, per gross 5 cts.	9 cts.	10 cts.			
	on and after January 1, 1969 13 p.c.	23 p.c.	35 p.c.			
	and, per gross 5 cts.	8 cts.	10 cts.			
	on and after January 1, 1970 17 p.c.	22 p.c.	35 p.c.			
	and, per gross 5 cts.	7 cts.	10 cts.			
	on and after January 1, 1971 16 p.c.	21 p.c.	35 p.c.			
and, per gross 5 cts.	6 cts.	10 cts.				
on and after January 1, 1972 15 p.c.	20 p.c.	35 p.c.				
and, per gross 5 cts.	5 cts.	10 cts.				
65200-1 Toilet or dressing combs, n.o.p.; fancy combs, not being jewellery	10 p.c.	20 p.c.	27½ p.c.	10 p.c.	20 p.c. \$1.44	27½ p.c. \$2.00
	but not less than, per gross	\$1.08	\$2.00			
	on and after January 1, 1969 10 p.c.	20 p.c.	27½ p.c.			
	but not less than, per gross	72 cts.	\$2.00			
on and after January 1, 1970 10 p.c.	20 p.c.	30 p.c.				
65300-1 Brushes of all kinds, n.o.p.	15 p.c.	24 p.c.	40 p.c.	15 p.c.	25 p.c.	40 p.c.
	on and after January 1, 1969 15 p.c.	23 p.c.	40 p.c.			
	on and after January 1, 1970 15 p.c.	22 p.c.	40 p.c.			
	on and after January 1, 1971 15 p.c.	21 p.c.	40 p.c.			
	on and after January 1, 1972 15 p.c.	20 p.c.	40 p.c.			
65500-1 Pens, n.o.p., penholders and rulers, of all kinds	12½ p.c.	22 p.c.	27½ p.c.	12½ p.c.	22½ p.c.	27½ p.c.
	on and after January 1, 1969 12½ p.c.	21½ p.c.	27½ p.c.			
	on and after January 1, 1970 12½ p.c.	21 p.c.	27½ p.c.			
	on and after January 1, 1971 12½ p.c.	20½ p.c.	27½ p.c.			
	on and after January 1, 1972 12½ p.c.	20 p.c.	27½ p.c.			
65505-1 Lead pencils and crayons, n.o.p.	10 p.c.	26 p.c.	35 p.c.	10 p.c.	27½ p.c.	35 p.c.
	on and after January 1, 1969 10 p.c.	24½ p.c.	35 p.c.			
	on and after January 1, 1970 10 p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1971 10 p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1972 10 p.c.	20 p.c.	35 p.c.			

65610-1	Cigar and cigarette holders.....	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
65615-1	Cases for cigar and cigarette holders, cigar and cigarette cases, smokers' sets and cases therefor, and tobacco pipe mounts.....	17½ p.c.	22 p.c.	35 p.c.	17½ p.c.	22½ p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	21½ p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	20½ p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
65620-1	Tobacco pouches.....	17½ p.c.	24 p.c.	35 p.c.	17½ p.c.	25 p.c.	35 p.c.
	on and after January 1, 1969	17½ p.c.	23 p.c.	35 p.c.			
	on and after January 1, 1970	17½ p.c.	22 p.c.	35 p.c.			
	on and after January 1, 1971	17½ p.c.	21 p.c.	35 p.c.			
	on and after January 1, 1972	17½ p.c.	20 p.c.	35 p.c.			
66325-1	Sea-weeds or sea-plants, charred, whether powdered or not, for use exclusively in the feeding of animals.	Free	Free	25 p.c.	Free	15 p.c.	25 p.c.
66330-1	Iodized mineral salts, for use in the feeding of animals	Free	5 p.c.	25 p.c.	Free	10 p.c.	25 p.c.
66335-1	Fish meal.....	Free	18 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	16 p.c.	25 p.c.			
	on and after January 1, 1970	Free	14 p.c.	25 p.c.			
	on and after January 1, 1971	Free	12 p.c.	25 p.c.			
	on and after January 1, 1972	Free	10 p.c.	25 p.c.			
66340-1	Oyster shells, not further manufactured than crushed or screened, or both, for use as poultry feeds or in the manufacture of poultry feeds.....	5 p.c.	5 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
66500-1	Torpedoes, fire-crackers and fire-works of all kinds..	Free	22 p.c.	25 p.c.	Free	22½ p.c.	25 p.c.
	on and after January 1, 1969	Free	21½ p.c.	25 p.c.			
	on and after January 1, 1970	Free	21 p.c.	25 p.c.			
	on and after January 1, 1971	Free	20½ p.c.	25 p.c.			
	on and after January 1, 1972	Free	20 p.c.	25 p.c.			
66505-1	Fuse, not metallic.....	Free	24 p.c.	30 p.c.	Free	25 p.c.	30 p.c.
	on and after January 1, 1969	Free	23 p.c.	30 p.c.			
	on and after January 1, 1970	Free	22 p.c.	30 p.c.			
	on and after January 1, 1971	Free	21 p.c.	30 p.c.			
	on and after January 1, 1972	Free	20 p.c.	30 p.c.			

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
67000-1	Grinding wheels, stones or blocks, manufactured by the bonding together of either natural or artificial abrasives; manufactures of emery or of artificial abrasives, n.o.p.	10 p.c.	19½ p.c.	30 p.c.	10 p.c.	20 p.c.	30 p.c.
	on and after January 1, 1969	10 p.c.	19 p.c.	30 p.c.			
	on and after January 1, 1970	10 p.c.	18½ p.c.	30 p.c.			
	on and after January 1, 1971	10 p.c.	18 p.c.	30 p.c.			
	on and after January 1, 1972	10 p.c.	17½ p.c.	30 p.c.			
68300-1	Barytes	Free	18 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
	on and after January 1, 1969	Free	16 p.c.	25 p.c.			
	on and after January 1, 1970	Free	14 p.c.	25 p.c.			
	on and after January 1, 1971	Free	12 p.c.	25 p.c.			
	on and after January 1, 1972	Free	10 p.c.	25 p.c.			
68905-1	Mineral wool	Free	24 p.c.	25 p.c.	Free	25 p.c.	25 p.c.
	on and after January 1, 1969	Free	23 p.c.	25 p.c.			
	on and after January 1, 1970	Free	22 p.c.	25 p.c.			
	on and after January 1, 1971	Free	21 p.c.	25 p.c.			
	on and after January 1, 1972	Free	20 p.c.	25 p.c.			
71100-1	All goods not enumerated in this schedule as subject to any other rate of duty, and not otherwise declared free of duty, and not being goods the importation whereof is by law prohibited	15 p.c.	19½ p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	on and after January 1, 1969	15 p.c.	19 p.c.	25 p.c.			
	on and after January 1, 1970	15 p.c.	18½ p.c.	25 p.c.			
	on and after January 1, 1971	15 p.c.	18 p.c.	25 p.c.			
	on and after January 1, 1972	15 p.c.	17½ p.c.	25 p.c.			

Duty shall not be deemed to be provided for by this item upon dutiable goods mentioned as "n.o.p." in any other tariff item

When the component material of chief value in any non-enumerated article consists of dutiable material enumerated in this schedule as bearing a higher rate

of duty than is specified in this tariff item, such non-enumerated article shall be subject to the highest duty that would be chargeable thereon if it were composed wholly of the component material thereof of chief value, such "component material of chief value" being that component material which exceeds in value any other single component material in its condition as found in the article.

71105-1	Beverages consisting of aqueous extracts of dried prunes.....		9 p.c.	9 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
		on and after January 1, 1969	8 p.c.	8 p.c.	25 p.c.			
		on and after January 1, 1970	7 p.c.	7 p.c.	25 p.c.			
		on and after January 1, 1971	6 p.c.	6 p.c.	25 p.c.			
		on and after January 1, 1972	5 p.c.	5 p.c.	25 p.c.			
71110-1	Prepared foods, whether canned or not, for cats and dogs.....		13½ p.c.	13½ p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
		on and after January 1, 1969	12 p.c.	12 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
		on and after January 1, 1970	10½ p.c.	10½ p.c.	25 p.c.			
		on and after January 1, 1971	9 p.c.	9 p.c.	25 p.c.			
		on and after January 1, 1972	7½ p.c.	7½ p.c.	25 p.c.			
71115-1	Expanded perlite, ground, for use in filtering.....	10 p.c.	10 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.	
92501-1	Common salt (including rock salt, sea salt and table salt); pure sodium chloride; salt liquors; sea water: Other than the following... per one hundred pounds	on and after January 1, 1969,	Free	2 cts.	5 cts.	Free	3½ cts.	7½ cts.
		per one hundred pounds on and after January 1, 1970,	Free	1½ cts.	5 cts.	Free	3 cts.	5 cts.
		per one hundred pounds on and after January 1, 1971,	Free	1 ct.	5 cts.			
		per one hundred pounds on and after January 1, 1972,	Free	½ ct.	5 cts.			
		per one hundred pounds	Free	Free	5 cts.			
92501-2	Salt for the use of the sea or gulf fisheries.....	Free	Free	Free	Free	Free	Free	
92501-3	Table salt made by an admixture of other ingredients, when containing not less than ninety per cent of pure salt.....		5 p.c.	9 p.c.	15 p.c.	5 p.c.	10 p.c.	15 p.c.
		on and after January 1, 1969	5 p.c.	8 p.c.	15 p.c.			
		on and after January 1, 1970	5 p.c.	7 p.c.	15 p.c.			
		on and after January 1, 1971	5 p.c.	6 p.c.	15 p.c.			
		on and after January 1, 1972	5 p.c.	5 p.c.	15 p.c.			
92501-4	Salt liquors and sea water.....	Free	Free	Free	Free	3 cts. cwt.	5 cts. cwt.	

9. That Schedule A to the *Customs Tariff* and each order in council made under section 10 of the *Customs Tariff* and section 273 of the *Customs Act* reducing the duty on goods be amended by striking out tariff items 4700-1, 4705-1, 10905-1, 11305-1, 11400-1, 26610-1, 34200-1, 39905-1, 40920-1, 41002-1, 41004-1, 41006-1, 41008-1, 41010-1, 41012-1, 41014-1, 41016-1, 41018-1, 41020-1, 41022-1, 41024-1, 41026-1, 41028-1, 41030-1, 41030-2, 41032-1, 41033-1, 41035-1, 41037-1, 41039-1, 41041-1, 41043-1, 41045-1, 41047-1, 41049-1, 41051-1, 41052-1, 41054-1, 41056-1, 41058-1, 41060-1, 41062-1, 44205-1, 44534-1, 44536-1, 44538-1, 44540-1, 44542-1, 44544-1, 44548-1, 44550-1, 44552-1, 44554-1, 49101-1, 59730-2, 59740-1, 84800-1, 84805-1 and 84810-1, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting in Schedule A to the *Customs Tariff* the following items, enumerations of goods and rates of duty:

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates			
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
9012-1	Soya bean flour for use exclusively in the manufacture of glues or adhesives.....	Free	Free	Free	Free	Free	
10905-1	Peanuts, green, in the shell or not further processed than shelled.....	Free	Free	10 p.c.	Free	Free	1 ct./lb.
11305-1	Copra or broken cocoanut meat, not shredded, desiccated, or prepared in any manner.....	Free	Free	10 p.c.	Free	Free	3/4 cts./lb.
26610-1	Oiticica oil.....	Free	Free	15 p.c.	Free	Free	2½ cts./lb.
27620-1	Castor beans.....	Free	Free	10 p.c.	Free	Free	2 cts./lb.
27625-1	Soya beans.....	Free	Free	10 p.c.	Free	Free	2 cts./lb.
27630-1	Palm kernels.....	Free	Free	10 p.c.	Free	Free	4 cts./lb.
34200-1	Phosphor tin, phosphor copper and phosphor bronze in blocks, bars, plates, sheets, strips, rods and wire.	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.

39905-1	Pipes or tubes of iron or steel, commonly known as "oil-country goods", being casing or tubing and fittings, couplings, thread protectors and nipples therefor; all of the foregoing for use in connection with natural gas or oil wells.....	5 p.c.	10 p.c.	20 p.c.	5 p.c.	10 p.c.	20 p.c.
40920-1	Combination bagging or boxing and weighing machines; Box dumpers, box or bag fillers, highpilers not including fork lift trucks; Grading, grating, washing or wiping machines; Machines for making or lidding boxes; All the foregoing for fresh fruit or fresh vegetables; <i>Machines and equipment, other than scales, for use in grading or packing lines exclusively for fresh fruit or fresh vegetables, from the dumper, feed table, bin or hopper to the box or bag closing machine, inclusive;</i> <i>Carbon dioxide generators or reducers for use in controlling the atmosphere in greenhouses or in storage plants for fresh fruit or fresh vegetables;</i> Machines for topping vegetables; Machines for bunching or tying cut flowers, vegetables or nursery stock; Egg-graders and egg-cleaners; Silage caps; Parts of all the foregoing.....	Free	Free	Free	Free Free Various	Free 7½ p.c. Various	Free 35 p.c. Various
	<i>Bits and augers of all kinds;</i> <i>Drills of all kinds, not including those drilling rigs entitled to entry under tariff item 49103-1;</i> <i>All the foregoing for use in the exploration or drilling for water, oil, natural gas or minerals, or in mining or quarrying:</i>						
41001-1	<i>Of a class or kind made in Canada;</i> <i>parts thereof.....</i>	5 p.c.	15 p.c.	25 p.c.	5 p.c. 5 p.c. Free Various	10 p.c. 15 p.c. Free Various	20 p.c. 25 p.c. Free Various
41002-1	<i>Of a class or kind not made in Canada;</i> <i>parts thereof.....</i>	Free	Free	Free			
41004-1	<i>Tungsten carbide inserts for attachment to rock or coal drilling bits.....</i>	5 p.c.	7½ p.c.	25 p.c.	5 p.c. Various	7½ p.c. Various	25 p.c. Various

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
41006-1 Diesel-powered self-propelled <i>dump</i> trucks, mounted on rubber-tired wheels or on rubber-tired wheels and half-tracks, having a rated capacity by struck volume of not less than 9½ cubic yards, and by payload weight of not less than 15 tons, and parts thereof, for off-highway use in carrying minerals or other excavated materials at mines, quarries, gravel and sand pits or at construction sites.....	5 p.c.	10 p.c.	25 p.c.	Free Free	7½ p.c. 17½ p.c.	27½ p.c. 27½ p.c.
<i>Machinery and apparatus for use in mining, quarrying, the development of mineral deposits, or the processing of ores, metals or minerals, namely:</i>						
41011-1 <i>Crushing machines and grinding mills; Mine shaft hoists; Parts of all the foregoing</i>	5 p.c.	15 p.c.	25 p.c.	5 p.c. Various	15 p.c. Various	25 p.c. Various
41012-1 Mine roof and wall supports and support systems, of metal, including yielding props, chocks, <i>roof-bars</i> , and choek release apparatus, but not including roof bolts or washers or nuts therefor; <i>Mining machines for extracting and loading minerals directly from the working face of a mine;</i> Trucks, tractors, or <i>shuttle cars</i> , self-propelled, for use exclusively underground; Tubes or shells to be inserted in the face for breaking down coal or other minerals by the release of carbon dioxide or compressed air; <i>pipes, tubes and fittings for use therewith;</i> <i>Parts of all the foregoing;</i> <i>Conveyors, of a class or kind not made in Canada;</i> <i>Parts, of a class or kind not made in Canada, for conveyors</i>	Free	Free	Free	Free Free Various	Free 12½ p.c. Various	Free 35 p.c. Various

Air engines;
 Coal cutting machines;
 Dust collectors;
 Elevating platforms, including raise climbers, for use underground;
 Flame-proof enclosed driving motors;
 Loading machines, including draglines and power shovels;
 Machinery and apparatus, including the hulls of dredges, floating or shore discharge pipeline or booster station equipment, to be incorporated into dredging plants;
 Pumps, vacuum pumps, fans, blowers or compressors;
 Scales for use with conveyors;

41013-1	Of a class or kind made in Canada; parts thereof.....	5 p.c.	15 p.c.	25 p.c.			
41014-1	Of a class or kind not made in Canada; parts thereof.....	Free	Free	Free	{ Free 5 p.c. 5 p.c. Various	{ Free 15 p.c. 7½ p.c. Various	{ Free 25 p.c. 20 p.c. Various

Machinery and apparatus for use in the processing, smelting or refining of ores, metals or minerals, namely:

- 41021-1 Machinery and apparatus for sintering or pelletizing iron ore, concentrated or not, or flue dust;
- Machinery and apparatus for use in the construction, equipment and repair of blast furnaces for smelting iron ore, such machinery and apparatus to include blast furnace fans, blowers or compressors, hot blast stoves and burners, blast piping and valves connecting the fans, blowers or compressors with the furnace, scale cars, charging and hoisting apparatus, blast furnace gas piping, cleaners and washers;
- Machinery and apparatus, of a class or kind not made in Canada, for use exclusively in handling materials to be charged into a blast furnace or an electric smelting furnace, from the dock, car or stock pile, at the smelting works;

Tariff Item	Present Rates					
	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
41021-1 (Contd)						
Machinery for the extraction of precious metals by the chlorination or cyanide processes, not including pumps, vacuum pumps, fans, blowers or compressors;						
Mercury pumps;						
Non-metallic heating elements;						
Parts of all the foregoing.....	Free	Free	Free	Free Free Various	5 p.c. Free Various	5 p.c. Free Various
Agitators;						
Amalgam cleaners;						
Automatic ore samplers;						
Fans, blowers or compressors, of iron or steel;						
Classifiers;						
Converting apparatus for metallurgical processes;						
Feeders, mechanical;						
Filters;						
Flotation machines, flotation cells, and oil feeders and reagent feeders therefor;						
Furnace slag trucks and slag pots;						
Pyrometers;						
Retorts;						
Screens, including oscillating, revolving, shaking, stationary, travelling and vibrating screens, and grizzlies;						
Separators, including jigs and magnetic or electric separators and magnetic pulleys;						
Slime or concentrating tables;						
Thickeners;						
Chemical conversion, extraction, reduction or recovery apparatus for use in metallurgical operations;						

Machinery and apparatus for use in the refining of metals or in roasting or smelting or the production of anodes, cathodes, blocks, slabs, pigs or ingots in such processes;

Machinery and apparatus for use in washing, screening, drying or dry cleaning coal:

41022-1	Of a class or kind made in Canada; parts thereof.....	5 p.c.	15 p.c.	25 p.c.	{ Free Free 12½ p.c. 5 p.c. Various	10 p.c. Free 17½ p.c. 7½ p.c. Various	12½ p.c. Free 20 p.c. 20 p.c. Various
41023-1	Of a class or kind not made in Canada; parts thereof.....	Free	Free	Free			

Machinery and apparatus for use in producing coal gas and coke; machinery and apparatus for use in the distillation or recovery of products from coal tar or coal gas:

41026-1	Of a class or kind made in Canada; parts thereof.....	5 p.c.	15 p.c.	25 p.c.	{ Free Various	10 p.c. Various	12½ p.c. Various
41027-1	Of a class or kind not made in Canada; parts thereof.....	Free	Free	Free			

Machinery and apparatus for the recovery of solid or liquid particles from flue or other waste gases at metallurgical or industrial plants:

41031-1	Of a class or kind made in Canada; parts thereof.....	5 p.c.	15 p.c.	25 p.c.	{ 5 p.c. Various	10 p.c. Various	12½ p.c. Various
41032-1	Of a class or kind not made in Canada; parts thereof.....	Free	Free	Free			

41035-1 Equipment for distributing stone dust in mines;

Rescue appliances, designed for use in mines, where artificial breathing is necessary in the presence of noxious gases, including oxygen pumps for use exclusively in connection with such appliances;

Automatic resuscitation apparatus for artificial breathing to aid in the saving of human life;

Apparatus for determining the presence or quantity of carbon monoxide in the blood;

Inhalators for treating victims of noxious gas;

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
41035-1 (Cont'd)						
<i>Portable respirators, including hose mask outfits complete with face piece, harness, air line and air pump or blower, designed for use in noxious atmosphere;</i>						
<i>Indicating or continuous recording equipment or automatic alarm equipment for detecting or indicating noxious gases or noxious vapours in the atmosphere;</i>						
Parts of all the foregoing.....	Free	Free	Free	Free Free	Free Free	10 p.c. Free
41040-1 Safety goggles designed for eye protection of workers employed in hazardous work; parts thereof.....	Free	Free	Free	Free	Free	Free
41045-1 Miners' safety lamps; miners' acetylene lamps; accessories for cleaning, filling, charging, opening and testing miners' lamps;						
Battery renewal preparations for miners' electric safety lamps;						
All for use exclusively at mines;						
Parts of the foregoing.....	Free	Free	Free	Free	Free	Free
44205-1 Materials, including all parts, wholly or in chief part of metal, of a class or kind not made in Canada, when imported for use in the manufacture of goods entitled to entry under tariff items 41100-1, 41105-1, 41110-1, 42723-1, 42726-1, 42729-1, 42732-1, 42733-1, 42741-1, 42805-1, 42815-1, 42817-1, 44037-1, 44040-1, and 44705-1, under such regulations as the Minister may prescribe.....	Free	Free	10 p.c.	Free	Free	10 p.c.
44536-1 Record changers; turntables; tone arms; pick-up cartridges; phonograph needles; microphones, including microphone stands.....	7½ p.c.	7½ p.c.	25 p.c.	{ 7½ p.c. 15 p.c. Various	7½ p.c. 20 p.c. Various	30 p.c. 30 p.c. Various

44537-1	Parts and materials for use in the manufacture or repair of the goods enumerated in tariff item 44536-1.....	Free	Free	25 p.c.	{ Free Free Various	Free 5 p.c. Various	30 p.c. 30 p.c. Various
44538-1	Recorders, reproducers and dictation recording and transcribing equipment using magnetizable tape as a recording medium; parts thereof, n.o.p.....	10 p.c.	12½ p.c.	25 p.c.	{ 15 p.c. 10 p.c.	22½ p.c. 12½ p.c.	30 p.c. 25 p.c.
44539-1	Tape transport mechanisms; parts thereof.....	Free	Free	25 p.c.			
44540-1	Loudspeakers; audio-frequency electric amplifiers; parts thereof, n.o.p.....	Free	15 p.c.	25 p.c.	Free 15 p.c.	20 p.c. 22½ p.c.	30 p.c. 30 p.c.
44541-1	Cone housings, field cases, pole pieces, gaskets and brackets, all for speakers with mounting diameters in excess of 8 inches; Cones and cone surrounds; Diaphragm and voice coil paper; Dust covers; Magnets, magnet structures and magnet blanks; Spiders; Tinsel wire for voice coil leads; Voice coil wire; Materials for use in the manufacture of the foregoing; All the foregoing for use in the manufacture of loudspeakers.....	Free	Free	25 p.c.	15 p.c. Free Free	22½ p.c. 20 p.c. Free	30 p.c. 30 p.c. 30 p.c.
44542-1	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.....	Free	15 p.c.	25 p.c.	Free Free Free	Free 7½ p.c. 20 p.c.	27½ p.c. 30 p.c. 30 p.c.
44543-1	Parts and materials for use in the manufacture of electron tubes, except X-ray tubes, or of parts therefor.....	Free	Free	25 p.c.	Free	Free	30 p.c.
44544-1	Transistors and other semiconductor devices; parts thereof	Free	15 p.c.	25 p.c.	Free Free Free	Free 7½ p.c. 20 p.c.	27½ p.c. 30 p.c. 30 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Present Rates		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
44545-1 <i>Materials for use in the manufacture of the goods enumerated in tariff item 44544-1.....</i>	Free	Free	25 p.c.	Free	Free	30 p.c.
44549-1 <i>Channel frames; Keeper laminations; Mounting brackets; All the foregoing for use in the manufacture of the goods enumerated in tariff item 44548-1.....</i>	Free	Free	25 p.c.	15 p.c. Free 15 p.c.	20 p.c. 20 p.c. 22½ p.c.	30 p.c. 30 p.c. 37½ p.c.
44550-1 <i>Acid- or alkali-free super- or machine-calendered kraft tissue, cellulose acetate, polyester and polystyrene films, not exceeding 0.01 inch in thickness, gummed or not; Ceramic dielectrics; Etched aluminum foil; Metal cans and lids, drawn or extruded; Metal powders; Motors and gears for automatic tuning; Powdered iron and ferrite cores and other shapes, with or without inserts moulded therein; Raw low loss mica; Sheets and punchings of low loss mica; Stamped metal pulleys not exceeding 5 inches in outside diameter and 0.5 inch in width; Tantalum foil; Textile fabrics coated with aluminum; Tube shields of metal or metallized non-metal; Materials for use in the manufacture of the foregoing; All the foregoing for use in the manufacture of the goods enumerated in tariff items 44533-1, 44534-1, 44535-1, 44538-1, 44539-1, 44540-1, 44541-1, 44548-1, and 44549-1.....</i>	Free	Free	25 p.c.	Free Various	Free Various	30 p.c. Various

Machinery and apparatus for use in exploratory or discovery work in connection with oil or natural gas wells or for the development, maintenance, testing, depletion or production of such wells up to and including the wellhead assembly or surface oil pumping unit; well-drilling machinery and apparatus for use in the exploration, discovery, development or operation of potash or rock salt deposits; these provisions shall not include automotive vehicles or chassis on which the machinery and apparatus are mounted:

49101-1 Belting and hose, wholly or partly of rubber, and fittings and accessories therefor whether attached or not;

Casing centralizers, wall scratchers and scrapers, stop rings and cement baskets;

Moulded or extruded rubber products, namely cementing plugs, protectors, wipers, swab rubbers, and rubber rollers for wireline guides and turnback units;

Screens for shale shakers;

Sucker rods, pony rods, polished rods, and couplings therefor;

Swaged nipples and bull plugs not exceeding 4 inches in outside diameter;

Wellhead valves, not under 2 inch or over 3 inch nominal size, rated for service in working pressures up to and including 2,000 pounds per square inch W.O.G. (water, oil, gas), excluding check valves, pressure regulators, automatic safety valves and needle valves;

Parts of all the foregoing..... 5 p.c. 10 p.c. 20 p.c. 5 p.c. 10 p.c. 20 p.c.

10. That Schedule B to the *Customs Tariff* be amended by striking out items 97056-1, 97058-1, 97059-1 and 97065-1 and the enumerations of goods and the rates of drawback of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of drawback of duty:

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
97056-1	Materials, including all parts, wholly or in chief part of metal, of a class or kind not made in Canada.	When used in the manufacture of goods entitled to entry under tariff items 41100-1, 41105-1, 41110-1, 42723-1, 42726-1, 42729-1, 42732-1, 42733-1, 42741-1, 42805-1, 42815-1, 42817-1, 44037-1, 44040-1, and 44705-1.....	99 p.c.
97058-1	Materials.	When used in the manufacture of articles entitled to entry under tariff items 41100-1 and 41105-1, not including saws, when such articles are used as specified in said items.....	60 p.c.
97065-1	Bituminous coal.	When used in melting, evaporating, and preparing salt produced in Canada: No drawback under this item shall be payable on coal used in producing salt or brine when such salt or brine is further manufactured than salt enumerated in tariff items 92501-1, 92501-2, 92501-3 and 92501-4.....	99 p.c.

11. That the *Customs Tariff* be amended by adding thereto, immediately after section 10 thereof, the following section:

10A. *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 93907-1, 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.*

12. That the *Customs Tariff* be amended by adding thereto, immediately after section 15 thereof, the following section:

15A. (1) *The Governor in Council, on the recommendation of the Minister, may from time to time by regulation prescribe rules for, and explanatory notes to assist in resolving conflicts or doubts respecting, the interpretation of the several descriptions of goods in Group XII of Schedule A, set forth under the group designation "Products of the Chemical, Plastics and Allied Industries".*

(2) *In the formulation of the rules and explanatory notes to be prescribed by the Governor in Council pursuant to subsection (1), the Governor in Council shall be guided, as nearly as may be, by the Nomenclature for the Classification of Goods in Customs Tariffs published by the Customs Co-operation Council in Brussels (commonly known as the "Brussels Nomenclature"), including the rules for the interpretation of the said Nomenclature, the section and chapter notes and the headings, and the Explanatory Notes to the Brussels Nomenclature published by the said Council, as amended from time to time.*

13. That section 19 of the *Customs Tariff* as proposed by Resolution 7 be amended by repealing paragraph (a) of subsection (1) thereof and by substituting therefor the following:

(a) *in the case of goods*

(i) *enumerated in tariff items 15605-1, 15610-1, 15615-1, 15625-1, 15627-1, 15630-1, 15635-1, 15640-1, 15645-1, 15646-1 and 15647-1, the goods were "spirits" within the meaning of the Excise Act and were "distilled in Canada" within the meaning of that Act, and*

(ii) *enumerated in tariff item 15646-1, subsections (2) to (6) of section 1 of Part I of the Schedule to the Excise Act did not apply to the goods;*

14. That Schedule A to the *Customs Tariff* and each Order in Council made under section 10 of the *Customs Tariff* and section 273 of the *Customs Act* reducing the duty on goods be amended by striking out the designation of goods of Group VI and tariff items 1100-1, 3935-1, 9036-1, 15310-1, 15645-1, 15650-1, 15700-1, 15705-1, 15715-1, 15800-1, 15810-1, 15910-1, 16101-1, 16600-1, 16600-2, 16600-3, 20300-1, 20305-1, 20310-1, 20600-1, 20700-1, 20705-1, 20710-1, 20715-1, 20720-1, 20800-1, 20802-1, 20803-1, 20805-1, 20807-1, 20809-1, 20811-1, 20813-1, 20815-1, 20817-1, 20819-1, 20821-1, 20823-1, 20825-1, 20827-1, 20829-1, 20831-1, 20833-1, 20835-1, 20837-1, 20839-1, 20839-2, 20839-3, 20839-4, 20841-1, 20843-1, 20845-1, 20847-1, 20849-1, 20851-1, 20900-1, 20905-1, 20906-1, 20910-1, 20915-1, 20920-1, 20925-1, 21000-1, 21005-1, 21006-1, 21010-1, 21015-1, 21020-1, 21025-1, 21030-1, 21035-1, 21040-1, 21045-1, 21100-1, 21105-1, 21200-1, 21300-1, 21300-2, 21400-1, 21500-1, 21505-1, 21600-1, 21600-2, 21600-3, 21605-1, 21610-1,

21635-1, 21700-1, 21705-1, 21800-1, 21905-1, 21910-1, 21915-1, 21916-1,
 21920-1, 21925-1, 21930-1, 21935-1, 22005-1, 22005-2, 22006-1, 22015-1,
 22020-1, 22400-1, 23700-1, 23705-1, 23800-1, 23900-1, 24000-1, 24100-1,
 24105-1, 24200-1, 24300-1, 24400-1, 24500-1, 24600-1, 24605-1, 24610-1,
 24615-1, 24700-1, 24705-1, 24720-1, 24800-1, 24900-1, 25000-1, 25100-1,
 25300-1, 25600-1, 25605-1, 25700-1, 26100-1, 26300-1, 26305-1, 26310-1,
 26315-1, 26325-1, 26410-1, 26415-1, 26600-1, 27825-1, 29505-1, 29515-1,
 29610-1, 29620-1, 29630-1, 30700-1, 30705-1, 30805-1, 32639-1, 32645-1,
 33300-1, 33400-1, 33500-1, 34725-1, 44618-1, 47610-1, 48800-1, 49000-1,
 49005-1, 57700-1, 58400-1, 58500-1, 58505-1, 65405-1, 65810-1, 66200-1,
 66200-2, 66300-1, 66305-1, 66310-1, 66405-1, 66410-1, 66415-1, 66600-1,
 66700-1, 66800-1, 66900-1, 67100-1, 68900-1, 71100-7, 71115-1, 72800-1,
 72900-1, 75800-1, 76100-1, 79100-1, 80500-1, 80900-1, 82200-1, 83300-1,
 90101-1, 90102-1, 90103-1, 90104-1, 90105-1, 90106-1, 90107-1, 90108-1,
 90109-1, 90111-1, 90112-1, 90113-1, 90114-1, 90115-1, 90116-1, 90117-1,
 90118-1, 90121-1, 90122-1, 90123-1, 90124-1, 90125-1, 90131-1, 90132-1,
 90201-1, 90202-1, 90203-1, 90204-1, 90205-1, 90206-1, 90300-1, 90400-1,
 90501-1, 90502-1, 90503-1, 90504-1, 90505-1, 90506-1, 90507-1, 90508-1,
 90509-1, 90510-1, 90601-1, 90602-1, 90603-1, 90604-1, 90605-1, 90700-1,
 90800-1, 90901-1, 90902-1, 90903-1, 90904-1, 90905-1, 90906-1, 90907-1,
 90910-1, 90921-1, 90922-1, 90923-1, 90924-1, 90925-1, 90926-1, 90927-1,
 91000-1, 91100-1, 91200-1, 91301-1, 91302-1, 91400-1, 91501-1, 91502-1,
 91503-1, 91600-1, 91701-1, 91702-1, 91805-1, 91810-1, 91815-1, 91900-1,
 92000-1, 92100-1, 92200-1, 92300-1 and 92500-1, and the enumerations of
 goods and the rates of duty set opposite each of those items, and by inserting in
 Schedule A to the *Customs Tariff* the following Group Designations, Chapter
 Designations, headings, items, enumerations of goods and rates of duty:

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
1100-1	Raw Rennet.....	Free	Free	Free	Free	Free	Free
	Ethyl alcohol undenatured, denatured or specially denatured:						
15645-1	Ethyl alcohol for use as a spirituous or alcoholic beverage or for the manufacture of spirituous or alcoholic beverages.....						
	per gallon of the strength of proof	\$1.00	\$1.00	\$6.00	\$1.00	\$1.00	\$6.00
15646-1	Ethyl alcohol denatured, or specially denatured, otherwise than in accordance with the specifications prescribed by the Excise Act and the Regulations made thereunder.....						
	per gallon of the strength of proof	\$1.00	\$1.00	\$6.00	\$1.00	\$1.00	\$6.00
15647-1	Ethyl alcohol denatured, or specially denatured, in accordance with the specifications prescribed by the Excise Act and the Regulations made thereunder and ethyl alcohol, n.o.p.; the foregoing subject to such regulations as the Minister may prescribe.....						
	per gallon of the strength of proof	10 cts.	20 cts.	40 cts.	\$1.00	\$1.00	\$6.00
	When the goods specified in tariff items 15605-1, 15610-1, 15615-1, 15620-1, 15625-1, 15627-1, 15630-1, 15635-1, 15640-1, 15645-1, 15646-1 and 15647-1 are of greater or less strength than the strength of proof, the measurement thereof and the amount of duty payable shall be increased or decreased in proportion for any greater or less strength than the strength of proof.						
15910-1	Sweet spirits of nitre and aromatic spirits of ammonia per gallon and	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.
	Perfumed spirits, bay rum, cologne and lavender waters, lotions, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:						
16101-1	When in bottles or flasks containing not more than four ounces each.....	20 p.c.	20 p.c.	50 p.c.	20 p.c.	29 p.c.	50 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
16810-1 Vinegar.....	10 p.c.	15 p.c.	25 p.c.	10 cts. per gallon of any strength not exceeding the strength of proof And in addition thereto, for each degree of strength in excess of the strength of proof	10 cts. 1½ cts.	15 cts. 2 cts.
GROUP VI						
DRUGS, WAXES, SOAPS AND OILS						
20300-1 Non-edible seeds, beans, nuts, berries, plants, weeds, barks and woods, in a crude state or chipped or ground, when adapted for tanning or dyeing; turmeric and nutgalls; annatto pulp.....	Free	Free	Free	Free	Free	Free
20600-1 Dragon's blood; fuller's earth, in bulk only, not prepared for toilet or other purposes; litmus and all lichens, prepared or not prepared; musk, in pods or in grain; quassia juice; saffron, saffron cake, safflower; cochineal; ferment cultures to be used in butter-making.....	Free	Free	Free	Free	Free	Free
20800-1 Argols; arsenic sulphides, natural; boric acid, crude natural; copper, crude precipitate of; sodium borates, crude natural, and concentrates thereof, calcined or not.....	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.
20900-1 Sodium carbonates, natural.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	19½ p.c. Various	25 p.c. Various
21000-1 Natural sodium sulphate.....	10 p.c.	15 p.c.	25 p.c.	1/5 ct. per pound	1/5 ct. per pound	3/5 ct. per pound
21100-1 Whiting or whitening; natural calcium sulphate, n.o.p.....	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
22005-1 Drugs, n.o.p., of a kind not produced in Canada.....	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
22400-1 Sealing wax (including bottle sealing wax) in sticks, cakes or similar forms.....	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	22½ p.c.	25 p.c.

23405-1	Non-alcoholic toilet preparations for the care of the nails, packaged for sale at retail for such use.....	10 p.c.	15 p.c.	30 p.c.	15 cts. per gallon and 5 p.c. 15 p.c.	15 cts. per gallon and 15 p.c. 20 p.c.	20 cts. per gallon and 30 p.c. 25 p.c.
26310-1	Diethyl ketone, methyl normal propyl ketone and blends thereof; furfural; all the foregoing for use in the refining of oils.....	Free	Free	25 p.c.	Free	Free	25 p.c.
26810-1	Crude naphthalene.....	Free	Free	10 p.c.	Free Free	Free 15 p.c.	10 p.c. 25 p.c.
27005-1	Sulpho-thio-phosphoric (dithiophosphoric) compounds for use in the process of concentrating ores, metals or minerals.....	Free	Free	10 p.c.	Free	Free	Free
27010-1	Cresylic acid and compounds of cresylic acid, used in the process of concentrating ores, metals or minerals, n.o.p.....	Free	15 p.c.	15 p.c.	Free	15 p.c.	15 p.c.
27320-1	Mastics of asphalt and other bituminous mastics.....	10 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
27825-1	Oils, hydrogenated, blown or dehydrated, not including blown or hydrogenated fish, seal or whale oils.....	12½ p.c.	17½ p.c.	25 p.c.	12½ p.c.	17½ p.c.	25 p.c.
29505-1	Wollastonite; natural zirconium silicate.....	Free	Free	Free	Free Free	5 p.c. Free	25 p.c. Free
29610-1	Magnesite, dead-burned or sintered, n.o.p.; magnesite, caustic calcined, n.o.p.; plastic magnesia; magnesium oxide, n.o.p.....	15 p.c.	15 p.c.	30 p.c.	15 p.c. Various	15 p.c. Various	30 p.c. Various
29630-1	Magnesium oxide, or calcined magnesite, for use exclusively in the manufacture of electrical cables...	Free	Free	Free	Free	Free	Free
29680-1	Calcined witherite.....	Free	15 p.c.	25 p.c.	Free 12½ p.c.	15 p.c. 17½ p.c.	25 p.c. 22½ p.c.
30700-1	Marble, n.o.p.....	17½ p.c.	17½ p.c.	40 p.c.	20 p.c.	25 p.c.	40 p.c.
30705-1	Manufactures of marble, n.o.p.....	17½ p.c.	17½ p.c.	40 p.c.	20 p.c.	22½ p.c.	40 p.c.
30805-1	Manufactures of alabaster, n.o.p.....	17½ p.c.	17½ p.c.	35 p.c.	20 p.c.	22½ p.c.	35 p.c.
32639-1	Beads, drops or other shapes, of cellulose acetate, glass or synthetic resins, for use exclusively in the manufacture of synthetic pearls.....	Free	Free	Free	Free Free	Free Free	Free 30 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
32645-1 Moulded illuminating shades, reflectors and refractors of glass, of a class or kind not made in Canada, designed for use with light fixtures or with portable lamps.....	Free	15 p.c.	32½ p.c.	Free	15 p.c.	32½ p.c.
32910-1 Bauxite, whether or not washed or calcined.....	Free	Free	Free	Free	Free	Free
33050-1 Lubricant molybdenite powder.....	Free	15 p.c.	25 p.c.	Free Free	15 p.c. 5 p.c.	25 p.c. 25 p.c.
33300-1 Cinnabar.....	Free	Free	Free	Free	Free	Free
33400-1 Kryolite or cryolite, n.o.p.....	Free	Free	Free	Free	Free	Free
33501-1 Natural oxides, n.o.p., not including ores of metals: Other than the following.....	Free	10 p.c.	25 p.c.	12½ p.c. Free Free	17½ p.c. 20 p.c. Free	22½ p.c. 22½ p.c. 22½ p.c.
33502-1 Antimony oxides.....	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	25 p.c. 10 p.c.
33503-1 Copper oxides.....	Free	15 p.c.	25 p.c.	Free Free	15 p.c. 10 p.c.	15 p.c. 10 p.c.
33504-1 Manganese oxides.....	Free	Free	Free	Free	Free	Free
33505-1 Molybdenum oxides.....	10 p.c.	15 p.c.	25 p.c.	Free 12½ p.c.	Free 17½ p.c.	5 p.c. 22½ p.c.
33506-1 Nickelous oxide.....	10 p.c.	15 p.c.	25 p.c.	12½ p.c. Free	17½ p.c. 20 p.c.	22½ p.c. 22½ p.c.
33507-1 Tin oxides.....	Free	15 p.c.	25 p.c.	Free	15 p.c.	15 p.c.
33508-1 Zirconium oxide.....	Free	5 p.c.	15 p.c.	Free	5 p.c.	7½ p.c.
Metals, n.o.p., not including alloys, in lumps, powders, ingots or blocks:						
35104-1 Electrolytic manganese.....	Free	Free	20 p.c.	Free Free	5 p.c. 13 p.c.	20 p.c. 25 p.c.

37520-1	Barium-calcium complex, barium-silicon complex, calcium-magnesium complex, calcium-silicon complex; calcium molybdate, tungsten oxide, vanadium oxides, whether in powder, in lumps, or formed into briquettes by the use of a binding material; all the foregoing when for use in the manufacture of iron or steel under such regulations as the Minister may prescribe.....	Free	Free	5 p.c.	Free Various	Free Various	5 p.c. Various
47610-1	Surgical suction apparatus including motive power; operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under such regulations as the Minister may prescribe.....	Free	Free	Free	Free	Free	Free
58400-1	Bone pitch, crude only.....	Free	Free	Free	Free	Free	Free
58500-1	Coal and burgundy pitch; coal tar, crude, in packages of not less than fifteen gallons.....	Free	Free	Free	Free	Free	Free
59000-1	Naphtha, high flash, of coal-tar origin.....	Free	Free	Free	1/3 ct. per gallon	1/3 ct. per gallon	1 ct. per gallon
	Hexamethylenetetramine or metaldehyde, put up in tablets, sticks or similar forms for use as fuels:						
59105-1	Hexamethylenetetramine.....	10 p.c.	15 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
59106-1	Metaldehyde.....	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	Magnetic recording tape, n.o.p., manufactured from synthetic resins or cellulose plastics:						
65810-1	Unrecorded.....	5 p.c.	10 p.c.	25 p.c.	15 p.c.	20 p.c.	30 p.c.
65811-1	Recorded.....	15 p.c.	20 p.c.	25 p.c.	15 p.c.	20 p.c.	30 p.c.
66900-1	Corundum, n.o.p., emery and garnet, in bulk, crushed or ground.....	Free	Free	Free	Free	Free	Free
67100-1	Artificial abrasive grains, other than chemically defined products, crushed or ground.....	Free	Free	Free	Free	Free	Free
68117-1	Crude oxide of cobalt.....	Free	10 p.c.	10 p.c.	Free	10 p.c.	10 p.c.
68120-1	Uranium depleted in U 235, in the form of pigs, ingots, billets or bars; residues resulting from the processing abroad of uranium metal, salts or oxides.....	Free	Free	25 p.c.	Free Various	Free Various	25 p.c. Various

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
68125-1 Sal ammoniac skimmings.....	Free	Free	Free	Free	Free	Free
84900-1 Goods which enter into the cost of manufacture of fertilizers when imported for use exclusively in the manufacture of fertilizers.....	Free	Free	Free	Free Various	Free Various	Free Various
85000-1 Materials of all kinds for use in producing or manufacturing the products of heading 93811, when imported exclusively for such use, whether or not otherwise enumerated in Schedule A, subject to such regulations as the Minister may prescribe.....	Free	Free	Free	Free Various	Free Various	Free Various
85100-1 Materials for use in the manufacture of synthetic rubber.....	Free	Free	Free	Free	Free	Free
85200-1 Askarels (non-flammable liquids) for use in the manufacture of electrical apparatus.....	Free	5 p.c.	25 p.c.	Free	5 p.c.	25 p.c.
85300-1 Colours or pigments for use in the manufacture of roofing granules.....	Free	Free	22½ p.c.	Free	Free	22½ p.c.
85400-1 Materials and parts, entering into the cost of calcium cyanide, potassium cyanide or sodium cyanide, for use in the manufacture of calcium cyanide, potassium cyanide or sodium cyanide.....	Free	Free	Free	Free	Free	Free
85500-1 Coal tar bases or salts, with or without surface-active agents, for use in the manufacture of coal tar dyes and pigment dyestuffs.....	Free	Free	25 p.c.	Free	Free	Free

GROUP XII

PRODUCTS OF THE CHEMICAL, PLASTICS
AND ALLIED INDUSTRIES

CHAPTER 915

FATTY ACIDS; ACID OILS; FATTY
ALCOHOLS; GLYCEROL

91510—Industrial mixtures, including reaction blends, of fatty acids not containing 90 per cent or more by weight of any one acid; acid 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:

91510-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
91510-2	Acid oils.....	Free	10 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
91510-3	Tall oil fatty acids.....	Free	Free	Free	Free	Free	Free
91510-4	Higher fatty alcohols, unsulphated, for use in the manufacture of synthetic detergents.....	Free	Free	25 p.c.	Free	Free	25 p.c.
91511—Glycerol and glycerol lyes:							
91511-1	Other than the following.....	Free	Free	Free	Free 15 p.c.	Free 19½ p.c.	Free 25 p.c.
91511-2	Glycerol, other than crude.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. Free 19½ p.c.	25 p.c. Free 25 p.c.

CHAPTER 925

SALT; SULPHUR; EARTH COLOURS

92503-1	92503—Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur..	Free	Free	Free	Free	Free	Free
92509-1	92509—Earth colours, whether or not calcined or mixed together; natural micaceous iron oxides.....	Free	7½ p.c.	20 p.c.	5 p.c. 12½ p.c.	12½ p.c. 17½ p.c.	15 p.c. 22½ p.c.

CHAPTER 928

INORGANIC CHEMICALS; ORGANIC AND INORGANIC
COMPOUNDS OF PRECIOUS METALS, OF RARE
EARTH METALS, OF RADIO-ACTIVE
ELEMENTS AND OF ISOTOPES

92801—Halogens (fluorine, chlorine, bromine and iodine):

92801-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
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Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92801-2	Bromine.....	Free	Free	Free	Free Free	Free Free	Free 25 p.c.
92801-3	Iodine, crude.....	Free	Free	Free	Free	Free	Free
92802-1	92802—Sulphur, sublimed or precipitated; colloidal sulphur.....	Free	Free	Free	Free Free 15 p.c.	Free 15 p.c. 20 p.c.	Free 25 p.c. 25 p.c.
92803-1	92803—Carbon, n.o.p., including carbon black, anthracene black, acetylene black and lamp black..	Free	Free	Free	Free	Free	Free
	92804—Hydrogen, rare gases and other non-metals:						
92804-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92804-2	Helium.....	5 p.c.	10 p.c.	15 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92804-3	Phosphorus.....	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
92804-4	Selenium.....	5 p.c.	10 p.c.	15 p.c.	15 p.c.	19½ p.c.	25 p.c.
92804-5	Tellurium.....	5 p.c.	10 p.c.	15 p.c.	15 p.c.	19½ p.c.	25 p.c.
	92805—Alkali, alkaline-earth and rare earth metals; yttrium and scandium; mercury:						
92805-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92805-2	Mercury.....	Free	Free	Free	Free	Free	Free
92805-3	Sodium.....	Free	Free	Free	Free Free	15 p.c. Free	25 p.c. 25 p.c.

92806—Hydrochloric acid, including anhydrous hydrogen chloride, and chlorosulphonic acid:							
92806-1	Hydrochloric acid, including anhydrous hydrogen chloride	Free	15 p.c.	25 p.c.	17½ cts.	22½ cts.	25 cts.
					Free	per one hundred pounds	25 cts.
					15 p.c.	per one hundred pounds	25 p.c.
92806-2	Chlorosulphonic acid	Free	Free	Free	Free	15 p.c.	25 p.c.
92807-1	92807—Sulphur dioxide	Free	Free	Free	15 p.c.	19½ p.c.	25 p.c.
92808-1	92808—Sulphuric acid; oleum	10 p.c.	15 p.c.	25 p.c.	17½ cts.	22½ cts.	25 cts.
					Free	per one hundred pounds	25 cts.
						per one hundred pounds	25 cts.
92809-1	92809—Nitric acid; sulphonitric acids	10 p.c.	15 p.c.	25 p.c.	Free	20 p.c.	22½ p.c.
					15 p.c.	20 p.c.	25 p.c.
					15 p.c.	19½ p.c.	25 p.c.
					Free	Free	10 p.c.
92810-1	92810—Phosphorus pentoxide and phosphoric acids (meta-, ortho- and pyro-)	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
					Free	25 p.c.	25 p.c.
92811-1	92811—Arsenic trioxide, arsenic pentoxide and acids of arsenic	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
					Free	Free	Free
92812—Boric oxide and boric acid:							
92812-1	Boric oxide	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92812-2	Boric acid	Free	Free	Free	Free	Free	Free
					Free	15 p.c.	25 p.c.
92813—Other inorganic acids and oxygen compounds of non-metals (excluding water):							
92813-1	Other than the following	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
					15 p.c.	19½ p.c.	25 p.c.
92813-2	Fluorosilicic acid	Free	Free	Free	Free	Free	Free
92813-3	Sulphamic acid	Free	Free	Free	Free	15 p.c.	25 p.c.
92813-4	Sulphur trioxide	Free	Free	Free	Free	15 p.c.	25 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1			
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
92814—Halides, oxyhalides and other halogen compounds of non-metals:							
92814-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Various	15 p.c. Various	25 p.c. Various
92814-2	Phosphorus oxychloride.....	Free	Free	Free	Free	15 p.c.	25 p.c.
92814-3	Phosphorus pentachloride.....	Free	Free	Free	Free	20 p.c.	20 p.c.
92814-4	Phosphorus trichloride.....	Free	Free	Free	Free	20 p.c.	20 p.c.
92814-5	Other halogen compounds of phosphorus.....	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
92815—Sulphides of non-metals; phosphorus trisulphide:							
92815-1	Other than the following.....	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.
92815-2	Phosphorus pentasulphide.....	Free	5 p.c.	20 p.c.	Free Free	20 p.c. 5 p.c.	20 p.c. 25 p.c.
92815-3	Other sulphides of phosphorus including phosphorus trisulphide.....	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
92815-4	Silicon sulphide.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92816-1	92816—Ammonia, anhydrous or in aqueous solution..	10 p.c.	10 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
92817—Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium:							
92817-1	Potassium hydroxide (caustic potash).....	7½ p.c.	7½ p.c.	20 p.c.	Free 10 p.c.	Free 12½ p.c.	Free 15 p.c.
92817-2	Potassium peroxide.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92817-3	Sodium hydroxide (caustic soda).....	10 p.c.	15 p.c.	25 p.c.	1/5 ct. per pound 17½ p.c. 15 p.c.	3/10 ct. per pound 25 p.c. 17½ p.c.	3/10 ct. per pound 25 p.c. 17½ p.c.

92817-4	Sodium peroxide.....	Free	15 p.c.	25 p.c.	Free	12½ p.c.	20 p.c.
	92818—Oxides, hydroxides and peroxides, of strontium or barium; hydroxides and peroxides of magnesium; magnesium oxide, howsoever produced, not less than 94 per cent pure:						
92818-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Free 12½ p.c. 15 p.c.	15 p.c. 5 p.c. 17½ p.c. 19½ p.c.	25 p.c. 25 p.c. 22½ p.c. 25 p.c.
92818-2	Magnesium oxide, howsoever produced, not less than 94 per cent pure.....	Free	Free	Free	Free 15 p.c. Free	15 p.c. 15 p.c. Free	25 p.c. 30 p.c. Free
92819-1	92819—Zinc oxide and zinc peroxide.....	Free	12½ p.c.	25 p.c.	Free Free	15 p.c. 12½ p.c.	25 p.c. 15 p.c.
92820-1	92820—Aluminum oxide and hydroxide; artificial corundum.....	Free	Free	Free	Free	Free	Free
92821-1	92821—Chromium oxides and hydroxides.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92822-1	92822—Manganese oxides.....	Free	Free	Free	Free Free	Free Free	Free 22½ p.c.
92823-1	92823—Iron oxides and hydroxides; earth colours containing 70 per cent or more by weight of combined iron evaluated as Fe ₂ O ₃	10 p.c.	15 p.c.	25 p.c.	Free 5 p.c. 12½ p.c. Free	15 p.c. 12½ p.c. 17½ p.c. 20 p.c.	25 p.c. 15 p.c. 22½ p.c. 22½ p.c.
	92824—Cobalt oxides and cobalt hydroxides:						
92824-1	Cobalt hydroxides.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92824-2	Cobalt oxides.....	Free	10 p.c.	20 p.c.	Free Free	10 p.c. Free	10 p.c. 22½ p.c.
92825-1	92825—Titanium oxides.....	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. 20 p.c.	15 p.c. 22½ p.c.
92826-1	92826—Tin oxides (stannous oxide and stannic oxide).	Free	15 p.c.	25 p.c.	Free	15 p.c.	15 p.c.

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					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92827—Lead oxides; red lead and orange lead:							
92827-1	Other than the following.....	Free	15 p.c.	25 p.c.	Free Free Free	15 p.c. Free 15 p.c.	25 p.c. Free 15 p.c.
92827-2	Red lead and orange lead.....	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	15 p.c.
92828—Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases and metallic oxides, hydroxides and peroxides:							
92828-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 12½ p.c. Various	15 p.c. 17½ p.c. Various	25 p.c. 22½ p.c. Various
92828-2	Antimony oxides.....	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	15 p.c. 10 p.c.
92828-3	Zirconium oxide.....	Free	5 p.c.	15 p.c.	Free	5 p.c.	7½ p.c.
92829—Fluorides; fluorosilicates; fluoroborates and other complex fluorine salts:							
92829-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 22½ p.c.
92829-2	Sodium fluoroaluminate (synthetic cryolite).....	Free	Free	Free	Free	Free	Free
92830—Chlorides and oxychlorides:							
92830-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92830-2	Aluminum chloride.....	Free	10 p.c.	20 p.c.	Free Free	10 p.c. Free	10 p.c. 10 p.c.
92830-3	Antimony chlorides and oxychlorides.....	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.

92830-4	Stannous chloride.....	Free	10 p.c.	20 p.c.	Free Free	10 p.c. Free	10 p.c. 10 p.c.
92831—Chlorites and hypochlorites:							
92831-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 20 p.c.	25 p.c. 30 p.c.
92831-2	Calcium hypochlorite.....	Free	5 p.c.	10 p.c.	Free 17½ p.c.	15 cts. 25 p.c.	15 cts. 25 p.c.
92832—Chlorates and perchlorates:							
92832-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Free Free	15 p.c. 15 p.c. Free	25 p.c. 20 p.c. Free
92832-2	Sodium chlorate.....	Free	10 p.c.	25 p.c.	Free	12½ p.c.	20 p.c.
92833-1	92833—Bromides, oxybromides, bromates and perbromates, and hypobromites.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92834-1	92834—Iodides, oxyiodides, iodates and periodates....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92835—Sulphides; polysulphides:							
92835-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Various	15 p.c. Various	25 p.c. Various
92835-2	Sodium sulphide.....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
92836—Dithionites, including those stabilized with organic substances; sulfoxylates:							
92836-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 20 p.c.	25 p.c. 25 p.c.
92836-2	Sodium dithionite.....	Free	Free	Free	Free	Free	10 p.c.
92836-3	Sodium formaldehyde sulfoxylate.....	Free	Free	Free	Free	Free	10 p.c.
92836-4	Zinc dithionite.....	Free	Free	Free	Free	Free	10 p.c.
92836-5	Zinc formaldehyde sulfoxylate.....	Free	Free	Free	Free	Free	10 p.c.
92837-1—Sulphites and thiosulphates:							
92837-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. 10 p.c.	25 p.c. 25 p.c. 10 p.c.

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92837-2	Sodium bisulphite (sodium hydrogen sulphite).....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
92837-3	Sodium metabisulphite.....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
92837-4	Sodium sulphite, neutral.....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
	92838—Sulphates (including alums) and persulphates:						
92838-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92838-2	Aluminum ammonium sulphate, not calcined.....	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
92838-3	Aluminum potassium sulphate, not calcined.....	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
92838-4	Aluminum sodium sulphate, not calcined.....	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
92838-5	Aluminum sulphate, basic or normal.....	Free	10 p.c.	15 p.c.	Free	10 p.c.	15 p.c.
92838-6	Barium sulphate.....	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
92838-7	Calcium sulphate.....	Free	Free	Free	Free Free	15 p.c. 10 p.c.	25 p.c. 10 p.c.
92838-8	Chromium potassium sulphate.....	Free	Free	10 p.c.	Free	Free	10 p.c.
92838-9	Chromium sulphate, basic.....	Free	Free	10 p.c.	Free	Free	10 p.c.
92838-10	Cupric sulphate.....	Free	10 p.c.	15 p.c.	Free Free. 15 p.c.	10 p.c. 15 p.c. 19½ p.c.	10 p.c. 25 p.c. 25 p.c.
92838-11	Ferrous sulphate, other than exsiccated U.S.P.....	Free	10 p.c.	15 p.c.	Free	10 p.c.	10 p.c.
92838-12	Potassium sulphate containing, in the dry state, more than 52 per cent by weight of K ₂ O, less than 99 per cent pure.....	Free	Free	Free	Free	Free	Free
92838-13	Sodium sulphate, acid (sodium hydrogen sulphate).....	Free	Free	Free	Free	20 p.c.	20 p.c.

92839—Nitrites and nitrates:

92839-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. 22½ p.c. Various
92839-2	Potassium nitrate.....	Free	Free	Free	Free	Free	Free
92839-3	Sodium nitrate containing, in the dry state, more than 16.3 per cent by weight of nitrogen.....	Free	Free	Free	Free	Free	Free
92839-4	Sodium nitrite.....	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	20 p.c.
92839-5	Strontium nitrate.....	Free	Free	Free	Free Free	15 p.c. Free	25 p.c. Free
92840-1	92840—Phosphites, hypophosphites and phosphates	10 p.c.	15 p.c.	25 p.c.	Free Free 15 p.c. Various	15 p.c. 25 p.c. 19½ p.c. Various	25 p.c. 25 p.c. 25 p.c. Various

92841—Arsenites and arsenates:

92841-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 12½ p.c. Free	15 p.c. 17½ p.c. Free	25 p.c. 22½ p.c. 22½ p.c.
92841-2	Sodium arsenates.....	Free	10 p.c.	15 p.c.	Free	12½ p.c.	20 p.c.

92842—Carbonates and percarbonates; commercial ammonium carbonate containing ammonium carbamate:

92842-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92842-2	Potassium carbonate.....	Free	Free	Free	Free 10 p.c.	Free 12½ p.c.	Free 15 p.c.
92842-3	Sodium bicarbonate.....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	25 p.c.

92843—Cyanides and complex cyanides:

92843-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Free 12½ p.c.	15 p.c. 15 p.c. 17½ p.c.	25 p.c. 15 p.c. 22½ p.c.
92843-2	Calcium cyanide.....	Free	Free	Free	Free	Free	Free

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92843-3	Potassium cyanide.....	Free	Free	Free	Free	Free	Free
92843-4	Sodium cyanide.....	Free	Free	Free	Free	Free	Free
92843-5	Sodium ferricyanide.....	Free	Free	Free	Free	12½ p.c.	20 p.c.
92843-6	Sodium ferrocyanide.....	Free	Free	Free	Free	12½ p.c.	20 p.c.
92844-1	92844—Fulminates, cyanates and thiocyanates.....	10 p.c.	15 p.c.	25 p.c.	Free Free 1½ cts. per pound	15 p.c. Free 2½ cts. per pound	25 p.c. 10 p.c. 2½ cts. per pound
	92845—Silicates; commercial sodium and potassium silicates:						
92845-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92845-2	Calcium silicates.....	Free	Free	Free	Free	15 p.c.	25 p.c.
92845-3	Sodium silicates.....	Free	12½ p.c.	20 p.c.	Free	12½ p.c.	20 p.c.
92845-4	Zirconium silicate.....	Free	Free	Free	Free	Free	Free
	92846—Borates and perborates:						
92846-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92846-2	Sodium tetraborate.....	Free	Free	Free	Free Free	Free 15 p.c.	Free 25 p.c.
	92847—Salts of metallic acids (for example, chromates, permanganates, stannates):						
92847-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Various	15 p.c. Various	25 p.c. Various
92847-2	Sodium dichromate.....	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	20 p.c.
92847-3	Sodium stannate.....	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	20 p.c.

92848-1	92848—Other salts and peroxy salts of inorganic acids, but not including azides.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92849-1	92849—Colloidal precious metals; amalgams of precious metals; salts and other compounds, inorganic or organic, of precious metals, including albuminates, proteinates, tannates and similar compounds, whether or not chemically defined.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92850-1	92850—Fissile chemical elements and isotopes; other radio-active chemical elements and radio-active isotopes; compounds, inorganic or organic, of such elements or isotopes, whether or not chemically defined; alloys, dispersions and cermets, containing any of these elements, isotopes or compounds.....	Free	Free	Free	Free Various	Free Various	Free Various
92851-1	92851—Isotopes and their compounds, inorganic or organic, whether or not chemically defined, other than isotopes or compounds falling within heading 92850.....	Free	Free	Free	Free Various	Free Various	25 p.c. Various
92852-1	92852—Compounds, inorganic or organic, of thorium, of uranium depleted in U 235, of rare earth metals, of yttrium or of scandium, whether or not mixed together.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92853-1	92853—Liquid air (whether or not rare gases have been removed); compressed air.....	Free	Free	Free	15 p.c.	19½ p.c.	25 p.c.
92854-1	92854—Hydrogen peroxide (including solid hydrogen peroxide or urea peroxide).....	Free	15 p.c.	25 p.c.	12½ p.c. Free Free	22½ p.c. 22½ p.c. 15 p.c.	25 p.c. 25 p.c. 25 p.c.
	92855—Phosphides:						
92855-1	Other than the following.....	Free	15 p.c.	25 p.c.	Free	20 p.c.	20 p.c.
92855-2	Iron phosphide (ferrophosphorus) used in the manufacture of steel or iron.....	Free	5 p.c.	5 p.c.	Free	5 p.c.	5 p.c.
	92856—Carbides (for example, silicon carbide, boron carbide, metallic carbides):						
92856-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.

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92856-2	Artificial abrasive grains, crushed or ground.....	Free	Free	Free	Free	Free	Free
92856-3	Calcium carbide.....	5 p.c.	10 p.c.	20 p.c.	15 p.c.	19½ p.c.	25 p.c.
	92857—Hydrides, nitrides and azides, silicides and borides:						
92857-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92857-2	Artificial abrasive grains, crushed or ground.....	Free	Free	Free	Free	Free	Free
	92858—Other inorganic compounds (including distilled and conductivity water and water of similar purity); amalgams, except amalgams of precious metals:						
92858-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. 20 p.c.	25 p.c. 25 p.c. 20 p.c.
92858-2	Calcium cyanamide containing, in the dry state, more than 25 per cent by weight of nitrogen.....	Free	Free	Free	Free	Free	Free
92858-3	Cyanogen bromide.....	Free	Free	Free	Free	Free	Free
CHAPTER 929							
ORGANIC CHEMICALS							
	92901—Hydrocarbons:						
92901-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92901-2	Benzene.....	Free	Free	Free	1/3 ct. per gallon Various	1/3 ct. per gallon Various	1 ct. per gallon Various

92901-3	Butadiene.....	Free	Free	Free	15 p.c.	19½ p.c.	25 p.c.
92901-4	Butanes.....	10 p.c.	12½ p.c.	25 p.c.	10 p.c.	12½ p.c.	25 p.c.
92901-5	Butylenes (butenes).....	Free	Free	Free	10 p.c.	12½ p.c.	25 p.c.
92901-6	Camphene.....	Free	Free	Free	Free	15 p.c.	25 p.c.
92901-7	Dipentene.....	Free	Free	Free	Free Free	Free Free	Free 10 p.c.
92901-8	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92901-9	Ethylene.....	Free	Free	Free	Free Free Free	15 p.c. Free Free	25 p.c. Free 10 p.c.
92901-10	Hexanes.....	Free	Free	Free	¾ ct. per gallon	1 ct. per gallon	2 cts. per gallon
92901-11	Pinenes.....	Free	Free	Free	Free	Free	Free
92901-12	Propane.....	10 p.c.	12½ p.c.	25 p.c.	10 p.c.	12½ p.c.	25 p.c.
92901-13	Propylene.....	Free	Free	Free	10 p.c. Free	12½ p.c. Free	25 p.c. 10 p.c.
92901-14	Toluene.....	Free	Free	Free	1/3 ct. per gallon Various	1/3 ct. per gallon Various	1 ct. per gallon Various
92901-15	Xylenes.....	Free	Free	Free	1/3 ct. per gallon Various	1/3 ct. per gallon Various	1 ct. per gallon Various
92902—Halogenated derivatives of hydrocarbons:							
92902-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92902-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free Free	7½ p.c. Free	7½ p.c. 10 p.c.
92902-3	Ethylene dibromide.....	Free	Free	Free	Free Free Free	15 p.c. Free Free	25 p.c. 25 p.c. 10 p.c.

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92903-1	92903—Sulphonated, nitrated or nitrosated derivatives of hydrocarbons.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
	92904—Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92904-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92904-2	Amyl alcohols.....	Free	Free	Free	Free	Free	Free
92904-3	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92904-4	Ethylene glycol.....	10 p.c.	10 p.c.	25 p.c.	Free 10 p.c. 15 p.c. Free	Free 10 p.c. 19½ p.c. Free	Free 25 p.c. 25 p.c. 10 p.c.
92904-5	Methyl alcohol.....	5 p.c.	10 p.c.	20 p.c.	20 cts. Free Free	20 cts. per proof gallon Free Free	20 cts. Free 25 p.c.
	92905—Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92905-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92905-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92905-3	Menthol.....	Free	Free	Free	Free	Free	10 p.c.
92905-4	Terpineol.....	Free	Free	Free	Free	Free	Free
	92906—Phenols and phenol-alcohols:						
92906-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various

92906-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92907-1	92907—Halogenated, sulphonated, nitrated or nitrated derivatives of phenols or phenol-alcohols.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
	92908—Ethers; ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides and ether peroxides, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92908-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92908-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
	92909—Epoxides, epoxyalcohols, epoxyphenols and epoxyethers, with a three or four membered ring, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92909-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92909-2	Epichlorohydrin.....	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
	92910—Acetals and hemiacetals and single or complex oxygen-function acetals and hemiacetals, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92910-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92910-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
	92911—Aldehydes, aldehyde-alcohols, aldehyde-ethers, aldehyde-phenols and other single or complex oxygen-function aldehydes:						
92911-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92911-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.

Tariff Item	—	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92911-3	Formaldehyde.....	5 p.c.	10 p.c.	20 p.c.	Free 25 p.c.	Free 25 p.c.	Free 30 p.c.
92912-1	92912—Halogenated, sulphonated, nitrated or nitrosated derivatives of products falling within heading 92911.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
	92913—Ketones, ketone-alcohols, ketone-phenols, ketone-aldehydes, quinones, quinone-alcohols, quinone-phenols, quinone-aldehydes and other single or complex oxygen-function ketones and quinones, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92913-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92913-2	Camphor, natural or synthetic.....	Free	5 p.c.	25 p.c.	Free Free	5 p.c. Free	10 p.c. 10 p.c.
92913-3	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
	92914—Monoacids and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92914-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92914-2	Acrylic acid.....	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92914-3	Amyl acetate.....	Free	15 p.c.	25 p.c.	10 p.c.	25 p.c.	30 p.c.
92914-4	Copper acetate, basic (verdigris).....	Free	Free	Free	Free	Free	Free
92914-5	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.

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92914-6	Formic acid.....	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	25 p.c. 10 p.c.
92914-7	Lead acetate, neutral.....	Free	10 p.c.	25 p.c.	Free Free	15 p.c. 10 p.c.	25 p.c. 10 p.c.
92914-8	Methacrylic acid.....	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92914-9	Methyl acrylate.....	Free	Free	10 p.c.	Free/ Free	15 p.c. Free	25 p.c. 10 p.c.
92915—Polyacids and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives:							
92915-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92915-2	Dimethyl terephthalate.....	Free	Free	10 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92915-3	Phthalic anhydride.....	10 p.c.	12½ p.c.	25 p.c.	15 p.c. Free	19½ p.c. Free	25 p.c. 10 p.c.
92916—Alcohol-acids, aldehyde-acids, ketone-acids, phenol-acids and other single or complex oxygen-function acids, and their anhydrides, acid halides, acid peroxides and peracids, and their halogenated, sulphonated, nitrated or nitrosated derivatives:							
92916-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92916-2	Antimony lactate.....	Free	Free	Free	Free	Free	Free
92916-3	Antimony potassium tartrate.....	Free	Free	Free	Free	Free	Free
92916-4	Diacetoneketogulonic acid.....	Free	Free	25 p.c.	Free Free	15 p.c. Free	25 p.c. 25 p.c.
92916-5	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92916-6	Gallic acid.....	Free	Free	Free	Free	Free	Free
92916-7	Monocalcium citrate.....	Free	Free	25 p.c.	Free Free	15 p.c. Free	25 p.c. 25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92916-8	Potassium bitartrate.....	Free	10 p.c.	25 p.c.	Free	10 p.c.	10 p.c.
92916-9	Tartaric acid.....	Free	10 p.c.	25 p.c.	Free	10 p.c.	10 p.c.
	92917—Sulphuric esters and their salts, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92917-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92917-2	Dimethyl sulphate.....	Free	Free	Free	Free	Free	Free
	92918—Nitrous and nitric esters, and their halogenated, sulphonated, nitrated or nitrosated derivatives:						
92918-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. 1½ cts. per pound	15 p.c. 20 p.c. 2½ cts. per pound	25 p.c. 25 p.c. 2½ cts. per pound
92918-2	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92918-3	Ethyl nitrite..... per gallon and	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.	\$3.00 30 p.c.
92919-1	92919—Phosphoric esters and their salts, including lactophosphates, and their halogenated, sulphonated, nitrated or nitrosated derivatives.....	10 p.c.	15 p.c.	25 p.c.	Free Free Free Free	15 p.c. 25 p.c. 5 p.c. Free	25 p.c. 25 p.c. 25 p.c. 10 p.c.
92920-1	92920—Carbonic esters and their salts, and their halogenated, sulphonated, nitrated or nitrosated derivatives.....	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92921-1	92921—Other esters of mineral acids (excluding halides) and their salts, and their halogenated, sulphonated, nitrated or nitrosated derivatives.....	10 p.c.	15 p.c.	25 p.c.	Free Free Free	15 p.c. Free Free	25 p.c. 25 p.c. 10 p.c.

92922-1	92922—Amine-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. Free Various
92923-1	92923—Single or complex oxygen-function amino-compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92924-1	92924—Quaternary ammonium salts and hydroxides; lecithins and other phosphoaminolipins.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
92925-1	92925—Amide-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. 25 p.c. Various
92926-1	92926—Imide-function compounds and imine-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92927-1	92927—Nitrile-function compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Various	15 p.c. 19½ p.c. Various	25 p.c. 25 p.c. Various
92928-1	92928—Diazo-, azo-, and azoxy-compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 1½ cts. per pound	15 p.c. 2½ cts. per pound	25 p.c. 2½ cts. per pound
92929-1	92929—Organic derivatives of hydrazine or of hydroxylamine.....	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92930-1	92930—Compounds with other nitrogen-functions.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92931-1	92931—Organo-sulphur compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. Free Various
92932-1	92932—Organo-arsenic compounds.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92933-1	92933—Organo-mercury compounds.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
92934-1	92934—Other organo-inorganic compounds.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Free	15 p.c. 19½ p.c. 5 p.c. Free	25 p.c. 25 p.c. 25 p.c. 10 p.c.
	92935—Heterocyclic compounds; nucleic acids:						
92935-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free Various	15 p.c. 19½ p.c. Free Various	25 p.c. 25 p.c. 10 p.c. Various
92935-2	Caprolactam.....	5 p.c.	5 p.c.	15 p.c.	Free Free	15 p.c. Free	25 p.c. 10 p.c.
92935-3	Essential oils, natural or synthetic.....	Free	7½ p.c.	7½ p.c.	Free	7½ p.c.	7½ p.c.
92936-1	92936—Sulphonamides.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 25 p.c.
92937-1	92937—Sultones and sultams.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92938-1	92938—Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. 15 p.c. Free	15 p.c. 19½ p.c. 20 p.c. Free	25 p.c. 25 p.c. 25 p.c. 25 p.c.
92939-1	92939—Hormones, natural or reproduced by synthesis, and derivatives thereof, used primarily as hormones	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 25 p.c.
	92940—Enzymes:						
92940-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 20 p.c. — 15 p.c.	15 p.c. 25 p.c. and 5 cts. per pound 19½ p.c.	25 p.c. 35 p.c. and 10 cts. per pound 25 p.c.

92940-2	Papain.....	Free	5 p.c.	17½ p.c.	Free	5 p.c.	17½ p.c.
92940-3	Rennet.....	Free	Free	Free	Free	Free	Free
92941-1	92941—Glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives.....	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. Free
	92942—Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives:						
92942-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free Free	15 p.c. Free	25 p.c. Free
92942-2	Nicotine and its salts.....	Free	Free	10 p.c.	Free	Free	10 p.c.
92942-3	Salts of quinine and quinidine.....	Free	Free	Free	Free	Free	Free
92943-1	92943—Sugars, chemically pure, other than sucrose and glucose, but including lactose; sugar ethers and sugar esters, and their salts, other than products of headings 92939, 92941 and 92942.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 10 p.c.
92944-1	92944—Antibiotics.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c. Free	15 p.c. 19½ p.c. Free	25 p.c. 25 p.c. 25 p.c.
	92945—Other organic compounds:						
92945-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
92945-2	Copper acetoarsenite (Paris green).....	Free	7½ p.c.	15 p.c.	Free	7½ p.c.	15 p.c.

CHAPTER 931

FERTILIZERS AND CERTAIN ENUMERATED GOODS

93100-1	Fertilizers, formulated; goods for use as fertilizers; all the foregoing whether or not otherwise provided for in this Chapter or elsewhere in Schedule A	Free	Free	Free	Free Free Various	5 p.c. Free Various	10 p.c. Free Various
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Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
The following, when not for use as fertilizers:						
93100-2	Phosphate rock.....	Free	Free	Free	Free	Free
93100-3	Bone ash, bone dust and charred bone.....	Free	Free	Free	Free	Free
93100-4	Fish offal or refuse; tankage.....	Free	Free	Free	Free	Free
93102-1	Ammonium nitrate, whether or not coated or prilled.....	Free	Free	Free	Free	Free
				Free	10 p.c.	25 p.c.
				Free	25 p.c.	25 p.c.
				15 p.c.	20 p.c.	25 p.c.
93102-2	Ammonium sulphate.....	Free	Free	Free	Free	Free
93102-3	Ammonium sulphonitrate, calcium nitrate—magnesium nitrate.....	Free	Free	Free	Free	Free
				Free	15 p.c.	25 p.c.
				15 p.c.	19½ p.c.	25 p.c.
93102-4	Calcium cyanamide (cyanamid, lime nitrogen) containing, in the dry state, not more than 25 per cent by weight of nitrogen, whether or not treated with oil.....	Free	Free	Free	Free	Free
				15 p.c.	20 p.c.	25 p.c.
93102-5	Calcium nitrate containing, in the dry state, not more than 16 per cent by weight of nitrogen.....	Free	Free	Free	Free	Free
				Free	15 p.c.	25 p.c.
				Free	Free	Free
93102-6	Sodium nitrate containing, in the dry state, not more than 16.3 per cent by weight of nitrogen.....	Free	Free	Free	Free	Free
93102-7	Urea, whether or not coated or prilled.....	Free	Free	Free	Free	Free
				15 p.c.	19½ p.c.	25 p.c.
				15 p.c.	20 p.c.	25 p.c.
93103-1	Calcium hydrogen phosphate (calcium phosphate, dibasic) containing, in the dry state, not less than 0.2 per cent by weight of fluorine.....	Free	Free	Free	Free	Free
				Free	25 p.c.	25 p.c.

93103-2	Calcium phosphates, disintegrated (calcined), (thermophosphates and fused phosphates); superphosphates (single, double or triple).....	Free	Free	Free	Free 15 p.c.	25 p.c. 19½ p.c.	25 p.c. 25 p.c.
93104-1	Magnesium sulphate-potassium sulphate containing not more than 30 per cent by weight of K ₂ O.....	Free	Free	Free	Free	15 p.c.	25 p.c.
93104-2	Mineral potash.....	Free	Free	Free	Free	Free	Free
93104-3	Potassium chloride, but not including cultured crystals weighing not less than 2½ grammes each	Free	Free	Free	Free Free	Free Free	Free 25 p.c.
93104-4	Potassium sulphate containing, in the dry state, not more than 52 per cent by weight of K ₂ O.....	Free	Free	Free	Free 15 p.c.	Free 19½ p.c.	Free 25 p.c.
93105-1	Ammonium phosphates containing, in the dry state, not less than 6 mg. of arsenic per kg.....	Free	Free	Free	Free Free	15 p.c. 25 p.c.	25 p.c. 25 p.c.
93105-2	Potassic sodium nitrate.....	Free	Free	Free	Free	Free	25 p.c.

CHAPTER 932

TANNING AND DYEING EXTRACTS; TANNINS AND THEIR DERIVATIVES; DYES, COLOURS, PAINTS AND VARNISHES; PUTTY, FILLERS AND STOPPING; INKS

93201-1	93201—Tanning extracts of vegetable origin.....	Free	Free	Free	Free	Free	Free
	93202—Tannins (tannic acids), including water-ex- tracted gall-nut tannin, and their salts, ethers, esters and other derivatives:						
93202-1	Tannins (tannic acids) including water-extracted gall-nut tannin.....	Free	Free	Free	Free	Free	Free
93202-2	The salts, ethers, esters and other derivatives of the foregoing.....	Free	15 p.c.	25 p.c.	Free	15 p.c.	25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
93203—Synthetic tanning substances, whether or not mixed with natural tanning materials; artificial bates for pretanning (for example, of enzymatic, pancreatic or bacterial origin):							
93203-1	Other than the following.....	Free	Free	Free	Free 15 p.c. 15 p.c.	Free 20 p.c. 19½ p.c.	10 p.c. 25 p.c. 25 p.c.
93203-2	Sodium formaldehyde naphthalene sulphonates....	10 p.c.	15 p.c.	25 p.c.	Free	Free	10 p.c.
93204—Colouring matter of vegetable origin (including dyewood extract and other vegetable dyeing extracts, but excluding indigo) or of animal origin:							
93204-1	Other than the following.....	Free	Free	Free	Free 12½ p.c. 15 p.c.	Free 17½ p.c. 19½ p.c.	Free 22½ p.c. 25 p.c.
93204-2	Vegetable materials for use as edible colourings....	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
93205—Synthetic organic dyestuffs (including pigment dyestuffs); synthetic organic products of a kind used as luminophores; products of the kind known as optical bleaching agents, substantive to the fibre; natural indigo:							
93205-1	Other than the following.....	Free	Free	10 p.c.	Free Various	Free Various	10 p.c. Various
93205-2	Quinacridone pigment dyestuffs.....	Free	5 p.c.	10 p.c.	12½ p.c.	17½ p.c.	22½ p.c.
93205-3	Pigment dyestuffs, n.o.p.....	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 15 p.c. Various	17½ p.c. 20 p.c. Various	22½ p.c. 25 p.c. Various

93206-1	93206—Colour lakes.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. 12½ p.c.	20 p.c. 17½ p.c.	25 p.c. 22½ p.c.
	93207—Other colouring matter; inorganic products of a kind used as luminophores:						
93207-1	Other than the following.....	Free	5 p.c.	15 p.c.	12½ p.c. Free Free	17½ p.c. Free Free	22½ p.c. 25 p.c. 10 p.c.
93207-2	Black polyethylene masterbatch.....	5 p.c.	10 p.c.	20 p.c.	15 p.c. Free	20 p.c. Free	25 p.c. 10 p.c.
93207-3	Inorganic pigments, n.o.p.....	10 p.c.	15 p.c.	25 p.c.	12½ p.c. Free Free	17½ p.c. Free Free	22½ p.c. 25 p.c. 10 p.c.
93207-4	Inorganic products of a kind used as lumino- phores.....	Free	Free	10 p.c.	Free Free	5 p.c. Free	25 p.c. 22½ p.c.
93207-5	Lithopone.....	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	15 p.c.
93207-6	Titanium whites, not including pure titanium dioxide.....	Free	12½ p.c.	25 p.c.	Free Free	12½ p.c. Free	15 p.c. 25 p.c.
93207-7	Ultramarine.....	Free	10 p.c.	15 p.c.	Free Free	10 p.c. Free	10 p.c. 25 p.c.
93207-8	Zinc grey.....	Free	12½ p.c.	25 p.c.	Free	12½ p.c.	15 p.c.
93208-1	93208—Prepared pigments, prepared opacifiers and prepared colours, vitrifiable enamels and glazes, liquid lustres and similar products, of the kind used in the ceramic, enamelling and glass indus- tries; engobes (slips); glass frit, in the form of powder, granules or flakes, but not other glass.....	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 15 p.c.	17½ p.c. 20 p.c.	22½ p.c. 25 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1			
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
93209—Varnishes and lacquers; distempers; prepared water pigments of the kind used for finishing leather; paints and enamels; pigments in linseed oil, white spirit, spirits of turpentine, varnish or other paint or enamel media; pearl essence; stamping foils; dyes in forms or packages for sale at retail:							
93209-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	17½ p.c. 75 cts. per gallon 15 cts. per gallon and 5 p.c. Various	20 p.c. 85 cts. per gallon 15 cts. per gallon and 15 p.c. Various	30 p.c. \$1.25 per gallon 20 cts. per gallon and 30 p.c. Various
93209-2	Pearl essence, natural or synthetic.....	Free	Free	10 p.c.	Free Various	Free Various	30 p.c. Various
93210—Artists', students' and signboard painters' colours, modifying tints, amusement colours and the like, in tablets, tubes, jars, bottles, pans or in similar forms or packings, including such colours in sets or outfits, with or without brushes, palettes or other accessories:							
93210-1	Other than the following.....	Free	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	30 p.c. 25 p.c.
93210-2	Water colours, in liquid or powder form, in jars, bottles or tins.....	10 p.c.	15 p.c.	25 p.c.	Free	15 p.c.	30 p.c.
93211-1	93211—Prepared driers.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. 15 cts. per gallon and 5 p.c.	20 p.c. 15 cts. per gallon and 15 p.c.	25 p.c. 20 cts. per gallon and 30 p.c.
93212-1	93212—Glaziers' putty; grafting putty; painters' fillings, and stopping, sealing and similar mastics, including resin mastics and cements.....	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 17½ p.c. Various	17½ p.c. 22½ p.c. Various	22½ p.c. 27½ p.c. Various

93213-1	93213—Writing ink, printing ink and other inks.....	10 p.c.	15 p.c.	25 p.c.	12½ p.c. 12½ p.c. 15 p.c. Various	15 p.c. 17½ p.c. 20 p.c. Various	25 p.c. 25 p.c. 25 p.c. Various
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CHAPTER 934

ORGANIC SURFACE-ACTIVE AGENTS;
WASHING PREPARATIONS;
SYNTHETIC WAXES

93402-1	93402—Organic surface-active agents, surface-active preparations and washing preparations, whether or not containing soap.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. 12½ p.c. 15 p.c. Various	20 p.c. 17½ p.c. 19½ p.c. Various	25 p.c. 25 p.c. 25 p.c. Various
	93404—Synthetic wax; waxes containing synthetic wax:						
93404-1	Other than the following.....	10 p.c.	10 p.c.	25 p.c.	15 p.c. Various	15 p.c. Various	25 p.c. Various
93404-2	Polyethylene of a weight-average molecular weight not exceeding 5,000.....	Free	Free	10 p.c.	7½ p.c.	7½ p.c.	17½ p.c.
93404-3	Waxes containing synthetic wax.....	15 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.

CHAPTER 936

EXPLOSIVES

93601-1	93601—Propellant powders.....	5 p.c.	10 p.c.	20 p.c.	1½ cts. per pound 2 cts. per pound	1½ cts. per pound 2½ cts. per pound	2 cts. per pound 3 cts. per pound
93602-1	93602—Prepared explosives other than propellant powders.....	7½ p.c.	12½ p.c.	25 p.c.	1½ cts. per pound	2½ cts. per pound	2½ cts. per pound

CHAPTER 937

PHOTOGRAPHIC CHEMICALS

93708-1	93708—Chemical products and flash light materials, or a kind and in a form suitable for use in photography.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Free Various	20 p.c. 15 p.c. Various	25 p.c. 25 p.c. Various
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Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
CHAPTER 938							
MISCELLANEOUS CHEMICAL PRODUCTS							
93802-1	93802—Animal black (for example, bone black and ivory black), including spent animal black.....	Free	Free	Free	Free Free 15 p.c.	Free 25 p.c. 19½ p.c.	Free 25 p.c. 25 p.c.
	93803—Activated carbon (decolourising, depolarising or adsorbent); activated diatomite, activated clay, activated bauxite and other activated natural mineral products:						
93803-1	Other than the following.....	Free	Free	Free	Free Free 15 p.c.	Free Free 19½ p.c.	Free 25 p.c. 25 p.c.
93803-2	Activated clay.....	10 p.c.	15 p.c.	25 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 20 p.c.	25 p.c. 25 p.c. 25 p.c.
93803-3	Activated perlite.....	10 p.c.	10 p.c.	25 p.c.	10 p.c. 15 p.c.	10 p.c. 19½ p.c.	25 p.c. 25 p.c.
93804-1	93804—Ammoniacal gas liquors and spent oxide produced in coal gas purification.....	10 p.c.	15 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
93805-1	93805—Tall oil.....	Free	Free	Free	Free	Free	Free
93806-1	93806—Concentrated sulphite lye.....	10 p.c.	15 p.c.	25 p.c.	Free Free	Free Free	Free 10 p.c.
93807-1	93807—Spirits of turpentine (gum, wood and sulphate) and other terpenic solvents produced by the distillation or other treatment of coniferous woods; crude dipentene; sulphite turpentine; pine oil (excluding "pine oils" not rich in terpineol).....	Free	Free	Free	Free 15 p.c.	Free 19½ p.c.	Free 25 p.c.

93808-1	93808—Rosin and resin acids, and derivatives thereof other than ester gums included in heading 93905; rosin spirit and rosin oils.....	Free	Free	Free	Free Free Free	Free Free 15 p.c.	Free 10 p.c. 25 p.c.
93809-1	93809—Wood tar; wood tar oils (other than the composite solvents or thinners falling within heading 93818); wood creosote; wood naphtha; acetone oil.....	Free	Free	Free	20 cts. Free Free 15 p.c.	20 cts. per proof gallon 15 p.c. Free 19½ p.c.	20 cts. 25 p.c. Free 25 p.c.
	93810—Vegetable pitch of all kinds; brewers' pitch and similar compounds based on rosin or on vegetable pitch; foundry core binders based on natural resinous products:						
93810-1	Other than the following.....	Free	Free	Free	Free 15 p.c. 15 p.c.	Free 20 p.c. 19½ p.c.	Free 20 p.c. 25 p.c.
93810-2	Foundry core binders.....	10 p.c.	10 pc.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
	93811—Chemicals for use exclusively as, and preparations compounded exclusively for use as disinfectants, insecticides, fungicides, herbicides, anti-sprouting products, rodenticides or otherwise in combatting pests of a plant or animal nature; all the foregoing subject to such regulations as the Minister may prescribe:						
93811-1	Other than the following.....	Free	Free	Free	Free Various	Free Various	Free Various
93811-2	When in packages not exceeding 3 pounds each gross weight.....	Free	7½ p.c.	25 p.c.	Free Various	12½ p.c. Various	25 p.c. Various
	93812—Prepared glazings, prepared dressings and prepared mordants, of a kind used in the textile, paper, leather or like industries:						
93812-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	20 p.c. Various	25 p.c. Various
93812-2	Preparations of these kinds having the quality of starch..... per pound	1 ct.	1 ct.	2 cts.	1 ct.	1 ct.	2 cts.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
93812-3	Prepared mordants.....	Free	Free	Free	Free Free 15 p.c.	Free Free 20 p.c.	Free 10 p.c. 25 p.c.
93812-4	Rosin sizing.....	5 p.c.	7½ p.c.	10 p.c.	5 p.c.	7½ p.c.	10 p.c.
93813-1	93813—Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding rods and electrodes..	10 p.c.	15 p.c.	25 p.c.	15 p.c. 15 p.c.	20 p.c. 19½ p.c.	25 p.c. 25 p.c.
	93814—Anti-knock preparations, oxidation inhibitors, gum inhibitors, viscosity improvers, anti-corrosive preparations and similar prepared additives for mineral oils:						
93814-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Various	20 p.c. Various	25 p.c. Various
93814-2	Anti-knock preparations.....	5 p.c.	10 p.c.	25 p.c.	15 p.c. Free 12½ p.c.	20 p.c. 5 p.c. 12½ p.c.	25 p.c. 10 p.c. 25 p.c.
93815-1	93815—Prepared rubber accelerators.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. Free 15 p.c.	20 p.c. 15 p.c. 19½ p.c.	25 p.c. 25 p.c. 25 p.c.
93816-1	93816—Prepared culture media for development of micro-organisms.....	Free	Free	Free	15 p.c. Free	20 p.c. Free	25 p.c. 25 p.c.
93817-1	93817—Preparations and charges for fire-extinguishers, not including charged fire-extinguishing grenades...	10 p.c.	15 p.c.	25 p.c.	15 p.c. Free 15 p.c.	20 p.c. 15 p.c. 19½ p.c.	25 p.c. 25 p.c. 25 p.c.

93818-1	93818—Composite solvents and thinners for varnishes and similar products.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. 25 p.c. \$2.00 per gallon and 20 p.c. 15 p.c.	20 p.c. 25 p.c. \$2.00 per gallon and 20 p.c. 19½ p.c.	25 p.c. 30 p.c. \$3.00 per gallon and 30 p.c. 25 p.c.
	93819—Chemical products and preparations of the chemical or allied industries (not including those consisting of mixtures of natural products other than compounded extenders for paints), n.o.p.; residual products of the chemical or allied industries, n.o.p.; not including soap, nor pharmaceutical, flavouring, perfumery, cosmetic or toilet preparations:						
93819-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	15 p.c. 25 p.c. Various	20 p.c. 25 p.c. Various	25 p.c. 30 p.c. Various
93819-2	Alkyl aryl hydrocarbons, unsulphonated reaction blends.....	5 p.c.	10 p.c.	25 p.c.	Free Free 15 p.c.	Free 15 p.c. 19½ p.c.	1ct./gal. 25 p.c. 25 p.c.
93819-3	Anti-freezing compounds.....	15 p.c.	15 p.c.	25 p.c.	15 p.c. 15 p.c. 25 p.c. \$2.00 per gallon and 20 p.c.	15 p.c. 20 p.c. 25 p.c. \$2.00 per gallon and 20 p.c.	25 p.c. 25 p.c. 30 p.c. \$3.00 per gallon and 30 p.c.
93819-4	Blends of tall oil and tall oil pitch without other admixture.....	Free	Free	25 p.c.	Free	Free	Free
93819-5	Catalyst preparations for cracking petroleum, other than the fluid-bed type.....	Free	Free	25 p.c.	Free	Free	25 p.c.
93819-6	Coal tar dye intermediates in solvents.....	Free	Free	15 p.c.	Free	Free	25 p.c.
93819-7	Fusel oil.....	Free	Free	15 p.c.	Free	Free	Free
93819-8	Hydrolized animal matter for use as retarder.....	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.
93819-9	Mixtures of ethylene glycol and other glycols in which ethylene glycol predominates, for use in the manufacture of anti-freezing compounds.....	10 p.c.	10 p.c.	25 p.c.	10 p.c.	10 p.c.	25 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1			
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
93819-10	Skimmings, dried or not, from residual lyes from the manufacture of wood pulp by the alkali or sulphate processes.....	Free	Free	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
93819-11	Tin-based stabilizers for synthetic resins.....	Free	Free	25 p.c.	Free	Free	10 p.c.

CHAPTER 939

ARTIFICIAL RESINS AND PLASTIC MATERIALS,
CELLULOSE ESTERS AND ETHERS,
AND ARTICLES THEREOF

93901—Condensation, polycondensation and poly-addition products, whether or not modified or polymerised, and whether or not linear (for example, phenoplasts, aminoplasts, alkyds, polyallyl esters and other unsaturated polyesters, silicones):

(a) Without admixture other than an agent necessary to prevent caking, including scrap and waste; aqueous emulsions, aqueous dispersions or aqueous solutions, without other admixture:

93901-1	Other than the following.....	10 p.c.	10 p.c.	20 p.c.	Free 5 p.c. 7½ p.c. Various	Free 5 p.c. 7½ p.c. Various	10 p.c. 15 p.c. 17½ p.c. Various
93901-2	Polyamide epichlorohydrins.....	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93901-3	Polycaprolactam.....	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93901-4	Urea formaldehydes.....	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.

(b) In organic solvents, where the weight of the solvent does not exceed 50 per cent of the weight of the solution, without other admixture:

93901-21	Other than the following.....	12½ p.c.	12½ p.c.	25 p.c.	12½ p.c. 10 p.c.	12½ p.c. 10 p.c.	22½ p.c. 20 p.c.
93901-22	Urea formaldehydes.....	10 p.c.	10 p.c.	20 p.c.	12½ p.c.	12½ p.c.	22½ 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:						
93901-41	Other than the following.....	12½ p.c.	12½ p.c.	25 p.c.	10 p.c. 5 p.c. Free	15 p.c. 5 p.c. Free	25 p.c. 15 p.c. 10 p.c.
93901-42	Polyurethanes.....	7½ p.c.	7½ p.c.	25 p.c.	Free	Free	10 p.c.
93901-43	Silicones.....	7½ p.c.	7½ p.c.	25 p.c.	Free	Free	10 p.c.
93901-44	Urea formaldehydes.....	10 p.c.	10 p.c.	25 p.c.	Free	Free	10 p.c.
93901-61	(d) Compositions, n.o.p., composed entirely or predominantly of the condensation, polycondensation and polyaddition materials of sub-heading (a) of this heading.....	15 p.c.	15 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
93901-71	(e) Admixed with other materials to form glues or adhesives packaged or in bulk.....	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	17½ p.c.	27½ p.c.
93901-75	(f) Foamed and expanded, in logs, sheets, blocks, boards, flakes, granules, powder, shreds, scrap or waste.....	15 p.c.	15 p.c.	25 p.c.	15 p.c. Free	20 p.c. Free	25 p.c. Free
93901-81	(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.....	17½ p.c.	17½ p.c.	25 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 15 p.c.	10 p.c. 20 p.c. 25 p.c.

Tariff Item	British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1			
				British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	
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 dispersions or aqueous solutions, without other admixture:							
93902-1	Other than the following.....	10 p.c.	10 p.c.	20 p.c.	5 p.c. Free 7½ p.c.	5 p.c. Free 7½ p.c.	15 p.c. 10 p.c. 17½ p.c.
93902-2	Polyacrylic type, including polymethacrylic, emulsions or dispersions.....	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93902-3	Polyethylene type.....	7½ p.c.	7½ p.c.	20 p.c.	7½ p.c. Free	7½ p.c. Free	17½ p.c. 10 p.c.
93902-4	Polypropylene type.....	7½ p.c.	7½ p.c.	20 p.c.	Free	Free	10 p.c.
93902-21	(b) In organic solvents, where the weight of the solvent does not exceed 50 per cent of the weight of the solution, without other admixture.....	12½ p.c.	12½ p.c.	25 p.c.	10 p.c.	10 p.c.	20 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:							
93902-41	Other than the following.....	12½ p.c.	12½ p.c.	25 p.c.	10 p.c. Free	10 p.c. Free	20 p.c. 10 p.c.
93902-42	Polyethylene type.....	10 p.c.	10 p.c.	20 p.c.	10 p.c.	10 p.c.	20 p.c.
93902-43	Polypropylene type.....	10 p.c.	10 p.c.	20 p.c.	Free	Free	10 p.c.

93902-61	(d) Compositions, n.o.p., composed entirely or predominantly of the polymerisation and copolymerisation materials of sub-heading (a) of this heading.....	15 p.c.	15 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
93902-71	(e) Admixed with other materials to form glues or adhesives packaged or in bulk.....	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	17½ p.c.	27½ p.c.
93902-75	(f) Foamed and expanded, in logs, sheets, blocks, boards, flakes, granules, powder, shreds, scrap or waste.....	15 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	Free 20 p.c.	Free 25 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:						
93902-81	Other than the following.....	17½ p.c.	17½ p.c.	25 p.c.	Free 15 p.c. 10 p.c. 15 p.c. Various	Free 15 p.c. 10 p.c. 20 p.c. Various	10 p.c. 25 p.c. 20 p.c. 30 p.c. Various
93902-82	Polyethylene type.....	15 p.c.	15 p.c.	25 p.c.	12½ p.c. 15 p.c.	12½ p.c. 15 p.c.	20 p.c. 25 p.c.
93902-83	Polymethyl methacrylate type plates, sheets, film, sheeting and strip.....	10 p.c.	10 p.c.	20 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 15 p.c.	10 p.c. 20 p.c. 25 p.c.
93902-84	Polypropylene type.....	15 p.c.	15 p.c.	25 p.c.	Free 10 p.c. 15 p.c.	Free 10 p.c. 15 p.c.	10 p.c. 20 p.c. 25 p.c.
93903	—Regenerated cellulose; cellulose nitrate, cellulose acetate and other cellulose esters, cellulose ethers or other chemical derivatives of cellulose, plasticised or not (for example, collodions, celluloid); not including vulcanised fibre:						
	(a) Without admixture; aqueous emulsions, aqueous dispersions or aqueous solutions, without other admixture; cellulose nitrate with not more than 35 per cent by weight of a dampening agent other than an organic solvent qualifying the product for entry under sub-heading (b):						
93903-1	Other than the following.....	10 p.c.	10 p.c.	20 p.c.	Free Free	Free 15 p.c.	10 p.c. 25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates Prior to July 1		
					British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
93903-2	Cellulose nitrate, dynamite grade.....	5 p.c.	10 p.c.	20 p.c.	1½ cts. per pound	2½ cts. per pound	2½ cts. per pound
93903-3	Sodium carboxymethyl cellulose.....	10 p.c.	15 p.c.	25 p.c.	15 p.c.	19½ p.c.	25 p.c.
93903-21	(b) In organic solvents, where the weight of the solvent, except for collodions, does not exceed 50 per cent of the weight of the solution, without other admixture.....	10 p.c.	10 p.c.	20 p.c.	10 p.c. Free 15 p.c.	10 p.c. Free 17½ p.c.	20 p.c. 10 p.c. 17½ p.c.
93903-41	(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.....	10 p.c.	10 p.c.	20 p.c.	Free	Free	10 p.c.
93903-61	(d) Compositions, n.o.p., composed entirely or predominantly of the cellulosic materials of sub-heading (a) or of the collodions of sub-heading (b) of this heading.....	10 p.c.	10 p.c.	20 p.c.	10 p.c. 15 p.c.	10 p.c. 17½ p.c.	20 p.c. 17½ p.c.
93903-71	(e) Admixed with other materials to form glues or adhesives packaged or in bulk.....	15 p.c.	17½ p.c.	25 p.c.	15 p.c.	22 p.c.	25 p.c.
93903-75	(f) Foamed and expanded, in logs, sheets, blocks, boards, flakes, granules, powder, shreds, scrap or waste.....	15 p.c.	15 p.c.	25 p.c.	15 p.c. 15 p.c. Free	20 p.c. 20 p.c. Free	25 p.c. 30 p.c. Free
	(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:						
93903-81	Other than the following.....	10 p.c.	10 p.c.	20 p.c.	15 p.c. Free Free Various	15 p.c. Free Free Various	25 p.c. Free 10 p.c. Various

93903-82	Regenerated cellulose.....	10 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	30 p.c.
93904-1	93904—Hardened proteins (for example, hardened casein and hardened gelatin).....	10 p.c.	10 p.c.	20 p.c.	Free	Free	10 p.c.
93905-1	93905—Natural resins modified by fusion (run gums); artificial resins obtained by esterification of natural resins or of resinic acids (ester gums); chemical derivatives of natural rubber (for example, chlorinated rubber, rubber hydrochloride, oxidised rubber, cyclised rubber).....	10 p.c.	10 p.c.	20 p.c.	Free 12½ p.c. 10 p.c. 15 p.c. 15 p.c. 5 p.c.	Free 12½ p.c. 10 p.c. 15 p.c. 17½ p.c. 5 p.c.	10 p.c. 22½ p.c. 20 p.c. 25 p.c. 27½ p.c. 25 p.c.
	93906—Other high polymers, artificial resins and artificial plastic materials, including alginic acid, its salts and esters; not including other vegetable saps and extracts, pectic substances, pectinates and pectates, agar-agar and other mucilages and thickeners derived from vegetable products, albuminoidal substances, glues, nor linnoxyn:						
93906-1	Other than the following.....	10 p.c.	15 p.c.	25 p.c.	Free 15 p.c.	15 p.c. 19½ p.c.	25 p.c. 25 p.c.
93906-2	Alginic acid salts.....	10 p.c.	10 p.c.	25 p.c.	Free	Free	15 p.c.
93907-1	93907—Articles of materials of the kinds described in headings 93901 to 93906 inclusive, n.o.p.....	15 p.c.	17½ p.c.	30 p.c.	15 p.c. Various	20 p.c. Various	30 p.c. Various

15. That Schedule B to the *Customs Tariff* be amended by striking out items 97016-1, 97026-1, 97046-1 and 97065-1 and the enumerations of goods and the rates of drawback of duty set opposite each of those items, and by inserting therein the following items, enumerations of goods and rates of drawback of duty:

Item No.	Goods	When Subject to Drawback	Portion of Duty (not including Special Duty or Dumping Duty) Payable as Drawback
97023-1	Ethyl alcohol undenatured.	When used under the conditions specified in subsection (2) of section 135 of the Excise Act.....	99 p.c. of the additional duty imposed under section 19 of the Customs Tariff.
97026-1	Materials.	When used in the manufacture of containers for packaging the products entitled to entry under heading 93811.....	99 p.c.
97046-1	Materials.	When used in the manufacture of goods entitled to entry under tariff item 84900-1 when such goods are sold to manufacturers to be used as specified in the said item.....	99 p.c.

16. That any enactment founded upon Resolutions 1, 2 and 3 of the foregoing resolutions shall be deemed to have come into force on the 2nd day of June, 1967, and to have applied to all goods mentioned in the said resolutions 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.

17. That any enactment founded upon Resolution 4 of the foregoing resolutions shall be deemed to have come into force on the 1st day of December, 1967, and to have applied to all goods mentioned in the said resolution imported or taken out of warehouse for consumption on or after that day and before the 1st day of January, 1968, and to have applied to goods previously imported for which no entry for consumption was made before the 1st day of December, 1967.

18. That any enactment founded upon Resolutions 5, 6, 7, 8, 9 and 10 of the foregoing resolutions shall be deemed to have come into force on the 1st day of January 1, 1968, and to have applied to all goods mentioned in the said resolutions 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.

19. That any enactment founded upon Resolution 8 of the foregoing resolutions that provides for a rate of duty set opposite a tariff item in Schedule A to the *Customs Tariff* to apply on or after a date specified in the enumeration of goods of that item may be amended by order of the Governor in Council prescribing another date, being a date not earlier than the first-mentioned date, as the date on or after which the said rate is to apply.

20. That any enactment founded upon Resolutions 11, 12, 13, 14 and 15 of the foregoing resolutions shall come into force on a day to be fixed by proclamation, and shall apply to all goods mentioned in the said resolutions 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.

ANTI-DUMPING DUTIES RESOLUTION

The Minister of Finance—In Committee of Ways and Means.

That it is expedient to introduce a measure to provide for the imposition of anti-dumping duty including provisional duty and the establishment of an anti-dumping tribunal consistent with Canada's obligations under the "Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade" signed on behalf of Canada in June, 1967, and to provide further for certain related or consequential amendments to the Customs Act, the Customs Tariff and the Tariff Board Act.

INCOME TAX ACT

The Minister of Finance—In Committee of Ways and Means:—

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

1. That for 1969 and subsequent taxation years, in addition to any other tax imposed under the said Act, a social development tax be payable by an individual liable to tax under Part I of the said Act equal to the lesser of

- (a) 2% of his taxable income, or
- (b) \$120.

2. That on and after October 23, 1968

(a) the deductions and exemptions described in subsections (2) and (3) of section 112 of the said Act for the purposes of determining the aggregate taxable value of gifts made in a taxation year be replaced by new deductions and exemptions, and in particular that a taxpayer be entitled to deduct

(i) the value of any gift to his spouse other than a gift by way of a settlement under which any person other than his spouse has, during the lifetime of the spouse a right of any kind whatsoever to receive, use or enjoy any or all of the property so settled or a beneficial interest in any of the income from such property, and

(ii) the value of the aggregate of gifts (other than gifts made by settling property in a trust) made in the year by him to any one individual other than his spouse, to the extent that such value does not exceed \$2,000,

(b) the exemption described in paragraph (ba) of subsection (4) of section 112 of the said Act be restricted so that it no longer applies to transfers to a child if the spouse of the taxpayer has at any time taken advantage of the provision,

(c) gifts made by a taxpayer shall include

(i) transfers to a person other than the taxpayer's spouse pursuant to an agreement made in consideration of marriage,

(ii) the granting of powers of appointment, and the exercising or renouncing of a general power of appointment,

(iii) the act of permitting a debt owed to a taxpayer by a person with whom the taxpayer was not dealing at arm's length, to become unenforceable by virtue of the operation of any law limiting the time for bringing action thereon, and

(iv) gifts made by a corporation at the direction of, or with the concurrence of, the taxpayer,

(d) where a person has made a gift that was exempted from tax by virtue of paragraph (b) of subsection (4) of section 112 of the said Act and such gift takes effect prior to the death of that person or the

donee obtains the benefit thereof prior to the death of that person, he shall be deemed to have made a gift equal to the full value of the property on the day such gift takes effect or the donee obtains the benefit thereof, and

- (e) the rates of tax on gifts provided in section 113 of the said Act be repealed and that the tax payable by an individual upon the aggregate taxable value of gifts made by him in a taxation year shall be an amount equal to the excess of

(i) the amount determined by applying the rate schedule set out below to his cumulative gift sum for the taxation year

over

(ii) the amount determined by applying the said rate schedule to his cumulative gift sum for the immediately preceding taxation year

and for the purpose of this resolution an individual's cumulative gift sum

(iii) for the 1968 taxation year, shall be the aggregate taxable value of gifts made by him after October 22, 1968 and before January 1, 1969, and

(iv) for each taxation year after 1968, shall be the amount obtained when the aggregate taxable value of gifts made by him in the year is added to his cumulative gift sum for the immediately preceding taxation year,

and the rate schedule to be applied to an individual's cumulative gift sum shall be

- (v) 12% where the sum does not exceed \$15,000,
 (vi) \$1,800 plus 15% of the amount by which the sum exceeds \$15,000 if the sum exceeds \$15,000 and does not exceed \$30,000,
 (vii) \$4,050 plus 18% of the amount by which the sum exceeds \$30,000 if the sum exceeds \$30,000 and does not exceed \$45,000,
 (viii) \$6,750 plus 22% of the amount by which the sum exceeds \$45,000 if the sum exceeds \$45,000 and does not exceed \$60,000,
 (ix) \$10,050 plus 26% of the amount by which the sum exceeds \$60,000 if the sum exceeds \$60,000 and does not exceed \$80,000,
 (x) \$15,250 plus 30% of the amount by which the sum exceeds \$80,000 if the sum exceeds \$80,000 and does not exceed \$100,000,
 (xi) \$21,250 plus 36% of the amount by which the sum exceeds \$100,000 if the sum exceeds \$100,000 and does not exceed \$125,000,
 (xii) \$30,250 plus 45% of the amount by which the sum exceeds \$125,000 if the sum exceeds \$125,000 and does not exceed \$150,000,
 (xiii) \$41,500 plus 60% of the amount by which the sum exceeds \$150,000 if the sum exceeds \$150,000 and does not exceed \$200,000,
 (xiv) \$71,500 plus 75% of the amount by which the sum exceeds \$200,000 if the sum exceeds \$200,000,

and that a taxpayer's liability for gift tax for the taxation year 1968 shall be the aggregate of

- (f) an amount in respect of gifts made in the period January 1 to October 22, inclusive, computed in accordance with the present provisions of Part IV of the said Act as though the said period were a complete taxation year, and
- (g) an amount in respect of gifts made in the period October 23 to December 31, inclusive, computed in accordance with the provisions of Part IV of the said Act, as amended to give effect to this resolution, as though the said period were a complete taxation year except that the value of gifts made to an individual in the period January 1 to October 22, inclusive, shall reduce the exemption described in clause (ii) of subparagraph (a) of this resolution with respect to that individual,

and that, for the purposes of Part IV of the said Act, rules similar to certain of the valuation rules now set out in the Estate Tax Act be provided for valuation of property that is the subject-matter of a gift.

3. That for 1969 and subsequent taxation years amounts paid for

- (a) an oxygen tent and other equipment necessary to administer oxygen, and
- (b) an artificial kidney machine,

as prescribed by a medical practitioner shall be classified as medical expenses for purposes of paragraph (c) of subsection (1) of section 27 of the said Act.

4. That for 1969 and subsequent taxation years, a taxpayer in computing taxable income may not include in medical expenses any expense paid by or on behalf of the taxpayer or his legal representative for which the taxpayer or such representative has been reimbursed or is entitled to be reimbursed pursuant to a medical care insurance plan established pursuant to an act of the legislature of a province that satisfies the criteria set forth in subsection (1) of section 4 of the Medical Care Act.

5. That for 1969 and subsequent taxation years, the deduction in computing taxable income of \$300, or of an amount not exceeding \$300, now based on a child who is qualified for family allowance be based on a child who has not attained the age of sixteen years before the end of the year and the deduction of \$550, or of an amount not exceeding \$550, now based on a child not so qualified be based on a child who has attained the age of sixteen years before the end of the year.

6. That with respect to 1969 and subsequent taxation years there shall be included in computing the income of a taxpayer resident in Canada an amount paid or credited to him during the year as taxable proceeds of a life insurance policy and that the said taxable proceeds shall be the amount by which the amount paid or credited to the taxpayer on surrender of a policy, other than on death of the person insured, or received on the sale of a policy,

or deemed to have been received on the giving of a policy, exceeds the cost of the policy to the taxpayer, and the cost of the policy to the taxpayer shall be deemed to be

- (a) in the case of a policy written after October 2, 1968,
 (i) premiums paid on the policy,

minus -

- (ii) dividends paid or credited on the policy,

- (b) in the case of a policy written before October 23, 1968, the aggregate of

- (i) the greater of the cash surrender value of the policy at the first anniversary date of the policy after October 22, 1968 or the total premiums paid on the policy prior to the said first anniversary date less dividends paid or credited on the policy up to and including that date, and

- (ii) premiums paid on the policy on and after the said first anniversary date,

minus

- (iii) dividends paid or credited on the policy after the said first anniversary date, or

- (c) in the case of an existing policy acquired by the taxpayer after October 22, 1968, whether written before or after that date, the aggregate of

- (i) the price paid by him or on his behalf to acquire the policy, and

- (ii) premiums paid on the policy after such acquisition,

minus

- (iii) dividends paid or credited on the policy after such acquisition.

7. That with effect January 1, 1969, a life insurance corporation (including a mutual corporation or a fraternal benefit society) shall be required to pay an investment income tax at the rate of 15% upon its taxable investment income, and that in determining the taxable investment income of a life insurance corporation there may be deducted from the portion of its investment income that is attributable to its life insurance business in Canada, an amount equal to the aggregate of

- (a) the expenses, not including commissions to salesmen, incurred by it in earning investment income that is attributable to its life insurance business in Canada,

- (b) the portion of its investment income that is attributable to its non-participating life insurance business in Canada on October 22, 1968, calculated by reference to non-participating policies in force on that day,

- (c) the aggregate of

- (i) the portion of its taxable income for the year, as determined for purposes of Part I. of the said Act, that is attributable to its participating life insurance business in Canada, and

- (ii) the excess, if any, over the amount described in subparagraph (b) of the portion of its taxable income for the year, as determined for purposes of Part I of the said Act, that is attributable to its non-participating life insurance business in Canada,
- (d) amounts credited by it during the year to funds held by it in trust under a registered pension plan or a registered retirement savings plan,
- (e) that portion of dividends received by it from taxable Canadian corporations that is attributable to its life insurance business in Canada, and
- (f) the aggregate of the amounts paid or credited by it during the year as taxable proceeds of a life insurance policy or annuity contract

and that the portion of the investment income of a life insurance corporation that is attributable to its life insurance business in Canada shall be the income from its Canadian investment fund, and that a corporation's Canadian investment fund shall

- (g) in the case of a corporation resident in Canada, be the greater of that proportion of its total assets that the amount of its liabilities to Canadian policyholders, as determined by regulation, is of its total liabilities, as determined by regulation, or the assets which are, pursuant to a law of Canada or of a province, required to be kept in Canada, and
- (h) in the case of a corporation that is not resident in Canada, be the aggregate of
 - (i) the value of its assets that are, at January 1, 1969, required by a law of Canada or of a province, to be kept in Canada and
 - (ii) the funds derived from its Canadian life insurance business after January 1, 1969,

minus

- (iii) amounts in respect of which the corporation has elected to pay the tax described in paragraph 11 of this resolution

but in no case shall the fund be less than the value of the assets which are, pursuant to a law of Canada or of a province, required to be kept in Canada.

8. That with effect January 1, 1969, the taxable income of a life insurance corporation (including a mutual corporation or fraternal benefit society) shall be the greater of its profit from carrying on business in Canada, less such deductions as are allowed under the said Act before the amendments proposed in this resolution in computing taxable income and, in addition, the following deductions,

- (a) such amounts as may be allowed by regulation on account of a reserve in respect of life insurance policies,
- (b) the amount payable by it for the year as an investment income tax, and

- (c) the amount paid or credited in the year as policy dividends attributable to its life insurance business in Canada not exceeding the amount that would, but for this subparagraph, be the portion of its profit for the year that is attributable to its participating life insurance business in Canada

or the taxable income thereof computed in accordance with section 30 of the said Act.

9. That a life insurance corporation (including a mutual corporation or a fraternal benefit society) be required to pay income tax and investment income tax in monthly instalments as required by section 50 of the said Act except that for its 1969 taxation year, the amount of tax shall be as estimated by it for the taxation year

- (a) on its estimated taxable income, or taxable investment income, as the case may be, for the year, or
- (b) on its taxable income, or taxable investment income, as the case may be, for its 1968 taxation year computed as though the amendments proposed in this resolution were in effect for that year.

10. That with effect January 1, 1969, in computing the income of a non-resident insurance corporation from carrying on business other than life insurance business in Canada, there may be deducted such part of its head office expenses as is reasonable in the circumstances, and there shall be included the portion of the investment income of the corporation that is attributable to its insurance business in Canada other than life insurance, determined in the manner described in paragraph 7 of this resolution with respect to non-resident life insurance corporations:

11. That with effect January 1, 1969, the exemption of insurance corporations from the additional tax of 15% imposed by Part IIIA of the said Act be repealed, but that, in lieu of applying to the amount specified in that Part with respect to other corporations, the tax be levied on the amount in respect of which the corporation has elected to reduce its Canadian investment fund.

12. That any amount received after October 22, 1968, by an employer from a trustee under a registered supplementary unemployment benefit plan to which the employer has made payments, resulting from an amendment, modification or termination of the plan, shall be included in the income of the employer.

13. That for 1969 and subsequent taxation years, an employer who, at the end of his taxation year, has a debt that

- (a) is due to an employee in respect of salary, wages, bonuses or other remuneration and was deductible in computing the employer's income, and
- (b) has been outstanding for one year following the end of the taxation year in which it accrued,

shall include in income for the second year after it accrued an amount equal to the debt unless the employer and the employee sign and file an agreement in which they elect to have their taxes computed as though the debt had been

paid by the employer and replaced by a loan from the employee to the employer on the first day of that second year.

14. That with respect to dispositions after October 22, 1968, subsections (5b) and (5c) of section 83A of the said Act, which presently provide for including in income of a taxpayer the proceeds received from the disposition of certain gas and oil rights, provide that the proceeds receivable from such dispositions be included in income in the taxation year in which the disposition occurred, and that section 85B of the said Act be extended to entitle a taxpayer carrying on business in Canada to claim a reserve in respect of proceeds receivable from such dispositions after October 22, 1968 that have not been received at the end of his taxation year.

15. That for 1969 and subsequent taxation years, the exemption from income tax provided by paragraph (c) of subsection (1) of section 62 of the said Act for a federal, provincial or municipal corporation, commission, association or wholly-owned subsidiary thereto shall not apply where a person other than a Canadian municipality or Her Majesty in right of Canada or a province has a right or option to acquire shares or capital of the corporation, commission, association or wholly-owned subsidiary.

16. That for taxation years commencing after November, 1969, a corporation shall during the fifteen-months period ending three months after the close of each taxation year, pay to the Receiver General of Canada

- (a) on or before the last day of each of the first twelve months in that period, an amount equal to $\frac{1}{12}$ of the tax as estimated by it at the rate for the taxation year
 - (i) on its estimated taxable income for the year, or
 - (ii) on its taxable income for the immediately preceding year,
- (b) on or before the last day in the period, the remainder of the tax payable on its taxable income for the year at the rate for the year,

and that for the taxation year commencing in the period after November, 1968, and before December, 1969, a corporation shall during the thirteen-months period ending three months after the close of its taxation year pay to the Receiver General of Canada

- (c) on or before the last day of each of the first ten months in that period, an amount equal to $\frac{1}{10}$ of the tax as estimated by it at the rate for the taxation year
 - (i) on its estimated taxable income for the year, or
 - (ii) on its taxable income for the immediately preceding year, and
- (d) on or before the last day in the period, the remainder of the tax payable for the year at the rate for the year.

17. That no deduction on account of foreign taxes shall be allowed in respect of that proportion of a dividend received by a corporation after October 22, 1968, that is deductible under subsection (10) of section 28 of the said Act from the income of the receiving corporation in computing its taxable income.

18. That the 15% non-resident withholding tax apply in respect of any amount paid or credited after October 22, 1968, by a person resident in Canada to a non-resident person

- (a) for the use in Canada of or the right to use in Canada any patent, trade mark, design or model, plan, secret formula or process,
- (b) for the use in Canada of or the right to use in Canada industrial, commercial or scientific equipment, or
- (c) for information concerning industrial, commercial or scientific experience.

19. That for 1969 and subsequent taxation years, the rate of 3% and the fraction of $\frac{1}{6}$ which relate to the computation of the reserve deductible in computing the income of a taxpayer whose business includes the lending of money on the security of a mortgage, hypothec or agreement of sale of real property, as provided by section 85G of the said Act, be changed to a rate of $1\frac{1}{2}\%$ and a fraction of $\frac{1}{3}$.

ESTATE TAX ACT

The Minister of Finance—In Committee of Ways and Means

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

That with respect to property passing on the death of a person whose death occurs after October 22, 1968.

(a) the deductions that may be made from the aggregate net value of such property for the purpose of computing the aggregate taxable value of such property pursuant to paragraphs (a), (b) and (c) of subsection (1) of section 7 of the said Act be replaced by the following deductions:

- (i) an amount equal to the value of any property included in computing such aggregate net value that passes absolutely and indefeasibly to his spouse,
- (ii) an amount equal to the value of any property included in computing such aggregate net value that passes to a trustee subject to a trust under which only the spouse of the person has, during the spouse's lifetime, a right of any kind whatsoever to receive, use or enjoy any of the property so settled or a beneficial interest in any of the income from such property,
- (iii) where property included in computing such aggregate net value passes to a trustee subject to a trust under which only the spouse of the person has, during the spouse's lifetime, a right of any kind whatsoever to receive any of the property so settled, and the spouse is to receive payments in ascertained amounts or in amounts limited by an ascertained maximum amount throughout the spouse's lifetime, which amounts are to be paid to the spouse out of the income from such property to the extent of such income, and in priority to

the claim of any other person entitled to any interest whatsoever in the income from such property, the lesser of

- (A) an amount equal to the value of the property that passes to the trustee subject to the trust, or
 - (B) the amount determined by regulation to be the capital sum necessary to produce income sufficient to make the payments to the spouse,
- (iv) for each child of that person, an amount equal to the lesser of the value of the property included in computing such aggregate net value that passes to the child or \$10,000,
- (v) for each infirm child of that person who, at the date of death, was wholly dependent upon the person or the spouse of the person, an additional amount equal to the least of
- (A) the product obtained when \$1,000 is multiplied by the number of years in the period commencing with the date of death and ending with the date on which the child will, if ever, become 71 years of age,
 - (B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds \$10,000, or
 - (C) \$30,000.
- (vi) for each child of that person, other than a child described in clause (v), an additional amount equal to the lesser of
- (A) the amount remaining, if any, when the excess of the average income of the child for the three calendar years preceding the year of death over \$5,000 is deducted from the product obtained when \$1,000 is multiplied by the number of years in the period commencing with the date of death and ending with the date on which the child will, if ever, become 26 years of age, or
 - (B) the amount by which the value of the property included in computing such aggregate net value that passes to the child exceeds \$10,000,
- (b) there shall be included in computing the aggregate net value of property passing on the death of such person
- (i) the amount of gift tax paid by the person in respect of property disposed of by him by way of gift after October 22, 1968, which property is included in computing the aggregate net value of property passing on his death,
 - (ii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust described in clause (ii) of subparagraph (a) of this paragraph, under which only such person had any beneficial interest during that person's lifetime,
 - (iii) an amount equal to the value at the date of death of such person of property held at such time by a trustee subject to a trust if,

at the time property was settled in the trust, the settlement was exempt from gift tax by virtue of a provision of the Income Tax Act based upon clause (i) of subparagraph (a) of paragraph 2 of a resolution with respect to the Income Tax Act tabled in the House of Commons on October 22, 1968, and

(iv) an amount equal to the lesser of

- (A) the value at the time of death of such person of property held at such time by a trustee subject to a trust described in clause (iii) of subparagraph (a) of this paragraph, under which such person was the spouse referred to in that clause, or
- (B) the amount that was, by virtue of that clause, deducted in computing the aggregate taxable value of property passing on the death of the former spouse of that person,

(c) section 8 and subsections (4) and (5) of section 9 of the said Act be repealed and that the tax payable upon the aggregate taxable value of the property passing on the death of a person shall be an amount equal to the excess of

(i) the amount determined by applying the rate schedule set out below to his estate sum
over

(ii) the amount determined by applying the rate schedule set out below to his gift sum

and for the purposes of this resolution a deceased person's estate sum shall be the aggregate of

(iii) the aggregate taxable value of property passing on his death,

(iv) the amount of his cumulative gift sum for the year in which he died, less the amount included in the computation thereof in respect of property included in the aggregate net value of property passing on his death, and

(v) the amount of gift tax that would be imposed in respect of a cumulative gift sum equal in amount to the net amount referred to in clause (iv),

and a deceased person's gift sum shall be the aggregate of \$20,000 plus the amounts referred to in clause (iv) and (v), and the rate schedule to be applied to a deceased person's estate sum or gift sum, as the case may be, shall be

(vi) nil where the sum does not exceed \$20,000,

(vii) 15% of the amount by which the sum exceeds \$20,000 if the sum exceeds \$20,000 and does not exceed \$40,000,

(viii) \$3,000 plus 18% of the amount by which the sum exceeds \$40,000 if the sum exceeds \$40,000 and does not exceed \$60,000,

(ix) \$6,600 plus 21% of the amount by which the sum exceeds \$60,000 if the sum exceeds \$60,000 and does not exceed \$80,000,

(x) \$10,800 plus 24% of the amount by which the sum exceeds \$80,000 if the sum exceeds \$80,000 and does not exceed \$100,000,

- (xi) \$15,600 plus 27% of the amount by which the sum exceeds \$100,000 if the sum exceeds \$100,000 and does not exceed \$130,000,
- (xii) \$23,700 plus 30% of the amount by which the sum exceeds \$130,000 if the sum exceeds \$130,000 and does not exceed \$160,000,
- (xiii) \$32,700 plus 35% of the amount by which the sum exceeds \$160,000 if the sum exceeds \$160,000 and does not exceed \$200,000,
- (xiv) \$46,700 plus 40% of the amount by which the sum exceeds \$200,000 if the sum exceeds \$200,000 and does not exceed \$250,000,
- (xv) \$66,700 plus 45% of the amount by which the sum exceeds \$250,000 if the sum exceeds \$250,000 and does not exceed \$300,000, and
- (xvi) \$89,200 plus 50% of the amount by which the sum exceeds \$300,000 if the sum exceeds \$300,000.

BUDGET PAPERS

presented by

the Honourable Edgar J. Benson, M.P.,

Minister of Finance

for the information of Parliament

in connection with the Budget of 1968-1969.

FOREWORD

The purpose of these Papers is twofold:

1. to present a general economic review of 1967 and the first half of 1968, bringing together in one place and in convenient form some of the more comprehensive indicators of economic conditions prepared by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies, together with some comments;
2. to present a preliminary review of the Government Accounts for the fiscal year ending March 31, 1968.

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The tables and charts in this Budget Paper are based upon data provided by the Dominion Bureau of Statistics, the Bank of Canada and other government agencies. A few of the figures appear for the first time; others have been published elsewhere. All 1968 figures are preliminary and subject to revision.

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Part I

ECONOMIC WHITE PAPER FOR 1968

THE CANADIAN ECONOMY: REVIEW AND OUTLOOK

In the course of the past two years, Canada has passed through a period of economic adjustment while still in the midst of the longest and strongest expansion in its history. During 1967 many of the adjustments taking place resembled that of a mild cyclical recession, but other expansionary forces more than offset these movements, and production, income and employment continued to rise. Some serious industrial disputes have occurred in 1968, but despite these it seems clear that a moderate acceleration of growth was established in the early months of this year.

Cyclical Developments

Business profits reached a peak early in 1966 and declined to a trough in the first quarter of 1967, recovering thereafter. Excess capacity emerged in some manufacturing industries. Strains developed in the markets for capital, beginning in 1966 and persisting, in varying degree, throughout 1967 and early 1968. In response to these developments, business expenditures on plant and equipment first levelled off and then turned down; the trough was reached in late 1967 and an improved first-quarter 1968 level appeared. This renewed expansion was maintained in the second quarter. The business inventory pattern has also followed a characteristic cyclical form. Accumulation rose to peak rates in mid-1966, after which it fell back. In early 1967 only nominal accumulation occurred, but a third-quarter pickup was followed by a very substantial swing to actual decline in the fourth. Inventories may now have completed their cyclical correction, and seem likely to resume a normal growth pattern in coming months.

In the personal sector, 1967 was a year of continued increase in both hourly earnings and the unemployment rate. This pattern has persisted in the first half of 1968. During 1967, wage settlements under collective bargaining produced a quarterly record of increases which, on the whole, exceeded gains made in the corresponding quarters of 1966. However, some signs of moderation appeared towards year-end and have persisted in the first and second quarters of 1968, although current gains are still excessive in relation to productivity. Throughout this period, consumers have continued to increase their spending at rates little changed from those of 1966. Price increases, however, particularly in consumer services, accelerated in 1967, except in the case of food prices. Some easing in the rate of advance took place in 1968, but it is not sufficiently strong to suggest that recent pressures have been completely checked.

Expansionary Forces

The mild recessionary pattern of 1967 described above was almost totally obscured by the continuation of a number of strong expansionary forces, including the special events of Centennial year, particularly Expo. These special events contributed substantially to the maintenance of relatively high levels of employment and output, mainly in the service industries, during the second and

third quarters. Tourist expenditures in Canada by non-residents, included in the statistics relating to exports of services, expanded very sharply during the Expo period, while tourist expenditures by Canadians in Canada were also above normal levels.

Other sources of strength in 1967 which overshadowed the cyclical weaknesses were a strong merchandise export performance, the continued very large increases in expenditures by governments, and the recovery of residential construction from its 1966 levels. These demand factors were accompanied by further increases in employment, which arose partly from uninterrupted advances in the number of women at work, and partly from higher immigration. The growth in the labour force slowed significantly after mid-1967, reflecting the reduced rate of growth in non-farm employment which began to show at the end of the first quarter.

Developments in the first two quarters of 1968 have been dominated by the continued strength of these factors. Consumer expenditures and labour income both recorded substantial gains in this period, while exports of goods and services advanced at an exceptional rate. Government sector expenditures have continued to increase. In conjunction with the mild cyclical changes discussed above, these factors have thus led to fairly strong quarterly increases in the various national accounts income and expenditure totals. However, the employment increases accompanying this growth in output have fallen short of the rapid growth in the labour force. Accordingly, the seasonally-adjusted unemployment rate has risen, and in mid-1968 it was running at about five per cent of the labour force.

The Canadian economy at the present time therefore has the physical capability of continuing on a sustained period of growth. Having regard to the continued large increases in money incomes still occurring, current cost and price developments are of crucial importance. The price pressures generated by the 1965-66 boom, although lessening somewhat, have persisted throughout the period of adjustment. Accordingly, the extent to which sustained growth may occur must be viewed against the problem of price and cost stability.

Income and Expenditure

Gross national product rose by 6.8 per cent during 1967 to an annual level of \$62.1 billion, and, with prices increasing by 3.9 per cent, real GNP rose by 2.8 per cent. In the first half of 1968, the value of GNP rose by 6.8 per cent compared to the same period a year earlier; price advances of 3.3 per cent reduced the gain in real terms to 3.5 per cent.

The income side of the 1967 accounts reflected a large fall in the accrued net income of farm operators from the record 1966 level, which made a difference of approximately one per cent on the overall GNP gain. The statistical assumption of return to a normal crop in 1968 was responsible for a sharp rise in farm income between the fourth and first quarters. The final effect of weather on the 1968 prairie grain crop is not yet reflected in the national accounts. The more moderate pace of advance in the non-farm economy in 1967 compared to 1966 was accompanied by a smaller increase in aggregate labour income, although the advance was still large, while corporation profits in 1967 fell fractionally after a virtually flat year in 1966. (Details on income developments are shown in reference tables 2 to 5, beginning on page 76).

On the expenditure side, personal expenditure on goods and services by Canadians (excluding expenditures in Canada by foreign visitors) advanced by over eight per cent in 1967. (Expenditure details are summarized in reference

tables 6 to 15). Though fractionally less than that of 1966, this advance provided steady support for the economy through the year. (Statistical adjustments made to separate expenditures made by foreign visitors from those made by Canadians may have led to some understatement of consumer outlays on services in the second and third quarters, and hence to an overstatement of the advance in the fourth quarter). Total outlays, however, made stronger gains in these quarters than in either the first or fourth. First half 1968 gains in current dollar personal outlays were strong.

Government expenditures have continued to rise. However, the 1967 advance for all governments combined, at just under ten per cent, was much more moderate than the 17 per cent rise of 1966. The slowing down was greater at the federal level than at the provincial-municipal. In the first half of 1968, a further rise of 7.9 per cent occurred, compared to the same period a year earlier.

Exports were a major source of strength in 1967 as a whole. Tourist expenditures are included with exports of services, and made a very notable contribution to the general level of economic activity during the summer months. Exports of goods were higher in the year by over one billion dollars, or around ten per cent; about three-quarters of the increase reflected higher shipments of automotive products, largely balanced by imports of such products. Further strong gains in exports have occurred during the first eight months of 1968.

Business expenditure on plant and equipment declined by three per cent in 1967. This development, after three successive years in which unusually large annual increases of 20, 20 and 21 per cent respectively occurred, acted significantly to moderate the excessive pressures in some areas, notably construction, which had built up since mid-1965. At the same time, a very marked drop occurred in accumulation of non-farm business inventories; the final quarter of 1967 saw a remarkable swing of nearly one billion dollars, from accumulation of \$684 million to an inventory rundown of \$312 million, expressed at annual rates. Changes in the business sector in the first half of 1968 include a 10.5 per cent gain, at annual rates, in expenditure on plant and equipment over the second half 1967 level, substantially reversing the decline which had taken place in 1967. Non-farm business inventories were virtually unchanged in the half year.

Output, Employment and Productivity

The gain in real domestic product¹ excluding agriculture in 1967 amounted to 3.6 per cent. Because of the sharp drop in the prairie wheat crop, which returned to more normal levels after the record crop of 1966, total real product rose by only 2.7 per cent. The number of persons at work in the non-agricultural economy rose by 3.2 per cent in the year, and for the first time since 1954 there was an increase in farm employment. The labour force as a whole, employed and unemployed, rose by 3.7 per cent, all of this increase representing jobs in the total service sector. Because employment increased less rapidly than the labour force, the unemployment rate for the year rose.

Changes in employment in the different sectors, in conjunction with changes in output, provide the indications of changes in output per man (productivity) shown in reference tables 25 and 26. In the year as a whole, and in the private non-farm economy as a whole, productivity rose by 1.3 per cent from the preceding year.

¹ Real domestic product measures the volume of output of goods and services produced in Canada. Apart from small differences in statistical measurement, it differs from GNP in constant dollars in that it excludes interest and dividend receipts from abroad, includes interest and dividend payments to non-residents and excludes indirect taxes less subsidies.

This figure, which is below the long-term trend, partly reflected a shift in the pattern of output, of which a larger share was contributed by the service industries where the level of productivity per person employed is low, or for which the conventional statistical measurements are inadequate. On the other hand, there was a rise in productivity in manufacturing during the course of the year as employers reduced their labour force while output was rising.

The combination of income and production figures provides an indication of cost changes. Wage costs per unit of output continued to increase in 1967, both for manufacturing and for the entire economy. Profits per unit of output continued to decline in 1967, although less sharply than in 1966. This trend persisted in spite of the widespread price advance of 1967.

In the first two quarters of 1968, despite strikes in the automotive and other industries, real domestic product rose at an annual rate of 3.9 per cent from the last half of 1967. Productivity across the total commercial non-agricultural economy was unchanged in the first quarter, but improved in manufacturing and construction. The pattern in the second quarter was much the same.

Wage settlements under collective bargaining continue to record very large increases in base rates and other benefits. Increases in average hourly earnings for the country as a whole have been somewhat smaller but are affected by these settlements.

Prices

Prices continued to advance at unacceptable rates in 1967 and the first half of 1968. The average of the Consumer Price Index in 1967 rose by 3.5 per cent over the average 1966 level, which compares with the 3.7 per cent rise the year before. However, in 1967 the food component changed little, while advances were widespread and strong in other non-durable and durable goods, and, particularly, in consumer services. It may also be noted that changes in sales taxes and property taxes contributed an estimated 0.8 per cent to the overall 1967 rise—nearly one-quarter of the total increase in consumer prices. The GNE deflator, which represents price changes in the economy as a whole, rose by 3.9 per cent over 1966 (4.5 per cent the previous year).

In the course of first eight months of 1968 the consumer price index has continued to moderate its rate of advance compared to each month a year earlier. Whereas in January the increase over a year earlier was 4.5 per cent, in August the increase was 3.4 per cent. As the months have passed the changing pattern of gains among components shows that housing costs have become the leading contributor. Shelter costs account for about 18 per cent of the consumer budget that is measured by the C.P.I. Consumer services excluding shelter, which showed the largest advance in the previous twelve months, are now advancing somewhat less rapidly. Food prices in August were 1.6 per cent higher than a year earlier.

Review of 1967 Expectations

The government in early 1967 anticipated some slowdown in the rate of growth for the year, which led it to relax some of the restraints which had earlier been imposed, particularly those affecting investment expenditures by the business sector, and to introduce measures to encourage residential construction. These adjustments appear in retrospect to have been appropriate. The continued

increase in government expenditures, and the continuation of unduly high price and wage increases, led to proposals in the Budget of November 30, 1967, for certain tax increases to take effect late in 1967 and early in 1968.

With regard to the balance of payments, 1967 exports of goods and services to the United States were higher than had been foreseen. As expected, imports rose considerably less than in the preceding year.

As a result of these developments, the current external deficit (on a national accounts basis) registered a sharp decline to some \$670 million from the 1966 total of \$1,230 million.

The combined expenditures of all governments on goods and services rose rather more than had been expected, partly owing to continued strong pay and price advances in this sector. Residential starts, earlier foreseen as being in the region of 160,000 for the year, actually amounted to 164,000. About 63,000 of these were financed by NHA mortgages, 65,000 by conventional mortgages, and the balance by other means, such as "non-institutional" and personal lending. Outlays on business plant and equipment, according to the early-1967 outlook, would decline by "under one per cent", but in fact a decline of just over three per cent occurred. This decline in value resulted partly from the accelerated removal of federal sales tax on production machinery and equipment, which caused an actual price decline in the middle two quarters, and from the continued moderation in the rate of increase of non-residential building prices. As expected, the mild cyclical pause did not on this occasion cause further downward revisions in business investment intentions at the time of the mid-year review; moreover, the rather unexpected degree of credit stringency which developed during the year also failed to bring about any significant reduction of the 1967 programme. As it turned out, early 1967 expectations that total private and public capital expenditures would level off in the year were borne out by events.

The increase in labour income was about as expected, although costs and prices rose slightly more, and non-farm employment rose slightly less, than expected.

It was observed that corporation profits are related to trends in costs, prices and productivity, and for the year of adjustment in 1967, corporation profits declined slightly. However, for some quarters now profits have been increasing.

Outlook from mid-1968 to mid-1969

A rapid increase in GNP in the first two quarters of 1968 is expected to give way to more moderate rates of increase in the third and fourth quarters of the current year. While it is too early as yet to forecast the full year 1969, there are indications that moderate rates of growth will persist in the first half of 1969.

Canada's economic growth over the next twelve months will depend in part on economic conditions in the United States and certain overseas countries. The U.S. economy passed through a period of very rapid expansion in the first half of 1968 and is now expected to experience less expansion in the second half of the current year and in the first half of 1969. This expectation is based in part on the effects of the tax increases in June of this year which, together with federal government expenditure cutbacks, will combine to exert a considerable degree of restraint in coming months. In the light of these changes, unofficial projections show forthcoming rates of increase in total real output at about two per cent per annum in the United States in the year ending mid-1969.

In other industrial countries also, a slower rate of growth is expected for late 1968 and early 1969. In the United Kingdom, continued efforts to check domestic demand and imports, and to curb continued price and wage increases, are expected to be accompanied by a modest increase in real output. Japan is expected to slow down from the very high rates of growth of over ten per cent per annum in real output that have been achieved in the recent past. France is confronted with large wage and price pressures as a result of events in May; there exists some margin of unused resources in that country, but potential price and cost problems make it difficult to judge the extent of increases in real output. Recent favourable output and export trends in Germany are expected to continue in the coming year but at slightly reduced rates.

For the combined economies of all countries belonging to the Organisation for Economic Co-operation and Development (OECD), which includes Canada and the U.S.A. as well as European countries and Japan, an expansion of only three per cent in real output is expected in the second half of 1968, compared with over five per cent in the first half. This reduced rate of growth is common to nearly all member countries of OECD, and is expected to continue in the first half of 1969.

There are a number of important differences between the Canadian and U.S. situations which combine to suggest that the expected slowdown in expansion will be less marked in Canada than in the United States. One significant difference between the two countries is that price and cost pressures have already begun to ease in Canada, whereas they have been accelerating in the United States. Another difference is that Canadian inventory accumulation has been negligible or negative for some time past, while there has been a large accumulation in the United States. A moderate degree of inventory accumulation should now contribute to overall demand strength in Canada. Further, the mid-year investment intentions survey in Canada indicates a small improvement over earlier surveys. In contrast to declines in business investment in 1967, small increases in value are now beginning to take place. Business investment is expected to be up about three per cent in the current year, and the total of public and private investment is expected to increase six per cent. Unlike the situation in the United States, where official surveys indicate a deceleration of business investment during 1968, the Canadian investment outlook appears to be one of continued if modest improvement. Offsetting to some extent these favourable developments, Canada's exports to the United States cannot be expected to maintain the rapid rate of increase attained in the first eight months of the current year.

The housing outlook is also favourable, with the high level of housing outlays in 1968 likely to be exceeded in the coming year. The tension in the capital market has eased somewhat in recent months, and since business investment requirements are only moderate, there should exist both the physical and financial capacity to create more new housing accommodation in the coming year. Outlays on goods and services by governments at all levels, although moderating in the past year, are again expected to increase faster than total output of the economy.

The largest expenditure category, accounting for well over half of GNP, is that of personal expenditure on goods and services. These outlays have been sustained by the continued rapid increases in personal disposable income referred to earlier. Although consumer price increases until comparatively recently were in excess of four per cent per annum, the latest figures on the Consumer Price Index have indicated some easing in the rate of advance. Thus, the substantial

increases in real disposable income and in the real volume of consumption of recent years are expected to continue in the coming year and to constitute a sustaining force in total effective demand.

On the supply side, the labour force has been augmented recently by a very large number of young people leaving school and by continued increase in the proportion of women working. As noted, rapid increases in both labour force and total employment took place in the summer of 1968, but unemployment also grew, mainly as a result of the very large influx of students seeking jobs during the summer months. Some of these students returned to school in September, while others have found jobs and will remain in the labour force. The enlarged technical and vocational training facilities for these students, as well as re-training and mobility programmes for older workers, will contribute to the efficiency of the labour force growth in the coming year. The period of most rapid acceleration in labour force growth may have been reached in 1967, but Canada in 1969 will still have one of the highest labour force growth rates among the industrial countries of the world.

Another factor of importance relating to Canada's supply capability is the physical stock of plant and equipment. While the available measures of plant and equipment capacity are inadequate, there are at least some indications that capacity utilization rates are now not far below normal for the economy as a whole. The reduced rate of investment expenditure in 1967 and 1968, while modest increases in output were continuing, suggests that excess capacity is not extensive. The recent increase in investment intentions, as reported in the mid-year survey, tends to confirm this view. It may be concluded that future increases in real demand and output will increasingly call forth new additions to capacity in the form of investments in plant and equipment. Since the long-term relationship between the stock of physical capital and real output has not changed significantly, it can be expected that increases in real output will require approximately similar rates of increase in the stock of capital; this situation is approximated when new investment and output advance at similar rates. Recent small improvements in corporation profits, which tend as a statistical series to lead that of new expenditures on plant and equipment, are consistent with the view that a moderate expansion of new investment, in line with sales and output, might be expected in the coming year.

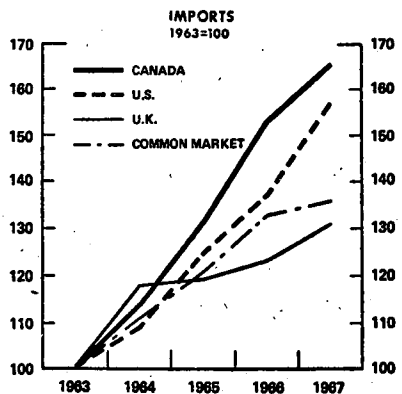
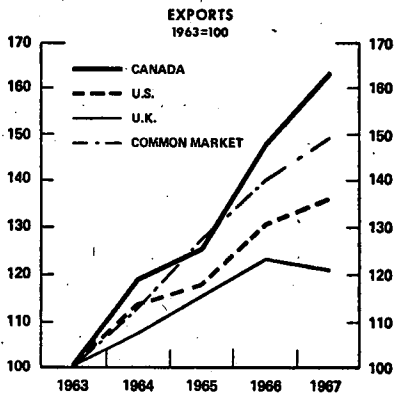
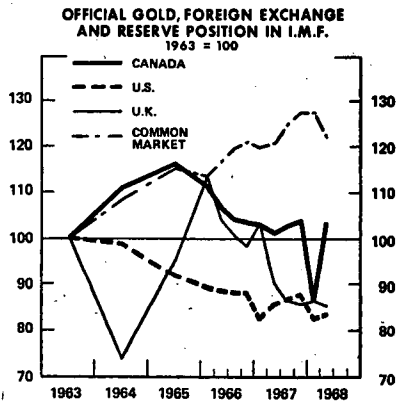
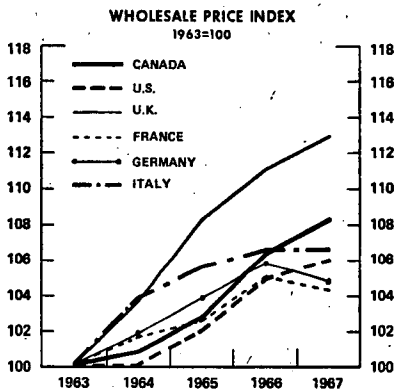
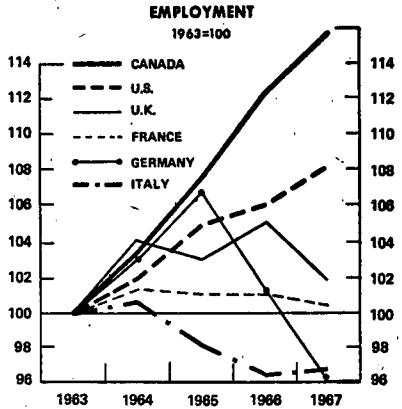
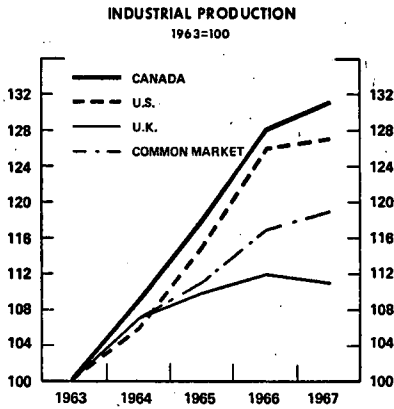
The overall demand and supply picture suggests a rate of increase in GNP over the next nine to twelve months not much different from that of 1968 as a whole, compared to that of 1967. However, more of the increase should be in quantity, and less in prices, than in 1967 and 1968. The significant easing of interest rates apparent since the exchange crisis of last spring, which is described in detail later in this paper, should assist in this advance.

THE WORLD ENVIRONMENT

The International Economy

Economic developments in Canada are profoundly affected by the world environment. Because exports represent a very substantial part of total demand in Canada, events in other countries can quickly affect employment, incomes and economic activity in Canada. This country, too, is particularly sensitive to strains and tensions in the international financial system; capital flows in or out

CHART 1
SELECTED INTERNATIONAL INDICATORS
 1963 - 1967



of Canada, whether of domestic or foreign origin, can be of such magnitude relative to Canada's economy as to pose difficult problems of economic management.

The economy of the western world in 1967 recorded a definite slow-down in growth as compared with 1966.

In the North American hemisphere this weakening occurred in the course of the longest period of expansion since the war. Signs of strain had been in evidence since the second half of 1965 and were aggravated by expansion of inventories in 1966. Mounting pressures on prices and costs then began to erode profits, resulting in some decline in the volume of private investment from the beginning of the fourth quarter of 1966.

The U.S. economy in 1967 went through two clearly defined phases. In the first half of the year there were two dominant factors: a temporary check to growth and growing concern about inflation. The inflationary and financial pressures had as their basis the unusually high budgetary deficit, the slow-down in tax revenue receipts, and the resultant heavy government borrowings in the capital market. In the second half of 1967, continued increases in military expenditures and the failure of Congress to act upon the President's proposal for tax increases aggravated the inflationary atmosphere. From July onwards renewed expansion of the economy was clearly evident as a result of the renewed accumulation of inventories; furthermore, consumer demand was firm, especially for durable goods, and housing construction moved up sharply.

Quarterly movements in the U.S. gross national product reflected these trends. In the first three months of 1967 GNP advanced only slightly; in the second quarter of the year the progress was somewhat more marked, but beginning in the third quarter GNP resumed relatively rapid growth, accelerating again in the first two quarters of 1968. The fiscal restraints upon income which came into force from July 1968 are expected to slow down economic activity in the two last quarters of 1968, contributing both to the stabilization of costs and prices and to better external balance.

The balance of payments, despite a certain improvement in capital flows from the U.S. point of view, remains in deficit because of the deterioration in the merchandise trade balance. Exports appear to be rising rather more rapidly in 1968 than in 1967, but merchandise imports are expected to grow even more rapidly.

In the United Kingdom, 1967 was a year of growing crisis. The war in the Middle East, the world-wide rise in interest rates, and the dockers' strike all reinforced the country's economic difficulties, while the need to restore stability in the payments position became increasingly more pressing. The November 1967 devaluation of the pound and the strengthening of the measures of reform were intended both to bring about a better balance in the British economy and to restore the balance of payments.

The course of economic events in the United Kingdom in 1967 had made such steps unavoidable. The growth rate of gross domestic product for the year as a whole was only a little over one per cent, while the overall production index had remained almost stationary since 1966. Unemployment had risen from a level of one per cent of the labour force in the second quarter of 1966 to reach 2.4 per cent in the third quarter of 1967. Moreover, in 1967 exports declined while imports increased.

Developments in the U.K. economy resulting from the combination of devaluation and anti-inflationary measures were expected to lead to a rapid improvement in the balance of payments and to increase Britain's share of international trade. An increase of 4.5 per cent in industrial production was forecast for 1968, with total economic growth expected to be about three per cent. Observers expect that the increase in activity will be in non-consumption sectors.

In the European Economic Community, the levelling-off in economic growth which began in mid-1966 continued throughout the first six months of 1967. Despite signs of recovery in the majority of member countries from the beginning of the third quarter, the growth figure of about 2.5 per cent for 1967 is still the lowest since 1958. A sustained growth in the Italian and Dutch economies was not sufficient to make up for the recession in Germany.

The easing in the EEC countries brought some easing in the European labour market and on the whole a slackening in the escalation of costs and prices. Since mid-1967, the cyclical trough, signs of a recovery have been increasingly in evidence, especially in the economy of the Federal German Republic. This acceleration of economic activity, through its effect on trade within the community, will be a dynamic element in the growth of other member countries. In France, judgments about the extent of price, cost and output changes this year have been obscured by the events of the spring.

Having regard to all these circumstances, it is generally accepted that the level of economic activity in the Community as a whole will be higher in 1968 than in 1967.

In Japan, the economic growth rate over the past ten years has averaged ten per cent. In 1967 it was more than 13 per cent. The rapid growth of 1967 had the effect of increasing demand for imported products, and added to existing pressure on the capital markets. In order to moderate this steep rate of growth and improve the balance of payments, the Bank of Japan increased the Bank rate in 1967 and again in 1968 and has limited loans by the chief banks. In addition, the government found itself obliged to postpone a great many public investment projects. In 1968 the growth of the economy is therefore expected to be much reduced from the 1967 rate.

The year 1967 thus saw financial constraints affecting economic activity in many countries. Indeed, there was persistent and prolonged pressure on international capital markets. Within countries there was a bidding-up of the price of money between the public and private sectors on the one hand, and between individual borrowers on the other. The resulting increase in interest rates became world-wide through international transactions. Due to inflationary expectations this condition persisted in spite of slack in most countries. Cyclical credit contraction is customarily short and sharp, and is followed by a decline in interest rates, but the adjustment, due to the intense competition for funds and problems of confidence, was slow to develop in 1968. However, some easing of interest rates has occurred in recent months.

Problems of the International Financial System

The international monetary arrangements developed since the second world war have, on the whole, worked well, making it possible for world trade to grow at an unprecedented rate. It has been apparent for some time, however, that fundamental changes in the existing arrangements would be necessary during the

foreseeable future if world trade was to continue to expand rapidly. The knowledge of the imminent need for such a change and the uncertainty as to the form that it might take have therefore had an unsettling effect on the international financial community during recent years.

The essence of the problem concerns the future growth of international reserves with which to finance a growing volume of world trade. During the post-war period these reserves, i.e. the total of countries' holdings of gold, foreign exchange, and certain types of claims on the International Monetary Fund, grew much less rapidly than the volume of world trade which they helped to finance. This was made possible by the increased efficiency of the system due to improved co-operation between monetary authorities, and by the redistribution of reserve assets from the United States to other countries, particularly in Europe.

The dominant element in the growth of international reserves during the period has been the accumulation of reserve currencies, particularly U.S. dollars, by the monetary authorities of other countries. Claims on the International Monetary Fund, though growing more rapidly in relative terms, were much less significant in absolute terms because of their narrow base. Finally, although gold has continued to be by far the largest component of total reserves, yearly additions to official reserves from newly mined production were increasingly less significant in the overall picture and in the past couple of years gold has actually flowed out of official reserves into private hands.

The accumulation of U.S. dollars by other countries had been a welcome development during most of the fifties, when foreign monetary authorities were still intent on restoring their depleted foreign exchange reserves. As this process neared completion, however, the continuation by the United States on a substantial scale of a deficit on international transactions became a cause for concern, heightened by the already existing chronic balance of payments problems of the United Kingdom, the other major reserve currency country.

Thus it became essential to confidence in the international monetary system for the United States and Britain to bring their payments into balance. But success would have meant that the reserve currencies would thereby cease to be a significant source of liquidity growth, and it was most improbable that this would be completely offset by further increases in gold holdings and claims on the IMF. Consequently, to help ensure a healthy continued growth of world trade, a major international effort was begun to develop a plan for the creation of a new reserve asset that would be subject to rational control in an established international forum. Studies and negotiations directed towards this end were carried out during the four years preceding 1967. During this period recurrent disturbances occurred which underlined the seriousness of the situation and the need to develop a contingency plan.

The growing unwillingness of some countries to increase further their holdings of reserve currencies meant that financial flows, the counterpart of real economic activities such as international trade and investment in productive plant and equipment, became the target of selective restrictive measures by both surplus and deficit countries. While these measures have included statutory or "guideline" directives aimed at specific activities, they also have taken the form of the traditional means of affecting the volume and direction of capital flows, that is, changes in interest rates and in the availability of capital funds for use in international financial transactions. Competitive reliance on the interest rate as a means of controlling international capital flows, and the entry

of speculators into the picture at times of particular stress, thus became increasingly a feature of the international economy during the middle sixties. Speculation contributed heavily to world currency pressures in both 1967 and 1968.

During the spring and summer of 1967 the British pound remained under intermittent pressure which became persistent after the Middle East crisis. Despite major support operations mounted by the IMF, the Bank for International Settlements and individual central banks, pressure on the pound became overwhelming during November, and a 14.3 per cent devaluation took place on November 18. At the same time the Bank of England Bank Rate was increased from 6½ to 8 per cent and the government announced a series of deflationary measures. It is a credit to international co-operation that no major trading nation followed the British devaluation and its unsettling effect was thus minimized.

The devaluation of the pound deflected bearish sentiments against the U.S. dollar and a run into gold began which was to cost the United States \$2.4 billion of gold in the five months beginning in November 1967 and ending in March 1968. Pressure on the capital markets in the United States during most of 1967 remained intense and towards the end of the year long term rates reached their highest level in over 40 years. A worsening U.S. balance of payments deficit, the failure of Congress to act on the Administration's proposal for temporary tax surcharges on personal and corporate incomes, and the devaluation of the pound with its consequences for the U.S. dollar all tended to worsen the U.S. financial markets. Consequently, long-term rates reached still higher levels in March 1968 and short-term rates continued their steep climb which had begun in mid-1967.

These interest rate developments, with increases in one country feeding on, increases in another, had certain economic repercussions in Canada in 1967 and 1968. While domestic factors affecting the cost and availability of capital to some Canadian borrowers were of primary importance, the international situation exacerbated the problem.

At the annual meeting of the IMF which took place at Rio de Janeiro in September 1967, the Governors gave their approval to the outline of a proposal to establish a new facility in the IMF for the creation of a new reserve asset. The new asset, referred to as Special Drawing Rights (SDR), will supplement, rather than replace, existing reserve assets and will be used in transactions between monetary authorities alone and in conjunction with "traditional" reserve assets. This facility will permit the orderly expansion of monetary reserves, and machinery has been set in motion in many member countries to secure the necessary legislative authority for participation in the new arrangements.

These long-term developments, however, had little immediate impact on world financial difficulties in late 1967, and the new pressures building up against the U.S. dollar following the devaluation of sterling led the President, on January 1, 1968, to introduce a stringent new balance of payments program intended to bring about a major improvement in the U.S. balance of payments. Its main provisions were directed at reducing direct investment outflows, increasing the repatriation of funds by U.S. subsidiaries abroad and discouraging U.S. tourists from travelling outside the western hemisphere.

In the absence of any headway in Congress on the President's long-delayed tax proposal to reduce the budgetary deficit, the President's announcement failed to have any lasting effect towards restoring confidence in the U.S. dollar and hence in the system as a whole. Instead, speculation again developed shortly after the New Year, directed against the Canadian dollar and certain other currencies and a little later spilling over into a renewal of massive speculative and hedging activities in the gold market. Gold losses from international reserves became so large by March 17, 1968, exceeding \$3 billion since the devaluation of sterling in November, that the Gold Pool ceased to support the private gold market and established a "two-tier" price system. Under this arrangement the former Gold Pool members agreed that henceforth officially-held gold should be used only to effect transfers among monetary authorities, and therefore they decided no longer to supply gold to the London gold market or any other gold market. Moreover, since the existing stock of monetary gold was sufficient in view of the prospective establishment of the IMF Special Drawing Rights facility, they no longer felt it necessary to buy gold from the market. Finally, they agreed that henceforth they would not sell gold to monetary authorities to replace gold sold in private markets. The subsequent settling of the "free" gold price at only a moderate premium over the official price was instrumental in reducing speculative activity very markedly.

At the end of March the remaining aspects of the SDR proposal still outstanding were settled at a meeting in Stockholm of Ministers of Finance and Central Bank Governors of the Group of Ten. Whereas the establishment of the two-tier gold system had been intended to solve an immediate problem, the Stockholm meeting had a reassuring effect by illustrating the progress being made towards a long-term solution to the problem of ensuring the adequacy of international liquidity.

The progress thus made on both of these fronts substantially reduced the earlier crisis atmosphere in the international monetary system. Further progress in this direction was made in June 1968 with the long awaited passage of the U.S. tax bill. Passage of the tax surcharge legislation was taken by foreign observers as a real indication of the U.S. determination to restore confidence in the U.S. dollar, and as such was influential in further restoring order in the system.

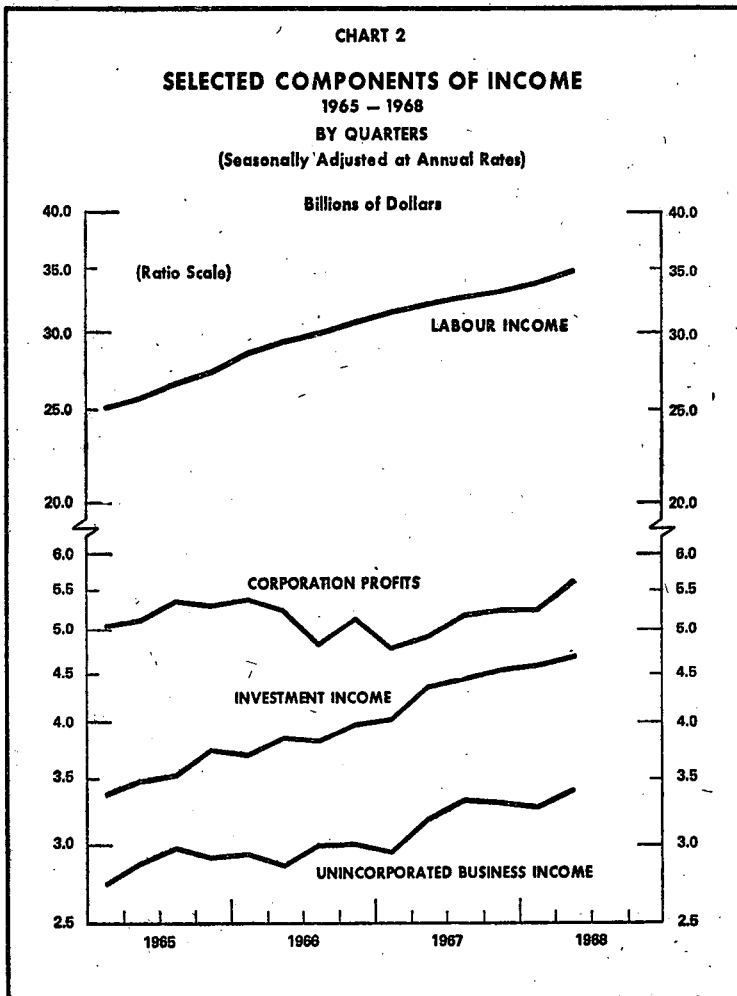
The response of the Canadian financial system to these events is discussed in detail in a later section. The process of the 1967 readjustment and continued growth of the economy which took place within this framework of events is now reviewed, in some detail, in the following pages.

READJUSTMENT 1967 and 1968

Income Developments

In 1967 as a whole the growth in aggregate wages, salaries and supplementary labour income moderated from the exceptionally rapid rate of 1966, and in the first half of 1968 the more moderate trend continued. (Statistical details are set out in reference tables 2 and 3). This slower rate of growth principally reflected a less rapid increase in employment, as average earnings of employed workers have continued to advance sharply. Average weekly hours worked in many industries were marginally less throughout 1967 than in 1966, and have shown no widespread tendency to increase in 1968.

The levelling-off in construction activity, after the sharp increases of 1965 and 1966, brought about a decline in employment and a much smaller advance in average income per employee in this sector (see reference table 4). In manufacturing, employment was virtually unchanged while average incomes slightly accelerated their advance. Among the service industries trends were mixed. On the whole, the increase in average earnings in 1967 exceeded that of the previous year mainly by reason of the substantial advances agreed upon in new labour contracts, which have had a growing impact upon employee remuneration across entire industrial sectors, although the greater degree of slack in the labour market, reviewed below, slowed the advances in certain service industries.



Corporation profits before taxes, which declined fractionally in 1966, recorded a further decline in 1967. A substantial recovery occurred during the first half of 1968, although labour contract disputes in some industries make it

difficult to assess the actual underlying strength of the profit position. In manufacturing, the profit pattern overall was one of slow improvement from the low point reached in the first quarter of 1967, with declines in some industries being offset by advances in others (see reference table 5). The mining group recorded good gains in almost all quarters, but trends were mixed in the service, trade and other non-manufacturing groups. Over the year, and continuing into 1968, the transportation, storage and communication group showed persistent hesitancy; but wholesale and retail trade together, after a slower year in 1967, recorded stronger profits during the early part of the present year.

TABLE 1
LABOUR INCOME AND PROFITS
1965 to 1968
(Seasonally adjusted at annual rates)

	1965	1966	1967	1968		
				4Q	1Q	2Q
(Millions of dollars)						
Wages, salaries and supplementary labour income.....	26,179	29,661	32,389	33,132	33,776	34,740
Corporation profits before taxes and before dividends paid to non-residents	5,199	5,145	5,020	5,236	5,232	5,596
(Per cent change from previous period)						
Wages, salaries and supplementary labour income.....	11.7	13.3	9.2	1.1 ⁽¹⁾	1.9 ⁽¹⁾	2.9 ⁽¹⁾
Corporation profits before taxes and before dividends paid to non-residents.	7.9	-1.0	-2.4	1.7 ⁽¹⁾	-0.1 ⁽¹⁾	7.0 ⁽¹⁾

⁽¹⁾Quarterly change.

Source: DBS *The National Accounts*.

Corporate profits before taxes in the first half of 1968 represented 11.1 per cent of net national income. In 1967 as a whole they amounted to 10.8 per cent; in recent years, the share of corporate profits in the total reached a peak of 13.6 per cent in 1964, and since then it has been declining.

Net income of non-farm unincorporated business, after advancing slightly in 1966, picked up strength as 1967 wore on and achieved a year-over-year gain of over eight per cent. This group, which includes a large number of small enterprises engaged in construction activity, again showed growing strength towards the mid-year mark in 1968. Interest, dividends and other property income has advanced rapidly in 1967 and 1968, partly due to the relatively high interest rates and rising rentals prevalent during this period.

Expenditure Trends

On the expenditure side, as on the income side, some components have revealed cyclical characteristics over the past eighteen months. Similarly, however, this mild recessionary pattern has been almost totally obscured by the continuation of strong expansionary trends in other forces of demand, and by the impact of the special events of Centennial year. In the aggregate, therefore, expenditures have grown at rates which, while more moderate than those of 1966, have remained strong. Quarterly expenditure developments are set out in detail in reference tables 6 and 7, and depicted graphically in Chart 3.

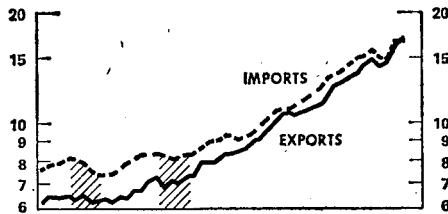
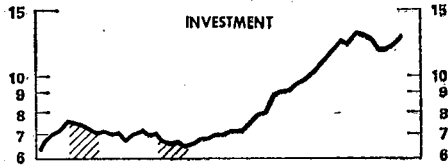
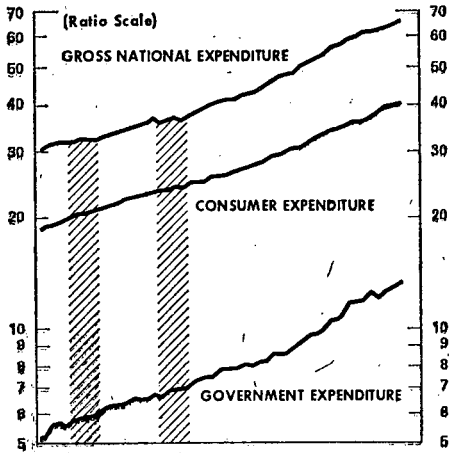
CHART 3

**GROSS NATIONAL EXPENDITURE
AND SELECTED COMPONENTS
IN CURRENT DOLLARS**

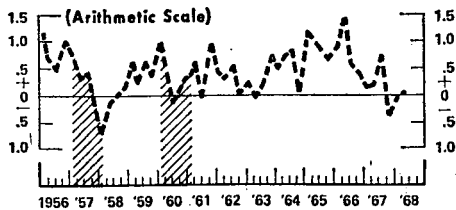
1956 - 1968

(Seasonally Adjusted at Annual Rates)
By Quarters

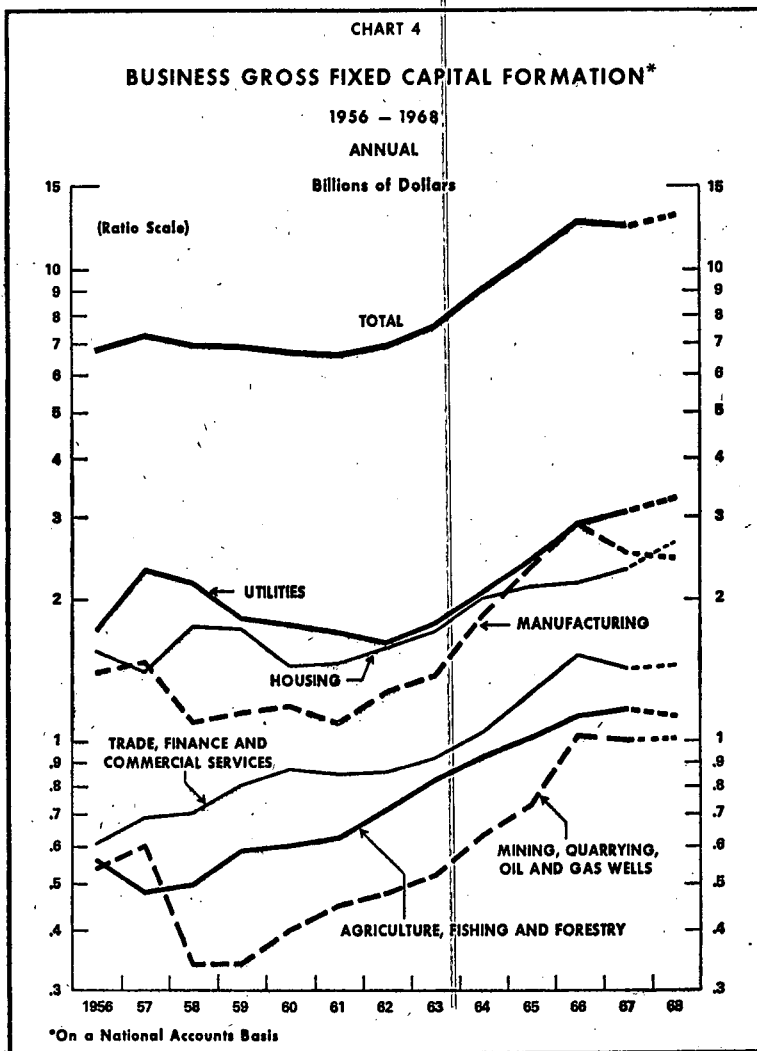
Billions of Dollars



CHANGE IN BUSINESS INVENTORIES



Among the expenditures revealing mild cyclical features, business fixed capital outlays including housing have been the most important. On a national accounts basis, a decline of about one per cent in value and four per cent in volume occurred in this sector in 1967 as a whole; the quarterly pattern for total investment expenditure showed small but almost uninterrupted declines from mid-1966 to end-1967; strengthening in this sector now is apparent although some of this represents higher costs. (These developments are shown in Chart 4). The movement of business expenditure on plant and equipment reveals even more sharply a cyclical-type pattern. This component reached a peak in the fourth quarter of 1966, and fell to its trough in the fourth quarter of 1967, since when it has again moved up. It may be observed that as the actual decline in this component was of such modest proportions the recovery would not have to be very sharp to resume an appropriate long-term trend.



Housing expenditures, too, showed a cyclical pattern. Conditions in the financial markets brought about a very marked decrease in the funds available for mortgage investment in 1966, and residential construction outlays fell through that year from a first-quarter peak. This trend was sharply reversed in 1967, and quarterly gains were substantial until some hesitation again became apparent in late 1967 and early 1968. Growth in this expenditure component has been re-established following a high level of new starts early in the present year. The recent pattern of housing starts is shown in Chart 19, on page 60.

TABLE 2
CAPITAL EXPENDITURE

	1957	1961	1965	1966	1967	1968 ⁽²⁾
Total capital expenditure ⁽¹⁾ \$m	8,717	8,172	12,865	15,090	15,174	16,038
Total capital expenditure—per cent increase over preceding year.....	8.5	-1.1	17.6	17.3	0.6	5.7
Total capital expenditure in constant dollars, index 1957=100.....	100.0	90.0	120.9	136.0	133.1	..
Total capital expenditure as a per cent of GNP.....	27.3	21.8	24.6	26.0	24.4	24.0 ⁽²⁾

⁽¹⁾Includes housing, business and social capital.

⁽²⁾Intentions.

⁽³⁾Estimate by Department of Finance.

SOURCE: *Private and Public Investment in Canada, Outlook*, annual, and mid-year review 1968.

Another indication of the cyclical nature of recent capital expenditure may be found in the changing composition of the programme. Thus, at a peak period of business expansion the contribution of business capital expenditure to the total rises to a maximum. The share of governments and housing becomes more significant at times of slower growth. Recent trends are set forth in table 3 and depicted graphically in Chart 5.

TABLE 3
COMPOSITION OF TOTAL CAPITAL EXPENDITURE

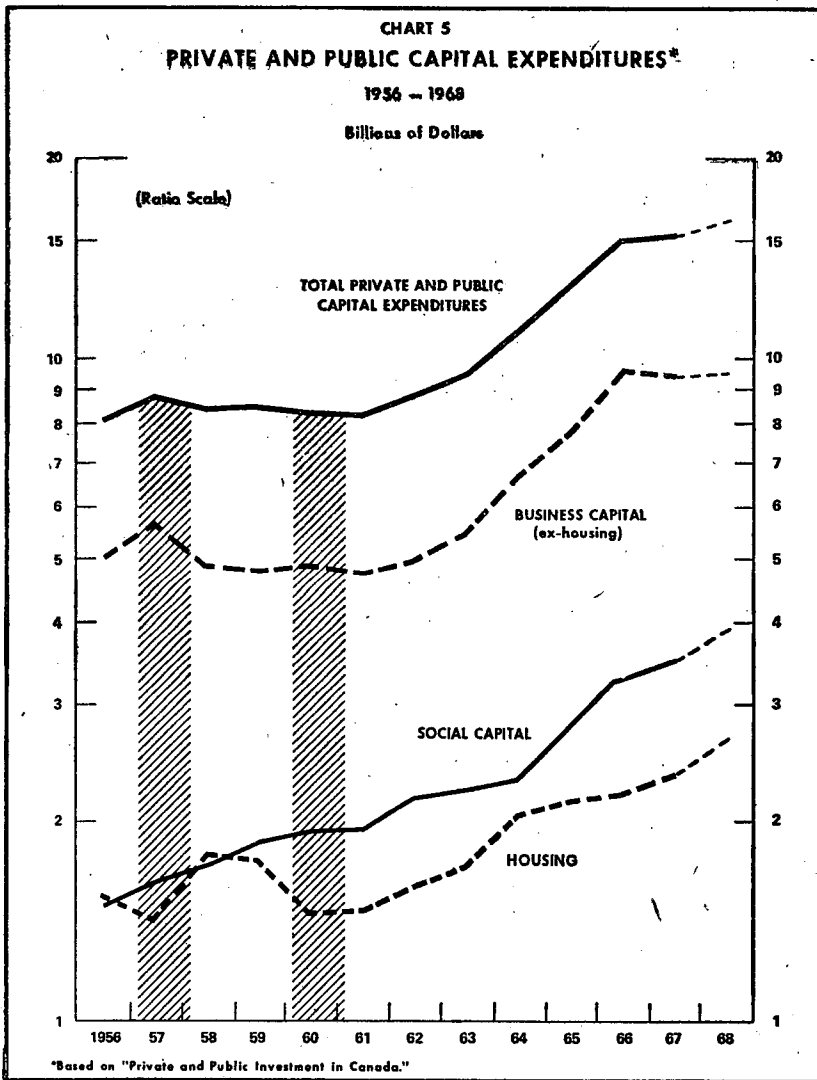
	1957	1961	1965	1966	1967	1968 ⁽¹⁾
	(Per cent of total capital expenditures)					
Business capital expenditure.....	64.9	58.3	61.7	64.0	61.5	59.1
Social capital expenditure.....	18.7	23.7	21.7	21.5	23.0	24.3
Housing expenditure.....	16.4	18.0	16.6	14.5	15.5	16.6
Total Capital Expenditure.....	100.0	100.0	100.0	100.0	100.0	100.0

⁽¹⁾Intentions.

SOURCE: DBS and Department of Trade and Commerce: *Private and Public Investment, Outlook*, annual and mid-year review, 1968.

The full nature of this readjustment in capital expenditures may be brought out by placing the changes which have occurred into a longer-term context, and by consideration both of the capital stock position and the impact of financial strains upon the liquidity of Canadian corporations. The timing of some investment activity, too, was governed by non-economic factors.

The slight decline of business capital expenditures in 1967 and the modest reversal in 1968 has represented a relatively smooth adjustment following several years of extremely rapid growth up to 1966. Indeed, the rate of growth of capital expenditures from 1961 to 1966 was about 40 per cent greater than that of GNP. This high rate of growth was not sustainable in the long run; by the end of 1966, the capital stock of the economy was adequate for current levels of output and, in general, there was no excess capacity.



From this viewpoint, the recent slower pace of business investment, which has been in fact nothing more severe than a levelling-off, sharply contrasts with the situation following the 1955-57 investment boom. On that occasion the boom had continued over-long, excess capacity had been built up, and total capital expenditures fell sharply and remained at low levels relative to GNP for many years thereafter, as indicated in table 2 and reference table 12.

The impact of financial constraints on business capital expenditures has taken the form of hesitation in making new plans rather than in failure to complete projects begun earlier. Some major developments in which large-scale financing plays a part have been stretched out, including some major hydro-electric projects. These financial developments have also been reflected in the postponement of some institutional construction. Finally, it should be borne in mind that 1966 saw the virtual completion of a number of major projects whose timing had reflected particular circumstances; among these were some large paper mills in British Columbia.

Among the other components of expenditure, non-farm business inventories also have displayed cyclical characteristics. Accumulation rose to peak rates in mid-1966, after which quarterly gains were more moderate. However, inventory levels remained high throughout most of 1967 until an actual decline occurred in the final quarter. In the first half of 1968 there has been virtually no accumulation of inventories.

Among the expenditure components showing continued expansion, consumer outlays have been an important sustaining force. The growth has been rapid during the last four years, with an annual growth rate averaging somewhat more than eight per cent; this rate was maintained during the first half of 1968. However, as the annual increase in consumer prices advanced from 1.6 per cent in 1964 to more than three per cent in 1967, the growth in real terms has declined from a very high rate of 6.3 per cent in 1964 (when economic slack was being taken up) to an annual rate of 4.8 per cent in 1967. This latter rate was approximately maintained in the first quarter of 1968, although a rather lower rate developed in the second.

TABLE 4
GROWTH OF CONSUMER INCOME AND EXPENDITURE
1963 to 1968

	1963	1964	1965	1966	1967	1968 ⁽¹⁾
	(Per cent change from previous year)					
Personal disposable income.....	6.3	5.7	10.8	9.8	8.1	6.7
Consumer expenditure:						
Total current dollars.....	6.0	7.9	8.1	8.7	8.2	8.5
Price increase.....	1.4	1.6	2.0	3.4	3.3	4.2
Total real consumer expenditure....	4.5	6.3	6.0	5.1	4.8	4.2

⁽¹⁾ First half year over first half 1967.

SOURCE: DBS *The National Accounts*
DBS *Canadian Statistical Review*.

Consumer expenditure on durable goods increased by nearly five per cent in 1967. A price increase of over 2½ per cent reduced the real growth to two per cent. The 2½ per cent price increase was in contrast to virtually unchanged

prices for consumer durables over the previous several years. The quarterly pattern of these expenditures has been erratic, as is typical of this volatile element of personal spending, and has continued to be irregular in 1968.

In real terms, 1967 personal expenditure on non-durable goods increased by over seven per cent while the volume of expenditures on services grew at less than three per cent. Part of this sharp divergence in real growth rates was related to the statistical treatment of very large 1967 expenditures by foreign tourists, to which reference has already been made. This adjustment, which was large in Centennial year, is conventionally attributed to personal expenditure on services, when in fact some of the expenditures were for purchases of non-durable goods.

Expenditures on goods and services by governments have also been a major element within the total demand pattern. The federal, provincial and municipal governments together increased their outlays by just under ten per cent in 1967 from the 1966 level. While this advance represented a sharply reduced rate of growth from the gains of the two previous years (in 1966 the advance was around 17½ per cent), the share of the government sector in gross national expenditure has continued to increase. Thus, in 1967 and the first half of 1968 government purchases of goods and services represented some 20 per cent of total national expenditures; the ratios were 19.4 and 18.4 per cent in 1966 and 1965 respectively.

Purchases of goods and services by provincial and municipal governments form about two-thirds of all government expenditure on goods and services. These rose by 10.2 per cent in 1967. During the first half of 1968 they reached an annual rate of \$8,740 million, some 9.5 per cent above the corresponding period in 1967. Federal outlays on non-defence goods and services rose 11.0 per cent in 1967 and 7.6 per cent in the first half of 1968. A smaller rise in defence outlays reduced the growth in total federal purchases to 8.6 per cent in 1967 and 4.9 per cent in the first half of 1968. These developments are summarized in table 5.

TABLE 5
EXPENDITURE ON GOODS AND SERVICES BY LEVEL OF GOVERNMENT

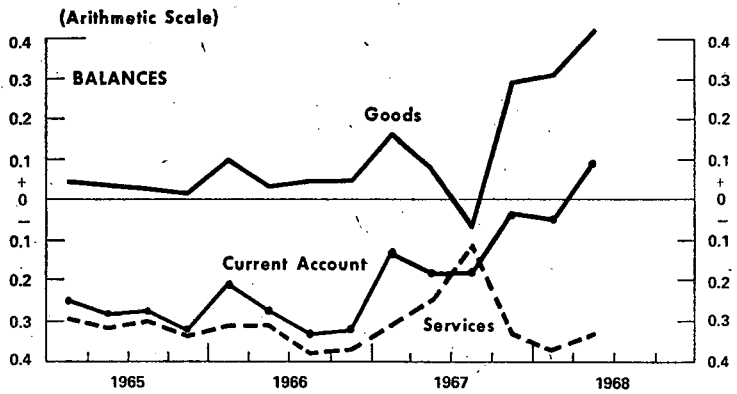
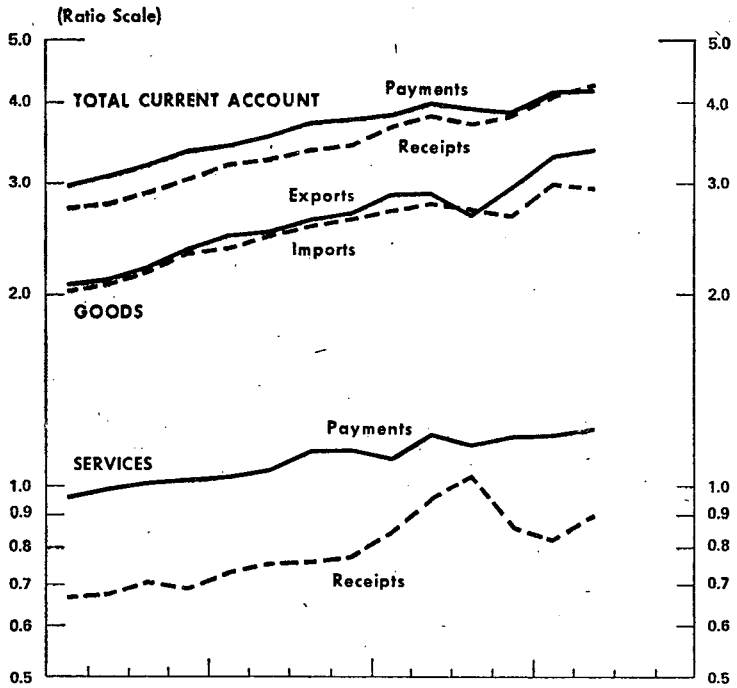
	1963	1964	1965	1966	1967	1968 ⁽¹⁾
	(Millions of dollars)					
Federal: defence.....	1,572	1,584	1,559	1,709	1,805	1,762
non-defence.....	1,362	1,462	1,734	2,211	2,454	2,734
<i>Percentage of GNE.....</i>	<i>6.7</i>	<i>6.4</i>	<i>6.3</i>	<i>6.7</i>	<i>6.9</i>	<i>7.1</i>
Provincial.....	1,725	1,929	2,188	2,663	3,015	3,240 ⁽²⁾
<i>Percentage of GNE.....</i>	<i>4.0</i>	<i>4.1</i>	<i>4.2</i>	<i>4.6</i>	<i>4.9</i>	<i>5.1</i>
Municipal.....	3,416	3,679	4,133	4,703	5,103	5,500 ⁽²⁾
<i>Percentage of GNE.....</i>	<i>7.9</i>	<i>7.8</i>	<i>7.9</i>	<i>8.1</i>	<i>8.2</i>	<i>8.7</i>
Total.....	8,075	8,654	9,614	11,286	12,377	13,236
<i>Percentage of GNE.....</i>	<i>18.6</i>	<i>18.3</i>	<i>18.4</i>	<i>19.4</i>	<i>19.9</i>	<i>20.8</i>

⁽¹⁾ First half year, seasonally adjusted at annual rates.

⁽²⁾ Department of Finance estimates.

Source: DBS *The National Accounts*.

CHART 6
BALANCE OF PAYMENTS — CURRENT ACCOUNT
 1965 — 1968
 SEASONALLY ADJUSTED — BY QUARTERS
 (Billions of Dollars)



The expansion of demand for the type of services provided by government is of course related to the rapid growth in the economy and the increasing complexity caused by urbanization, rising demand for technological skills and continuing rapid gains in population and labour force. These changes also have had an impact on government capital investment, which similarly has increased rapidly as outlays on such things as transportation facilities and schools have become greater. In 1965 and 1966, fixed capital formation by all governments increased by close to 20 per cent annually; in 1967 and during the first half of 1968 this receded to an increase of around eight per cent, but this still represents a growth rate of almost twice the average recorded prior to 1965.

Foreign Trade and the Current Account of the Balance of Payments

On a national accounts basis, exports of goods and services, which comprise more than one-fifth of GNP, provided a considerable stimulus to the rapid economic expansion of the 1960s. With the exception of 1962 and 1965, they have increased more rapidly than GNP. This remained true in 1967, even though their growth in that year, at 12.3 per cent, was less than the 16.5 per cent gain of the preceding year. Strong quarter-to-quarter gains of 10.0 per cent and 3.7 per cent respectively were recorded in the first two quarters of 1968. In 1967 there was a 17 per cent increase in service receipts and a smaller growth of about 10 per cent in goods exports. The large increase in 1967 service receipts reflected greatly increased tourist receipts related to Expo '67 and Centennial year activities.

It is generally true that the current account deficit in the Canadian balance of payments tends to increase during an expansionary period, and to decline with a moderation in domestic demand. There are, however, sufficient non-cyclical factors present at all times either to obscure this relationship (as between 1962 and 1964) or to exaggerate the effect, as during the period of adjustment which was experienced in 1967.

TABLE 6
CHANGES IN CURRENT ACCOUNT BALANCES⁽¹⁾⁽²⁾
1967 over 1966

	1Q	2Q	3Q	4Q	Year
	(Millions of dollars)				
Merchandise balance.....	+ 88	+ 55	-137	+251	+257
Non-merchandise balances:					
Travel.....	- 10	+172	+290	+ 35	+487
Other.....	- 25	-127	+ 16	+ 11	-125
Total non-merchandise.....	- 35	+ 45	+306	+ 46	+362
Total current account balance.....	+ 53	+100	+169	+287	+619

⁽¹⁾Change over the corresponding quarter of the previous year.

⁽²⁾Balance of payments basis.

NOTE: + = increase in surplus, reduction of deficit, or swing into surplus.
- = increase in deficit, reduction of surplus, or swing into deficit.

On a balance of payments basis, the reduction in the current account to \$543 million in 1967 owed over three-quarters to a swing in the travel account, but the contribution of merchandise transactions to the improvement was also substantial. As table 7 shows, Canadian expenditure on foreign goods and services in 1967 rose at less than half the rate of the previous year, in accordance with domestic economic conditions, and the more moderate growth in current payments was reflected in every account except inheritances and emigrants' funds.

TABLE 7
CHANGES IN INCOME AND EXPENDITURE WITH OTHER COUNTRIES

	Income from other countries		Payments to other countries	
	1966	1967	1966	1967
	(Per cent change from previous year)			
Merchandise trade..... (excluding wheat and flour).....	18.1 (17.1)	10.3 (15.3)	17.1 (17.1)	7.9 (7.9)
Gold production available for export.....	- 8.0	-11.8	—	—
Travel.....	12.4	55.2	13.1	- 2.6
Interest and dividends.....	- 1.2	- 7.5	5.0	4.4
Freight and shipping.....	13.5	11.5	8.1	7.4
Inheritances and migrants' funds.....	24.1	25.7	- 6.2	7.6
Official contributions.....	—	—	78.5	9.0
Other services.....	17.7	6.2	18.5	12.0
Total services..... (excluding travel).....	12.2 (12.1)	20.5 (7.4)	11.8 (11.5)	6.0 (8.1)
Total income or expenditures.....	16.7	12.6	15.4	7.3

Exports of merchandise, which rose more rapidly than imports of merchandise, led to an improvement in the merchandise balance. The smaller rate of increase in 1967 than in 1966 was a reflection of the generally less buoyant market conditions abroad in 1967. Towards the end of the year, however, there was a marked acceleration in economic activity in the United States and Europe, which had a very beneficial effect on the Canadian trade balance, as it coincided with a period of progressive deceleration in Canadian imports. The recovery in exports in the fourth quarter was linked with a number of special factors in the United States, which led to the first quarterly merchandise trade surplus with that country since 1951.

CHANGES IN MERCHANDISE EXPORTS AND IMPORTS

	1967				Year
	1Q	2Q	3Q	4Q	
	(Per cent change from same period a year ago)				
Exports (adjusted).....	17.4	16.0	0.3	8.9	10.3
Imports (adjusted).....	13.5	13.6	5.9	—	7.9

It is of interest to trace the substantial changes in exports throughout 1967 and 1968. A rapid growth in exports had begun in the fourth quarter of 1965 and continued into the first half of 1967. Wheat exports, despite large aid shipments to India in the second quarter, were barely above the level of a year earlier, but

exports of automobiles and products were still running at twice the 1966 level and helped to maintain the momentum of the export expansion. Canadian shipments of goods other than wheat and automobiles were by mid-year still rising at the same rate as a year earlier, although the trend throughout the first half of the year had been clearly moderating. A slight deceleration in exports to the United States in the second quarter was largely offset by a recovery in shipments to the U.K., the European Economic Community, and elsewhere. Of particular strength throughout the first half of 1967 were exports to Japan and Australia.

The break in the trend occurred in the third quarter. With the close of the 1966-67 wheat season (and purchase agreements thereunder) at the end of July, wheat exports fell to less than 40 per cent of the 1966 level. Motor vehicle shipments continued to rise at a rapid rate in July and August, but from September onwards were affected by a strike in the United States which caused a shortage of parts in Canadian plants. Export of goods other than wheat and automobiles fell below the level of a year earlier in August and September, as exports to Europe and South Africa and Japan declined. Shipments to Japan, which until the end of July had maintained a level some 60 per cent higher than in the previous year, showed only eight per cent increases in August and September. Similarly, there was a sharp deceleration in exports to the United States which was only partly accounted for by the strike. Indeed, the third quarter levelling was remarkable for its pervasiveness. Isolated elements of strength were exports to Australia and the higher demand for Canadian petroleum arising out of the Middle East Crisis.

The recovery in exports in the fourth quarter was extraordinary in the sense that it occurred in the face of continued low levels of wheat exports and strike-affected export levels of automotive products. Other exports, however, rose about 13 per cent in the quarter. In part, this development was associated with a general strengthening of foreign demand, as the U.S. and European economies began to take on more buoyant characteristics; but the most dynamic elements of the fourth quarter export performance were copper and iron and steel. The former was affected by the prolonged copper strike in the United States, and the latter by hedging operations on the part of U.S. companies against a possible steel strike in the summer of 1968.

The deceleration in imports in the second half of the year was very pronounced. Imports of machinery, iron and steel and non-ferrous metals were all below the level of the previous year. Imports of motor vehicles and parts rose less rapidly than before, particularly in the fourth quarter. Imports of foodstuffs and consumer durables rose twice as rapidly as in 1966, and imports of aircraft and parts, and of petroleum from Venezuela, also increased.

In general, there was a progressive moderation in import demand for producer durables and certain raw materials, reflecting the adjustment to a lower rate of economic growth during 1967. The trade deficit for motor vehicles and parts declined by about \$150 million, but this was more than offset by the \$350 million shortfall in wheat and flour exports. The increase in the overall trade surplus was, therefore, due entirely to the turnabout in the balance on goods other than wheat and automobiles, from a deficit of over \$300 million in 1966 to a substantial surplus in 1967. On a geographical basis, the major changes were an improvement in the bilateral trade balance with the United States, which was considerably larger than the reduction in the deficit on motor vehicles and parts alone, and a decline of about the same magnitude in the trade balance with the state-trading countries, which accounted for nearly the entire shortfall in wheat sales. There

was a further improvement in the terms of trade, though not as pronounced as in 1966, which added approximately \$155 million to the overall trade surplus in 1967.

In the first half of 1968, there was a further substantial improvement in the current account as a result of the large increase in the merchandise trade surplus. The deficit on non-merchandise transactions rose moderately in the first quarter due largely to higher payments of interest and dividends, and more rapidly in the second quarter as a result of the adjustment to more normal levels of tourist receipts from the corresponding quarter of last year. Canadian merchandise trade expanded rapidly during the first half of the year; exports of goods rose by 16½ per cent, while the increase in imports was about 8 per cent. Many of the same factors which helped to bring about the recovery of exports in the fourth quarter were still operative in the first part of the current year. However, following the fiscal changes passed by the U.S. Congress in June, and with the settlement of labour problems in the U.S. steel and copper industries, it can be expected that U.S. purchases will be scaled down substantially in the second half of the year.

Exports to Italy and Japan have been declining, and the rate of shipments to the U.K., a feature of the recovery of exports in the fourth quarter, has also slackened. As a result, the accelerated export expansion during the first half of the current year has polarized increasingly on shipments to the United States.

Imports resumed their advance in the new year. The strong demand for consumer goods continued and imports of motor vehicles and parts bounded upward as the backlog of orders began to be filled, but imports of iron and steel and of machinery continued to decline. Despite this rise in imports, the merchandise trade surplus has increased to an annual rate of over one billion dollars, which is similar to the fourth quarter performance, but represents twice the level of the first six months of 1967. The deficit for motor vehicles and parts was about the same for both periods, while shipments of wheat were still nearly 30 per cent lower than in the first half of last year. The trade balance for other commodities, however, showed a surplus of nearly \$400 million, compared to a deficit of over \$60 million in 1967.

The Labour Force

The Canadian labour force in 1967 again grew at an exceptionally rapid rate compared to that of other industrialized countries of the free world. However, the actual increase of 3.7 per cent was slightly less than that of 1966, and the changes which occurred among the component groups were indicative of the adjustments taking place across the entire economy. These changes continued in the first half of 1968.

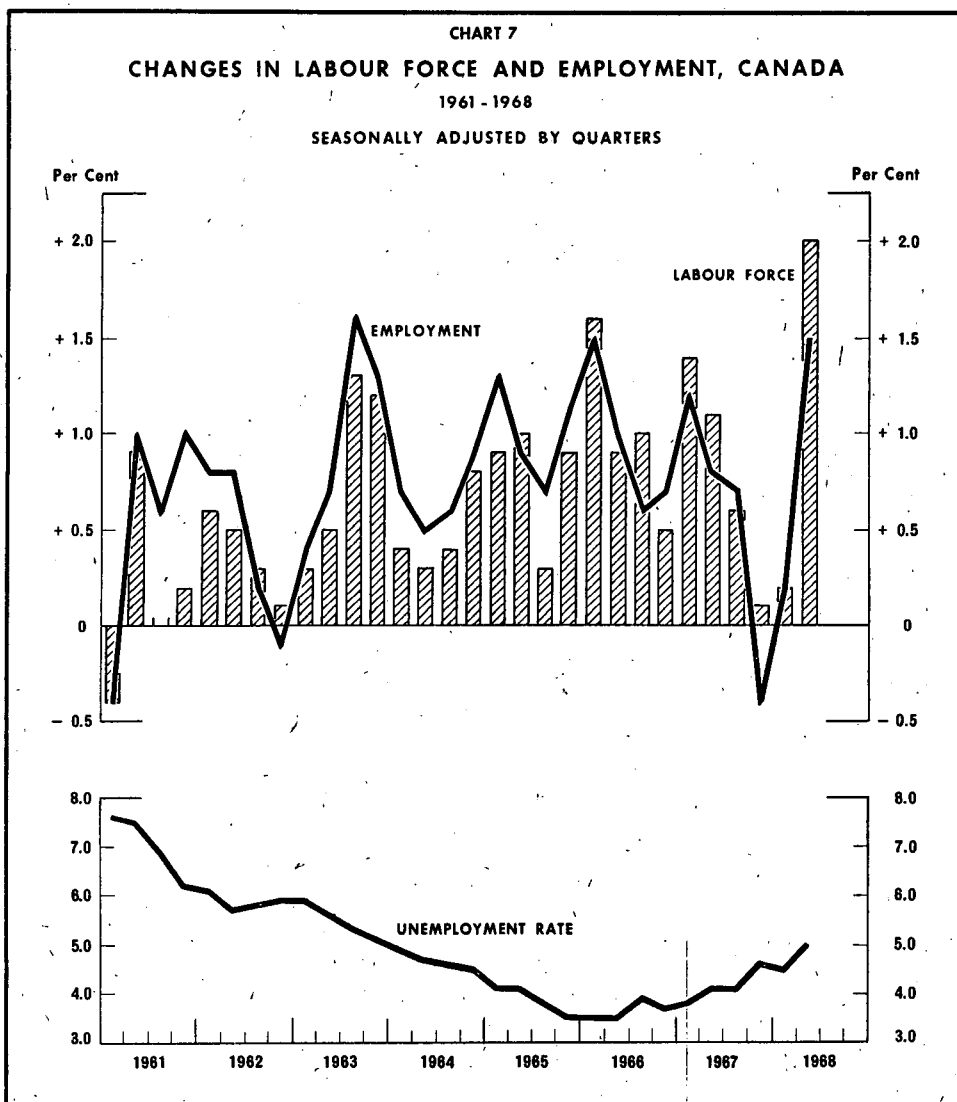
TABLE 8
CHANGES IN THE LABOUR FORCE
1963 to 1968

	1963	1964	1965	1966	1967	1968 ⁽¹⁾
	(Per cent change from previous year)					
Total labour force.....	2.0	2.7	3.0	3.9	3.7	2.5
Agriculture.....	-1.9	-3.2	-6.1	-8.5	2.7	-1.4
Non-agriculture.....	2.5	3.4	3.9	5.0	3.8	2.8
Men.....	1.2	1.7	2.1	2.5	2.6	2.0
Women.....	4.1	5.5	5.3	7.3	6.2	4.0
Ages 14-19.....	3.7	4.2	5.4	5.4	4.9	2.6

⁽¹⁾First eight months, compared to the same period in 1967.

One of the clearest indicators of the slackened labour market pressure in 1967 was the turnaround in the movement of workers off the farms. The movement out of agriculture, which has been a feature of the entire postwar period, has characteristically accelerated during periods of rapid growth in the non-farm economy, and has been less marked during recession or periods of less rapid economic growth. The last occasion upon which an actual increase in the agricultural labour force occurred was during the brief but sharp recession of 1954; at that time, however, the labour force itself was growing at less than half its 1967 rate. The decline in the agricultural labour force resumed during the first half of 1968.

As table 8 indicates, the growth of the female labour force also experienced a change of pace in 1967, after a particularly sharp advance in 1966, and this



slower pace has been accentuated in 1968. The actual 1967 increase, however, was still very substantial, as Expo and other Centennial activities created employment opportunities in a wide range of occupations of interest to women. Young people also, as their numbers continued to expand, were attracted into the labour market by the widespread demand for relatively unskilled and inexperienced workers.

The 1967 labour force growth reflected higher immigration than in 1966, although the inflow slowed during the later months of the year. The first half of 1968 also showed a reduced movement of newcomers into Canada compared to the first two quarters of 1967. Recent labour force trends are set out in detail in reference table 19, and the changes of recent years are shown in Chart 7.

Employment

Employment rose by 3.2 per cent in 1967 and advanced by a further 1.6 per cent in the first eight months of 1968. The rate of increase in employment thus has declined quite sharply from the 4.2 per cent peak of 1966, and has fallen short of the increase in the labour force in both 1967 and 1968.

TABLE 9
CHANGES IN EMPLOYMENT
1963 to 1968

	1963	1964	1965	1966	1967	1968 ⁽¹⁾
	(Per cent change from previous year)					
Total employment.....	2.4	3.7	3.8	4.2	3.2	1.6
Agriculture.....	-1.7	-2.9	-5.7	-8.4	2.8	-1.3
Non-agriculture.....	2.9	4.4	4.8	5.4	3.2	1.8
Men.....	1.8	2.9	3.1	2.9	2.0	0.8
Women.....	4.1	5.7	5.7	7.4	5.9	3.4
Ages 14-19.....	4.0	5.4	7.2	6.1	3.6	0.5

⁽¹⁾First eight months, compared to the same period in 1967.

In terms of numbers, employment rose by 227,000 in 1967 and a further 117,000 in the first eight months of 1968, or by 344,000 altogether in the twenty months. During this period, the total labour force increased by 468,000. The unemployment rate rose from an average of 3.6 per cent in 1966 to 4.1 per cent in 1967, and to 4.8 per cent in the first half of 1968. The unemployment rate for teenagers rose from 8.3 per cent in 1966 to 13.2 per cent in 1967, as the increase in teenage employment, although large, was not sufficient to absorb the extremely sharp increase in the teenage labour force.

Regional Employment Trends

By regions, the growth of labour force and employment continued the same broad pattern in 1967 and 1968 as occurred in 1966, although the cyclical changes and the impact of Expo influenced this pattern to some extent in 1967 (Chart 8). British Columbia has again shown the most rapid growth in labour force and employment. The year 1967 saw an exceptionally large movement of labour into the region, and employment also rose unusually rapidly. However, in common with other regions, British Columbia recorded a rise in the unemployment rate in 1967, and this has continued to rise in 1968 as employment gains have slowed down (see reference table 20 and Chart 9).

CHART 8

**LABOUR FORCE AND EMPLOYMENT
BY REGION**

1963 - 1968

Semi-Annually - In Thousands
(Ratio-Scale)

— LABOUR FORCE
- - - EMPLOYMENT

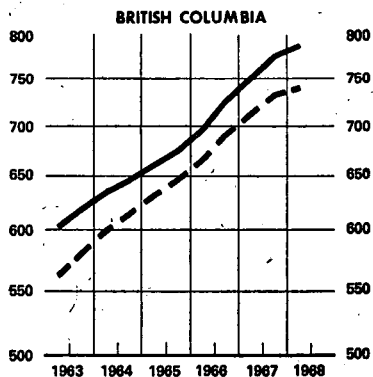
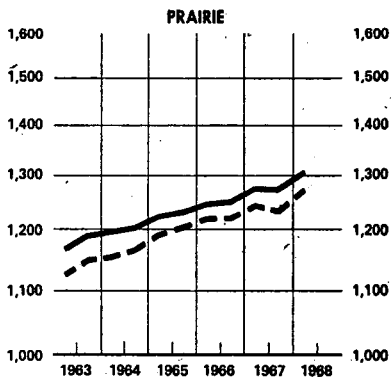
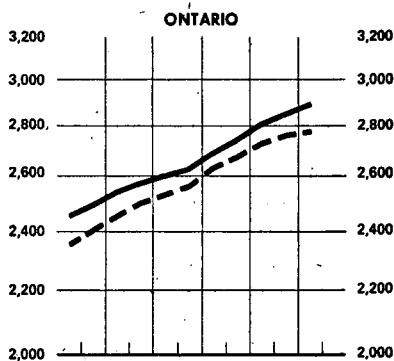
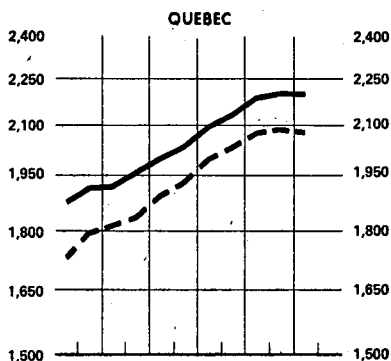
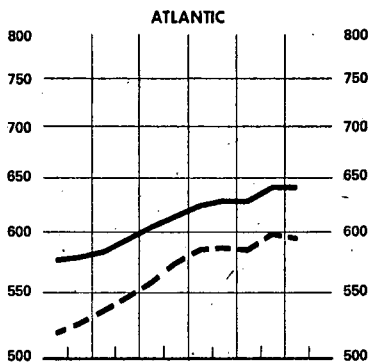


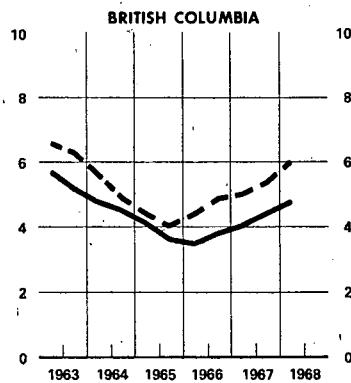
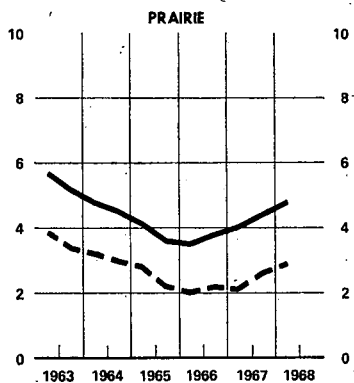
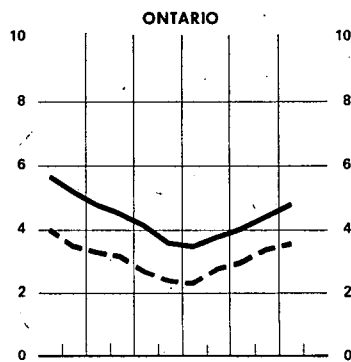
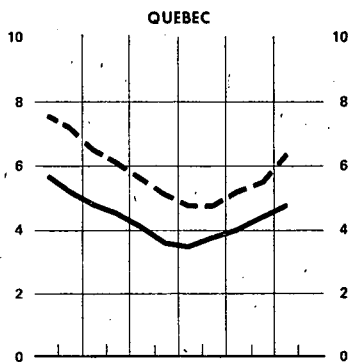
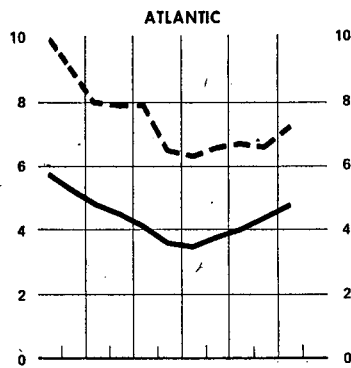
CHART 9

**UNEMPLOYMENT RATES
CANADA AND BY REGION**

1963 - 1968

Semi-Annually - Per Cent

—— CANADA
- - - REGION



The Prairie region in 1967 experienced slower growth of both labour force and employment, possibly reflecting movement of workers to British Columbia. During the first half of 1968 signs of change became apparent, as the Prairie labour force (and particularly the non-farm labour force) climbed relatively sharply. Partially reflecting this, the Prairie region unemployment rate rose from the 1967 rate of 2.4 per cent to 3.4 per cent in 1968. At the same time, the flow of workers off the farms into the non-agricultural labour force, which had been temporarily arrested in 1967, resumed in 1968, as non-farm employment in this region returned to a more rapid rate of growth.

In Ontario, the total labour force reached a peak rate of expansion in 1967, with a gain of 4.2 per cent over 1966. The non-agricultural labour force slowed its rate of growth from the peak of the previous year, as the outflow of workers from agriculture slowed down here also. In 1968, as the economy has been re-adjusting from the activities of Centennial year, all the labour force components have shown smaller advances. Non-farm employment, which rose by 4.7 per cent in 1966 and 3.5 per cent in 1967, rose by 2.6 per cent in the first half of 1968 (compared to a year earlier). Labour force growth has fallen to 3.1 per cent. As a result, the unemployment rate, which had remained at 2.5 per cent in 1965 and 1966, rose to 3.1 per cent in 1967 and 3.6 per cent in the first half of 1968.

Developments in Quebec have been affected both by the impact of Expo in 1967 and by the readjustments which have followed. As in all other regions except British Columbia, the peak rate of growth in employment occurred in 1966, but the advance in 1967 was still very substantial, at 3.2 per cent. Partly as a reaction to this, Quebec recorded a small decline in employment in the first half of 1968 compared to a year earlier, and the growth in the labour force was only slight. The unemployment rate, despite the employment created by Expo and related activities, rose to 5.3 per cent in 1967, second only to the Atlantic region, and rose again to 6.4 per cent in the first half of 1968.

The Atlantic region has continued to record slower growth in employment than other regions except Quebec, and the regional participation rates also remain lower than elsewhere in Canada. In addition, although the Atlantic region currently is experiencing higher unemployment rates than was the case in 1967 it is noteworthy that the spread between the Atlantic rate and those in other regions has narrowed since 1965. Thus, although the readjustments now taking place in the economy are resulting in higher unemployment in all regions, the Atlantic provinces are not experiencing the relative worsening of their position that has been apparent in similar circumstances in the past.

Output, Productivity, Costs and Prices

The year 1967 was a period in which real output increased less rapidly, as capital investment outlays levelled off and the private non-farm sector completed some major expansion programmes. With continued rapid labour force growth and the emergence of a margin of reserve capacity, the pressures on resources which had become marked in 1966 began to recede. However, the sustained demand for labour associated with Centennial year activities, and the continued (if more moderate) growth in total expenditures, maintained conditions in which costs continued to rise. The general level of prices (GNE deflator) rose by 3.9 per cent in 1967, after a rise of 4.5 per cent in 1966; the rise in the first half of 1968 over the first half of 1967 was about 3.3 per cent.

Production of Goods and Services

The rise in real domestic product in 1967, excluding agriculture, was 3.6 per cent, and in the first half of 1968 it continued to rise at about the same rate. With the exception of the second quarter of the year quarterly gains in 1967 and into early 1968 were moderate, but there was evidence of greater strength in the second quarter of 1968, as shown in Chart 10.

TABLE 10
CHANGES IN REAL DOMESTIC PRODUCT
(by quarters)

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous quarter)							
Real domestic product less agriculture.....	0.3	1.3	0.6	1.7	0.6	0.6	0.6	1.5
Mining.....	-3.5	4.9	1.4	2.6	0.8	3.2	-0.3	2.4
Manufacturing.....	0.3	0.7	-1.1	0.5	0.4	1.1	-0.3	3.2
Non-durables.....	-0.5	1.0	-0.2	1.0	-0.1	1.1	2.2	1.3
Durables.....	1.0	0.4	-2.0	-0.1	1.0	1.0	-2.7	5.2
Construction.....	-4.2	-0.8	1.0	3.1	2.0	-3.1	1.5	6.1
Transportation, storage and communication.....	—	2.5	2.3	1.1	0.6	0.8	2.1	-1.5
Trade.....	2.8	1.7	-0.7	4.0	-0.5	1.0	-0.7	0.6
Finance, insurance and real estate..	1.1	0.7	1.2	1.5	1.2	0.9	0.7	1.2
Services.....	0.9	1.3	1.3	1.6	0.9	0.3	0.6	0.6
Commercial industries less agriculture.....	0.1	1.3	0.5	1.6	0.5	0.6	0.5	1.7

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base)*.
DBS *Index of Industrial Production (1961=100)*

The manufacturing sector revealed some weakness through the first nine months of 1967, but picked up strength in the fourth quarter. This new trend was temporarily halted in early 1968, as industrial disputes restricted the growth in output in some industries, but was resumed in the second quarter.

The construction industry, which had reached a peak in output in early 1966, operated at a lower rate during the second half of that year, but picked up again in 1967. In part this reflected the pattern of residential construction, as housing starts declined throughout 1966 until the final months of the year before turning up, but it also reflected the timing of a wide range of projects, both public and private, associated with preparations for Expo and other Centennial activities. Strong gains occurred in the first half of 1968. The service industries taken together experienced higher levels of activity in late 1966

and the first half of 1967, but have advanced more slowly since then. The slower pace has persisted in the first half of 1968.

In total, the commercial sector excluding agriculture showed relatively modest quarterly gains from mid-1966 (except during the Expo-stimulated second quarter of 1967) until early 1968, but developments during the second quarter of the present year brought about a sharper advance in this measure of total economic activity.

Employment gains in the total non-agricultural commercial sector reflected this overall trend in 1966 and 1967, showing a generally slower rate of advance during this period than in the preceding quarters of continued rapid growth.

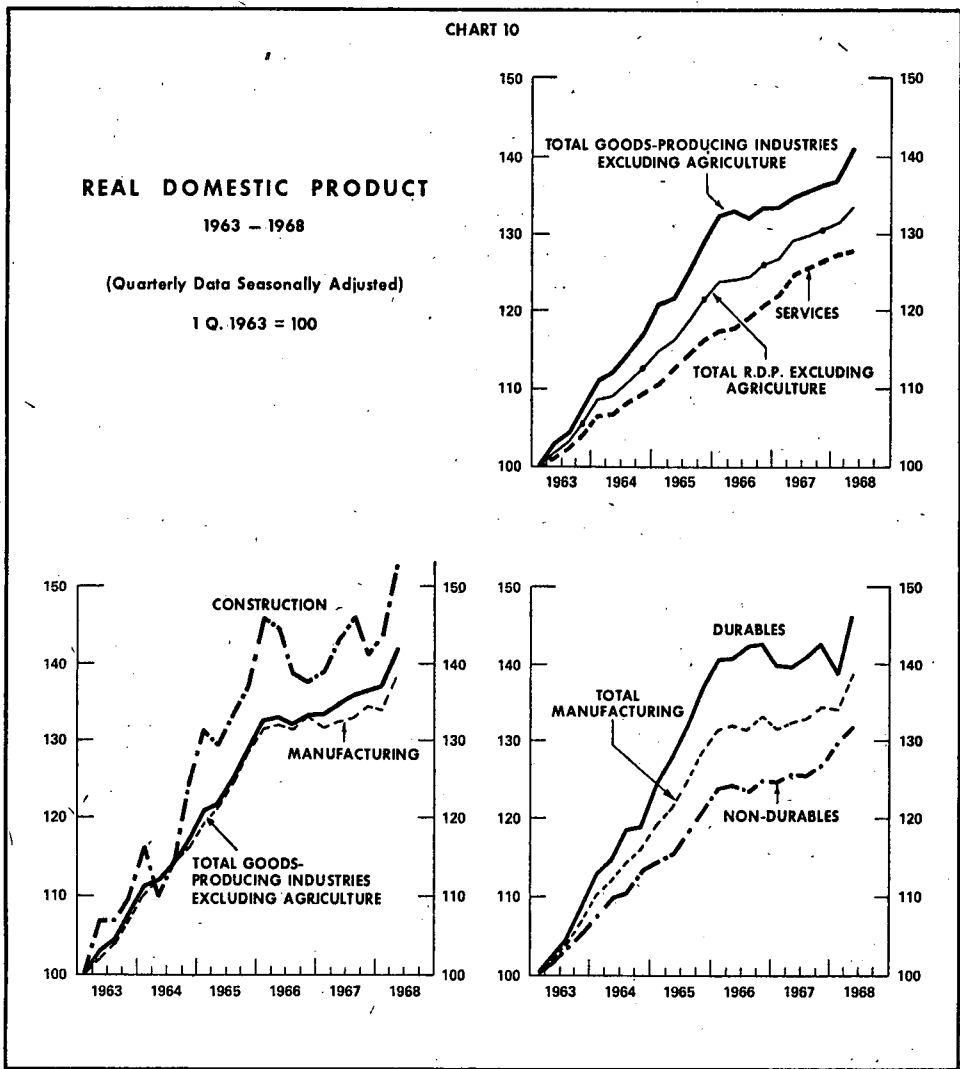


TABLE 11
CHANGES IN EMPLOYMENT BY INDUSTRY
(by quarters)

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^p
	(Per cent change from previous quarter)							
Mines.....	-3.2	2.8	0.9	-0.8	1.1	0.8	1.3	-0.8
Manufacturing.....	0.3	0.9	0.1	-1.0	-0.1	-0.4	-0.8	1.3
Non-durables.....	0.2	0.7	0.1	-0.4	-0.6	—	0.5	1.6
Durables.....	0.6	1.1	-0.1	-1.8	0.6	-0.8	-2.2	0.9
Construction.....	-1.9	1.1	0.3	-5.0	-0.6	0.1	0.3	2.1
Transportation, storage and communication.....	0.8	1.0	1.7	0.1	-0.9	0.1	0.8	-1.6
Trade.....	0.3	1.1	0.5	0.5	0.5	0.9	1.1	2.0
Finance, insurance and real estate..	0.8	0.7	2.2	2.5	1.5	1.0	1.1	3.1
Services.....	1.9	1.5	1.6	2.7	2.4	1.1	1.4	2.3
Commercial industries less agriculture.....	0.1	1.2	0.8	-0.4	-0.2	0.4	0.5	1.4

^p = preliminary

SOURCE: DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by the Department of Finance).

However, some variations are apparent; thus, the increase in service employment in the second quarter of 1967 was insufficient to offset the decline in construction and manufacturing, and the sharp increase in total output in the second quarter of 1967 was not matched by a similar advance in total commercial non-agricultural employment, as the output gains were largely achieved through improved productivity. Within the sectors, the postwar pattern of continued growth of service employment and relative stability or decline in manufacturing employment continued in evidence, with the readjustment process in the economy bringing about some streamlining in manufacturing employment during 1967 and early 1968. The construction industry and mining recorded fluctuations which reflected, to some extent, the specific trends in activity in these industries.

Changes in productivity, or output per worker, calculated from the changes in output and employment reviewed above, continued to be slow through 1967 and early 1968.¹

¹ Changes in productivity calculated by use of these two series are affected to the extent that real output includes the product of the self-employed and of those who work less than one full day during the week, whereas the employment data refer only to paid workers who work at least one day per week. A more precise representation of productivity change, on an annual basis, is published in DBS *Aggregate Productivity Trends, 1946-1966*, Annual, Cat. 14-201, and DBS *Daily Bulletin*, June 17, 1968.

TABLE 12
CHANGES IN OUTPUT PER EMPLOYEE
(by quarters)

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^p
	(Per cent change from previous quarter)							
Mines.....	-0.3	2.0	0.5	3.4	-0.3	2.4	-1.6	3.2
Manufacturing.....	—	-0.2	-1.2	1.5	0.5	1.5	0.5	1.9
Non-durables.....	-0.7	0.3	-0.3	1.4	0.5	1.1	1.7	-0.3
Durables.....	0.4	-0.7	-1.9	1.7	0.4	1.8	-0.5	4.3
Construction.....	-2.3	-1.9	0.7	8.5	2.6	-3.2	1.2	3.9
Transportation, storage and communication.....	-0.8	1.5	0.6	1.0	1.5	0.7	1.3	0.1
Trade.....	2.5	0.6	-1.2	3.5	-1.0	0.1	-1.8	-1.4
Finance, insurance and real estate..	0.3	—	-1.0	-1.0	-0.3	-0.1	-0.4	-1.8
Services.....	-1.0	-0.2	-0.3	-1.1	-1.5	-0.8	-0.8	-1.7
Commercial industries less agriculture.....	—	0.1	-0.3	2.0	0.7	0.2	—	0.3

^p=preliminary

SOURCE: tables 10 and 11.

With respect to some of the productivity changes shown for some of the service industries, it should be pointed out that there are both statistical and conceptual problems which make interpretation of trends difficult. Fluctuations in productivity in construction were large, as this industry readjusted from its earlier high levels of activity. The mining sector generally showed significant gains in productivity.

The readjustment process was, however, reflected more consistently in the manufacturing sector, as the labour force was progressively streamlined and redeployed following the overheated situation of 1965 and early 1966. In the non-durables industries, productivity gains were sizable in most quarters after a slow start in early 1967. Gains in the durables industries were affected in early 1968 by labour disputes in some areas, but otherwise also showed a general advance. Second-quarter gains in this sector were substantial. As a result of these mixed trends, the total non-agricultural commercial sector recorded relatively poor productivity gains from mid-1966 to early 1968, except during the unusual second quarter of 1967.

A comparison of income and production data (table 13) provides an indication of changes in wage costs and profits per unit of output. This table shows a continued rise in total unit labour costs. Trends are depicted graphically in Chart 11. For the first half of 1968, the increase over the first half of 1967 was 2.5 per cent. This compared with an increase of 5.6 per cent in 1967, over 1966.

CHART II

WAGE COSTS PER UNIT OF OUTPUT
1963 - 1967

BY MAJOR INDUSTRIAL GROUPINGS

(1963 = 100)

(Ratio Scale)

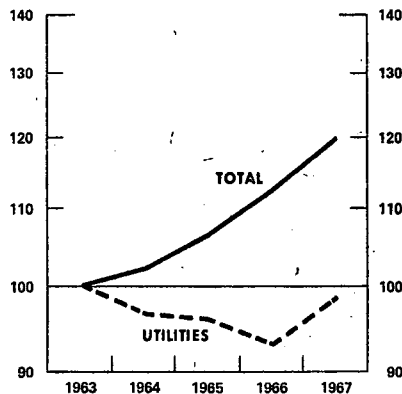
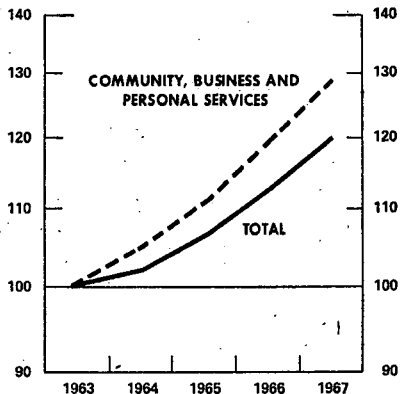
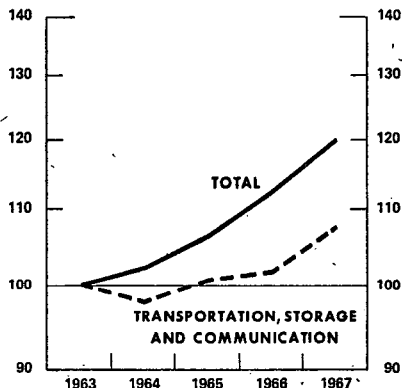
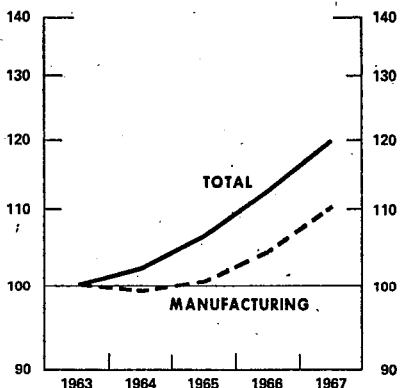
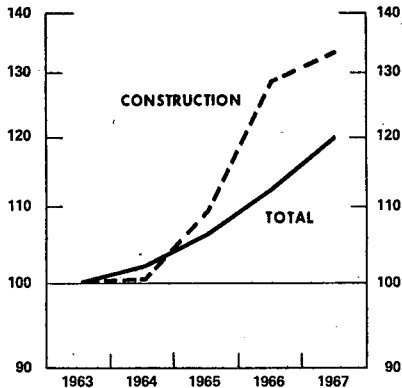


TABLE 13
CHANGES IN EARNINGS AND OUTPUT
(by quarters)

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^p
	(Per cent change from previous quarter)							
Wages and salaries per worker								
Non-farm.....	1.6	1.7	1.5	1.7	1.3	0.7	1.6	1.5
Manufacturing.....	2.2	1.0	0.6	2.3	2.3	0.7	1.5	1.6
Output per worker								
Non-farm.....	-0.3	0.1	-0.4	1.5	—	0.2	0.1	0.1
Manufacturing.....	—	-0.2	-1.2	1.5	0.5	1.5	0.5	1.9
Wages and salaries per unit of output								
Non-farm.....	1.9	1.6	1.9	0.2	1.3	0.5	1.5	1.4
Manufacturing.....	2.2	1.2	1.8	0.8	1.8	-0.8	1.0	-0.3
Corporate profits per unit of output								
Non-farm.....	-8.2	5.2	-7.2	0.3	4.6	1.0	-0.6	5.3
Manufacturing.....	-9.1	3.2	-5.6	2.0	4.7	5.4	0.6	6.4

^p=preliminary

Source: DBS *Estimates of Labour Income*.

DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by the Department of Finance).

DBS *Indexes of Real Domestic Product by Industry* (1961 Base).

DBS *Index of Industrial Production* (1961=100).

DBS *Corporation Profits*.

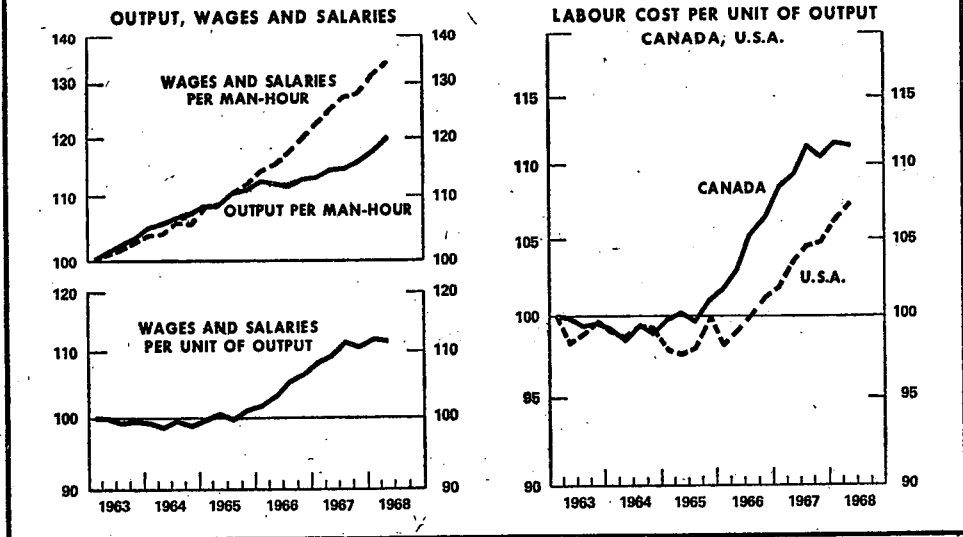
CHART 12

LABOUR COSTS AND PRODUCTIVITY
IN MANUFACTURING

1963 - 1968

1Q 1963 = 100

(Ratio Scale)



The continued strong advance in overall unit labour costs reflects both the modest gains in total productivity and the sustained rapidity of the rise in wage rates discussed on earlier pages. Quarterly changes in the manufacturing sector have shown greater tendency to variability than the overall total. Both series, however, have recorded generally more moderate quarterly advances than were observed during the period of peak pressures around mid-1966.

Corporation profits per unit of output in the non-farm economy as a whole have varied sharply since late 1965. Since mid-1966, however, when there was a sharp fall in unit profits, there has been some increase. In the manufacturing sector since early 1967, in association with productivity improvements, unit profits have advanced. Industrial conflict in the first quarter of 1968 slowed this move towards higher unit profits.

Price Developments

The forces principally bearing upon price changes in 1967 were a continued but much more moderate upward movement of food prices, a rise in the price of services as higher wage and other costs worked through the service sectors, a rapidly-developing shortage of serviced land and of housing, and higher indirect taxes at both the federal and the provincial levels. As a result of these various developments the overall measure of price change, as recorded in the national accounts, rose by 3.9 per cent in 1967. This represented a decline from the 4.5 per cent gain of the previous year, and was followed by a further moderation in the first half of this year, when the GNE price deflator averaged about 3.3 per cent higher than the first half of the preceding year.

After the extremely strong advances in food prices in 1966, there was a levelling-off in this component during the first half of 1967. A sharp third-quarter rise was followed by a further period of relatively little change, apart from normal seasonal patterns. In the early part of 1968 changes in taxes at all levels of government caused a sharp rise in the prices of non-durables other than food, and services.

During the past two years, increases in indirect taxes, including retail sales taxes levied at the provincial level, accounted for about one-fifth of the increase in the prices of goods and services as measured in the Consumer Price Index.

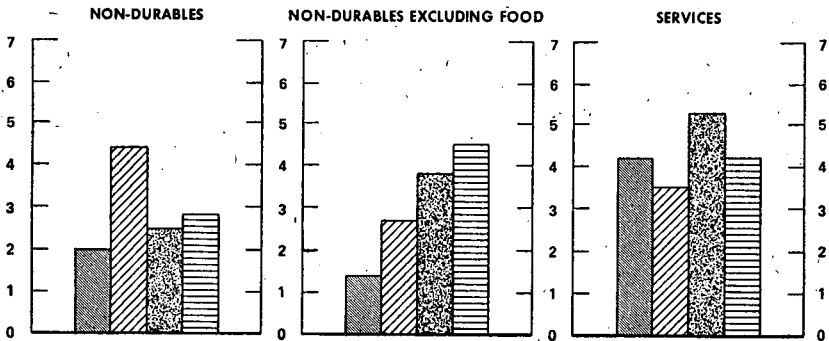
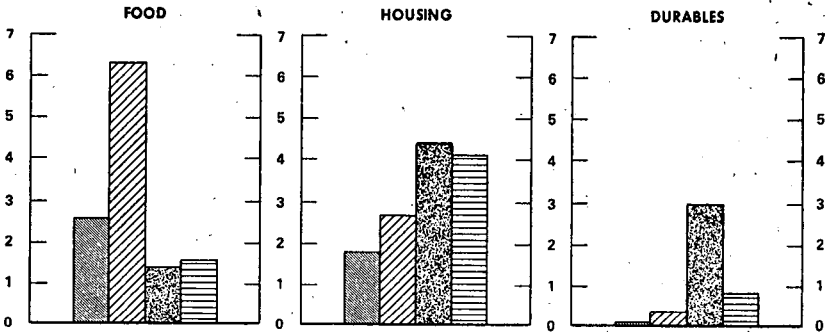
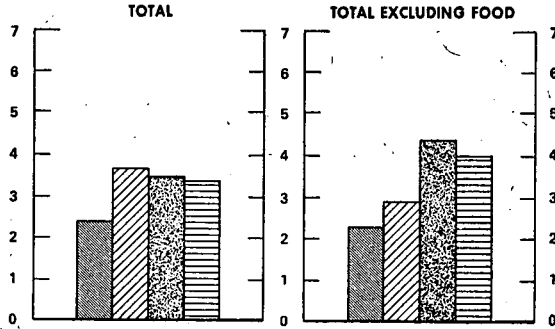
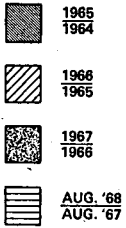
Consumer service prices recorded their largest gain of recent years in the second quarter of 1967, although further gains occurred in subsequent quarters to bring about a very rapid advance in this component over the period under review. (Annual changes in consumer prices are summarized in reference table 31 and Chart 13).

Residential construction costs, which showed some large gains in the course of 1966 and 1967, continued to rise, although more moderately, in early 1968; the rise in the non-residential sector, although generally less sharp, has followed a similar path. Machinery prices fell in 1967, reflecting the final removal of federal sales tax from these items. Export prices strengthened at year-end and have risen again in 1968, as did import prices.

THE GOVERNMENT SECTOR

Revenues of the total government sector on a national accounts basis, inclusive of the Canada and Quebec pension plans, have increased rapidly in recent years as a result of both economic growth and tax changes. Government expenditures also have risen rapidly in this period although recently this trend

CHART 13
CONSUMER PRICE INDEX
 ANNUAL PER CENT CHANGE
 1965 - 1968



has moderated with the attempt by governments to curtail the growth of their outlays. These developments are illustrated on Chart 14. The government sector as a whole has had moderate although decreasing surpluses since 1965. In 1965 and 1966 the overall surpluses were \$325 million and \$348 million respectively. During 1967 the size of the surplus dropped to about one-half of that of the previous year; some increase occurred in the first half of 1968, as shown on Chart 15. It should be noted that these figures do not include large amounts of loans, provided by governments for various construction programmes, financed from accumulating government pension funds (which are taken as revenue for national accounts purposes), as well as by borrowing.

Exclusive of the transactions of the Canada and Quebec pension plans, the deficit on a national accounts basis of all three levels of government combined was \$729 million in 1967, almost double that of the previous year. There was little change in this rate in the first half of 1968. From 1966 to 1967, the main underlying factor in the change in the government position, exclusive of the Canada and Quebec pension plans, was the swing in the federal government sector from a surplus of \$164 million in 1966 to a deficit of \$256 million in 1967, while the provincial-municipal change was a small reduction in the deficit.

Current Developments

The past three years' overall surpluses on a national accounts basis, however, mask changes which have occurred in the composition of the public sector. The most significant of these changes were the transfer of savings from the private to the public sector with the inception of the Canada and Quebec pension plans in 1966, the erosion of the federal and provincial surplus positions with the expansion of expenditures, and increases in both federal tax abatements and transfer payments to the provinces and provincial transfers to the municipal governments.

The reduction in the surplus of all governments combined, in spite of rising revenues, emphasizes the sharply increased rate of expenditures which developed in early 1966; these have continued to grow although rather less rapidly. From 1965 to 1966, total government expenditure excluding inter-governmental transfers rose by 15.8 per cent, as compared with 11.6 per cent in 1965. In 1967, the rate of growth of government outlays was 11.4 per cent, and in the first half of 1968 it again receded to 9.6 per cent. The detail underlying the transactions of the government sector on a national accounts basis is presented in reference table 33.

The Federal Government

The surplus in the federal government sector declined in 1965, and by 1967 the federal government was in deficit. Quarterly changes in the federal position during 1966, 1967 and the first half of 1968 have been quite marked as a result of the introduction of several new programmes, the termination or consolidation of existing programmes, and administrative changes in the processing of personal income tax refunds.

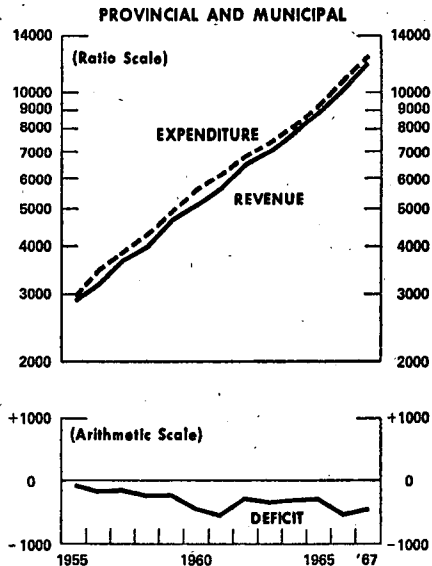
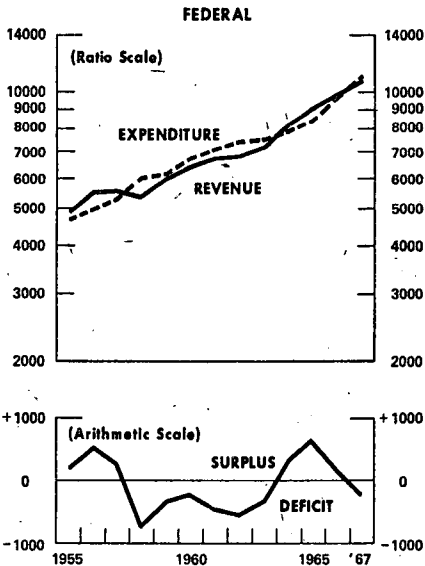
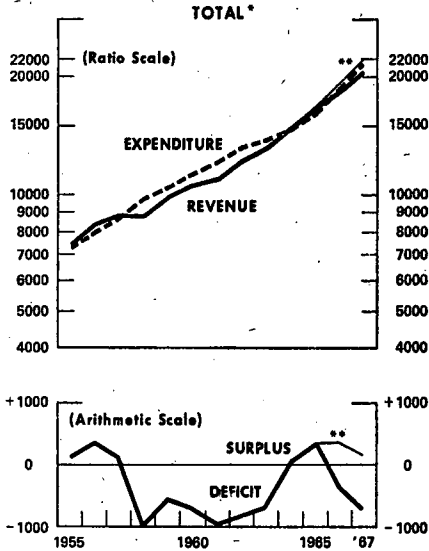
Because of the expectation of a more balanced economic environment, there were few tax changes in the June 1967 budget. At that time a deficit of \$300 million on a national accounts basis was forecast for the fiscal year 1967-68. Preliminary data indicate that the actual federal government deficit in fiscal year 1967-68 amounted to \$423 million.¹

⁽¹⁾The reconciliation of budgetary and national accounts revenue and expenditure is presented in reference table 35.

CHART 14
GOVERNMENT REVENUES AND EXPENDITURES
 NATIONAL ACCOUNTS BASIS

1955 - 1967

MILLIONS OF DOLLARS



*Excluding Intergovernment Transfers

**Including Canada and Québec Pension Plans

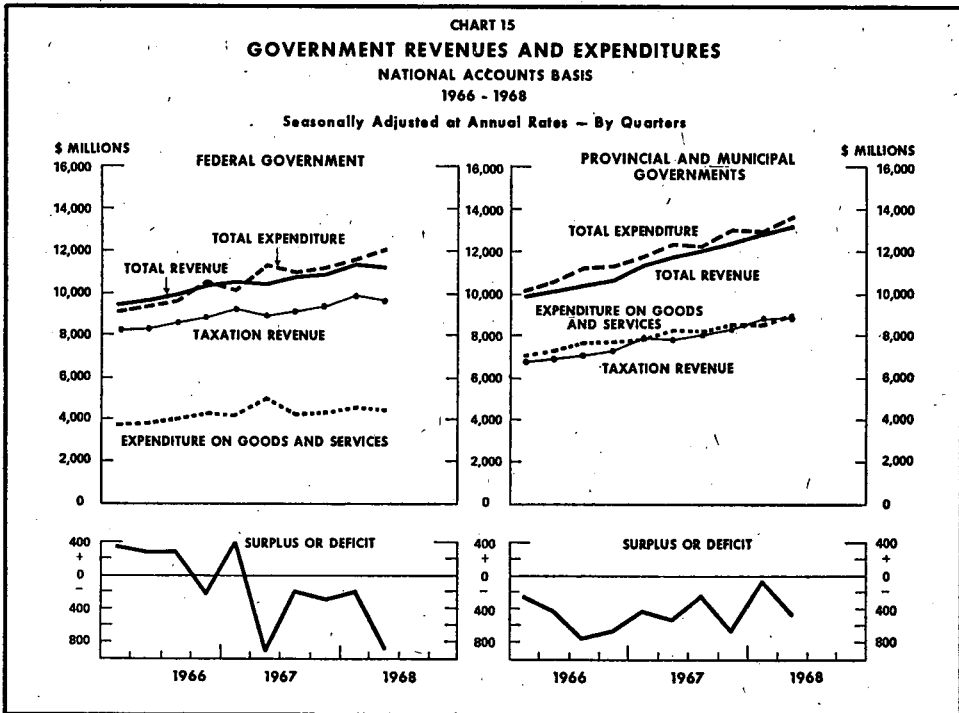
On a calendar year basis, federal revenues rose by 8.4 per cent in 1967, and by about as much in the first half of 1968. Approximately three-quarters of the revenue increase in these years was accounted for by gains in personal direct taxes. In 1967, these reflected the full year effect of the June 1966 substantial restoration of the 1965 tax reduction and, in 1968, the surtax on personal income imposed as of January 1, 1968. The increase is net of an additional \$150 million in personal income tax abatements in favour of the provinces in 1967. Indirect taxes, investment income and employer and employee contributions to social insurance and government pension funds contributed \$250 million to the gain in 1967 and at a more moderate rate in the first half of 1968. Corporate tax liabilities declined slightly in 1967, reflecting both the slow growth of corporate profits and the additional one per cent transfer of corporate taxes to provinces other than Quebec. A three per cent surtax imposed from January 1, 1968, and the resumed growth in corporate profits, accounts for a gain of 11.8 per cent in corporate tax liabilities in the first half of 1968 over the corresponding period in 1967.

Total federal expenditures rose by 12.9 per cent in 1967 and 10.6 per cent in the first half of 1968, thus maintaining a moderating trend from the 14.4 per cent gain of 1966. Transfer payments to persons contributed a substantial proportion of the total over the last eighteen months, reflecting the reduction in the minimum age limit for old age security payments, the introduction of the guaranteed income supplement in 1967, additional transfers for adult education, and increased coverage by the unemployment insurance fund. Purchases of goods and services increased by 8.6 per cent in 1967 as compared with a gain of 19.0 per cent in 1966. Most of this increase was for operating costs not for capital formation. Additional wage increases in the first quarter of 1968 partially accounted for the continuation in the growth of expenditures on goods and services. Transfers to provincial and municipal governments reached an annual rate of more than \$2,400 million in the first half of 1968, largely on account of higher payments to provinces for equalization and the expansion of federal grants for adult training and shared-cost programmes.

Provincial and Municipal Governments

The deficit position of the provincial and municipal governments in 1967 remained relatively unchanged. A slight increase in the deficit of provincial governments was offset by a reduction in the deficit of municipal governments. Provincial-municipal revenues, exclusive of inter-governmental transfers, increased at a rate fractionally higher than in 1966 and amounted to \$11,801 million. Expenditures of provinces and municipalities together rose by 14.4 per cent in 1967 to a level of \$12,274 million, rising less rapidly than in 1966. More buoyant revenue in the first half of 1968, partly arising from tax increases, brought about a further improvement in the provincial-municipal net position during that period.

Provincial government revenues increased very rapidly during 1967, especially in the first and second quarters. Partly because of increased personal income taxes abated to the provinces, and also on account of the growth in personal income, revenues from direct taxes on persons increased by 26.3 per cent in 1967. Indirect taxes, the main source of provincial revenues, also rose substantially. This reflected in part increases in the retail sales tax rates of Quebec, Newfoundland and New Brunswick and the introduction of a retail sales tax in Manitoba. Corporate income taxes abated to the provinces were extended to ten per cent in all provinces in 1967 and this contributed to a revenue gain from corporate



tax liabilities, despite a levelling-off in corporate profits. Transfers from the federal government, which account for more than 20 per cent of total provincial revenues, increased by \$330 million to reach a level close to \$2 billion.

Expenditures of provincial governments continued to increase in 1967 at a rapid rate, as they have since 1964. In 1967, total provincial outlays amounted to \$8,785 million, more than 21 per cent above their 1966 level. Purchases of goods and services, however, were up by only 13 per cent, compared to an abnormally large increase of 21.7 per cent in 1966, although there was a very rapid growth in wages, salaries and supplementary labour income. These increased by 18 per cent in 1967 as compared to increases of 13.6 and 12.1 per cent in 1966 and 1965 respectively. Transfers to persons rose by 29 per cent from 1966 to 1967, reflecting again a substantial increase in grants to non-commercial institutions such as hospitals, universities and schools, which are included in this category. In the first half of this year, the deficit position of provincial governments has shown some reduction, largely as a result of increased taxes.

Revenues of municipalities increased by 14.9 per cent in 1967 and by about 11 per cent in the first half of 1968. This has largely reflected the continuing rapid increase in transfers from provincial governments; these now provide over 40 per cent of all municipal revenues. Municipal expenditures increased at a slightly less rapid rate than in previous years, largely on account of a reduced rate of capital formation.

Financial Transactions of Governments

At the present time, the existing national accounts framework covers only income and expenditure transactions, and the important economic impact

of government borrowing and lending cannot be analysed within this framework. To fill this gap it is necessary to examine the public accounts of the various governments, wherever feasible, and to supplement this by reference to other data such as new loan issues. Some analysis follows.

Generally speaking, the public accounts records are oriented to the administrative and legislative needs of the different units of government. This results in a variety of presentations and often of accounting techniques, with the result that the combined figures, including government agencies, are difficult to interpret. In addition, at the municipal level, the size and number of local units of governments give rise to problems in obtaining up-to-date information. In these circumstances, it is not yet possible to obtain a consolidated figure of financial requirements of all levels of government, although it is possible to make some general observations.

In the case of the federal government it had become evident by early 1967 that there was some relaxation in the pressure of demand in the economy, and relatively small cuts in tax revenues were provided for in the federal budget in June, 1967. A budgetary deficit of \$740 million plus a net non-budgetary cash requirement of about \$850 million for loans and advances to certain crown corporations was forecast for the then current fiscal year, excluding any forecast of Exchange Fund transactions. By late fall, however, it was felt desirable to bring down a second budget, and tax increases were introduced to restrain demand in order to moderate the increases in costs and prices that were taking place and to provide some relief from severe strains by then evident in the capital markets. Revenue measures proposed in the fall budget included increased taxes on liquor and tobacco, a surcharge of five per cent on personal income tax and the acceleration of corporate income tax payments. The bill containing the last two measures was defeated in the House of Commons, and in March 1968 the government introduced another income tax bill to replace the bulk of the revenues that would have been provided by the measures earlier proposed. The new bill, which was passed, provided for a three per cent temporary surcharge on personal and corporate income taxes as well as an acceleration of corporate tax payments.

The federal government's actual financial requirement for 1967-68 amounted to \$587 million, taking into account non-budgetary outlays and cash realized from foreign exchange transactions. This was considerably lower than the forecast, which had explicitly excluded these exchange transactions, but was about ten per cent higher than that reported for 1966-67. The difference between the budget forecast on June 1, 1967, and the realized result was largely accounted for by the Canadian dollar proceeds resulting from the decline in foreign exchange reserves in the first calendar quarter of 1968. Details of the financing of these cash requirements are set out in the pages on federal government debt management.

Cash requirements of the provincial governments based on public accounts and other sources are estimated to have risen from a little under \$900 million in 1966-67 to over \$1,250 million in fiscal 1967-68. The increase between the two fiscal years was accounted for almost equally by increases in provincial budgetary deficits and increased loans and advances to their agencies and enterprises. Almost all of the increases shown in both of these categories were accounted for by Ontario.

A major portion of the financing needed to meet the increased requirements for 1967-68 came from increases in the direct funded debt of the provinces, a larger volume of funds from the Canada and Quebec pension plans and the running down of bank balances. There was a sharp drop in provincial Treasury bill issues in 1967-68.

Only scattered information is available at the municipal level. Municipal deficits on a national accounts basis increased by 13 per cent between 1965 and 1966, to a level of \$602 million, but dropped sharply to \$349 million in 1967. Net new issues of municipal direct and guaranteed bonds rose from \$263 million in 1965 to \$506 million in 1966 and to \$603 million in 1967.

SOURCE AND DISPOSITION OF SAVING

Total domestic investment in 1967, including that in inventories (on a national accounts basis), was \$12,526 million, \$667 million below the level recorded in the previous year. This change was mainly due to a substantial decline in the addition to inventories. On the side of the saving required to finance this investment, most of the decline took place in net borrowing from abroad; there was also a decline in the government sector surplus. Business gross saving rose fractionally, as a decline in corporate undistributed profits was slightly more than offset by a rise in capital consumption allowances and small valuation adjustments.

This levelling-off in gross business saving (shown in table 14) after a period of year-to-year growth reflected the reduction of profits before taxes and before dividends, which had occurred as a result of the 1967 slowdown, and the continued rise in costs. Developments in the first half of 1968 reflect some increase in business gross saving, little change in the government sector surplus (including the Canada and Quebec pension plans), and a further fall in the use of foreign saving as measured by the current account deficit; however, these changes virtually cancel out, and total saving shows little movement from 1967 levels.

TABLE 14
SOURCE AND DISPOSITION OF SAVING
1965 to 1968

	1965	1966	1967	1968 ⁽¹⁾
	(Millions of dollars)			
Source:				
Personal net saving.....	3,088	3,731	3,995	3,876
Business gross saving, total.....	7,504	7,987	8,051	8,362
Undistributed corporation profits.....	1,354	1,149	1,073	1,172
Capital consumption allowances and miscellaneous valuation adjustment.....	6,110	6,623	7,000	7,354
Adjustment on grain transactions.....	-44	156	-87	-222
Capital assistance from governments.....	84	59	65	58
Inventories valuation adjustment.....	-325	-321	-291	-254
Government sector surplus(+) or deficit(-).....	325	348	157	208
Federal.....	625	164	-256	-522
Provincial and Municipal.....	-300	-535	-473	-260
Canada and Quebec Pension Plans.....	-	719	886	990
Deficit on current account with non-residents.....	1,135	1,207	549	38
Residual error.....	-64	241	65	184
Total.....	11,663	13,193	12,526	12,414
Disposition:				
Business gross fixed capital formation.....	10,651	12,493	12,365	12,514
Value of physical change in inventories.....	948	940	225	80
Residual error.....	64	-240	-64	-180
Total.....	11,663	13,193	12,526	12,414

⁽¹⁾ First half year, seasonally adjusted at annual rates.
SOURCE: DBS *The National Accounts*.

TABLE 15
STRUCTURAL CHANGES IN SAVING

	1965	1966	1967	1967 ⁽¹⁾				1968 ⁽¹⁾	
				1Q	2Q	3Q	4Q	1Q	2Q
Per cent of total saving supplied by:									
Business saving.....	64.3	60.5	64.3	60.6	64.9	63.2	69.1	67.2	67.6
Foreign saving ⁽²⁾	9.7	9.2	4.4	4.7	5.4	5.8	1.3	2.5	-1.9
Government saving ⁽³⁾ ...	2.8	2.6	1.3	6.3	-4.6	3.6	-0.5	5.9	-2.5
All other saving ⁽⁴⁾	23.2	27.7	30.0	28.4	34.3	27.4	30.1	24.4	36.8
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

⁽¹⁾Quarterly figures are seasonally adjusted at annual rates.

⁽²⁾Deficit on the current account of the balance of payments (minus indicates surplus).

⁽³⁾Minus indicates deficit.

⁽⁴⁾Includes personal saving and miscellaneous items.

Source: DBS *The National Accounts*, 1967 and second quarter 1968.

Personal saving, which includes household saving, the saving of unincorporated business and saving in the agricultural sector, did not increase as rapidly in 1967 as they had in 1966, and fell slightly in the first half of 1968. The main reasons for this change are that because of a substantial increase in total disposable income, households have been increasing purchases of durable goods, particularly cars, and, in addition, they have maintained normal growth in real expenditures on non-durable goods and services at a time when prices have been increasing rapidly. While the income of unincorporated business enterprises has continued to rise, this has been more than offset by the decline in accrued farm income, the latter resulting from a return to an average harvest in 1967 after the record of 1966.

The disposition of saving in 1967 showed declines in both gross fixed capital formation and additions to inventories. It may be noted from table 15 that the decline in the use of foreign saving is in keeping with the experience of recent years, whereby a greater proportion of investment has been met, on a net basis, from Canadian saving. It should be noted that these tables portray the net position only, and do not record the gross international flows of capital funds, which are substantial, nor do these tables portray the flows of funds as between the domestic sectors of the economy.

With these qualifications in mind, the tables illustrate that over the past two years most of the saving generated by Canadians has arisen from the personal and business sectors. The transactions of all governments, including the Canada and Quebec pension plans, have, in total, shown a modest surplus. This modest government surplus does not take into account the substantial investments made by government business enterprises, so that governments have made extensive use of capital markets, as discussed on a later page. Business, also, has continued to make extensive use of the financial markets.

Table 15 shows the proportions of total saving supplied by the business sector, other Canadian sources, and from abroad. Gross saving by business enterprises in 1967 accounted for 64.3 per cent of their capital spending. Given the quicker pace of economic activity this year, the saving of business corporations is now showing a definite increase which will facilitate the financing of their planned investments.

FINANCIAL DEVELOPMENTS

The sharp rise in interest rates in Canada last winter, with some subsequent moderating tendencies, occurred in an environment in which international financial tensions have been an important element. Canadian economic growth in 1967, as these pages have shown, was marked by a transition from the very fast pace of 1965-66 and resulting price and cost pressures, to a slower and more sustainable rate of growth. However, during much of 1967, while inflationary forces were still strong, and investors were taking a view that the adjustment in North America would not be protracted, interest rates began to rise noticeably from the spring of 1967. Strength in Canadian reserves of gold and foreign exchange during mid-1967 permitted the narrowing of the Canada-U.S. interest rate differential during the summer, and this reduced the upward pressure on the external value of the dollar and Canadian reserves.

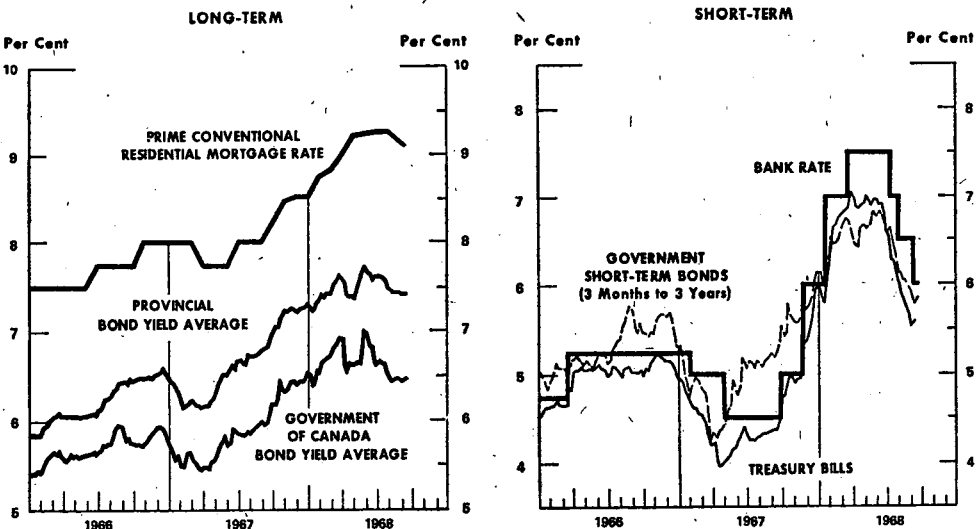
Concern about inflationary trends on the part of investors intensified as 1967 progressed, and was reflected in a preference for liquid short-term assets such as bank term deposits, in contrast to such longer-term instruments as bonds, and also in a preference for equity investments in real estate and in Canadian and U.S. corporations. This investors' search for liquidity was aided by the more aggressive competition for deposits among chartered banks, trust and mortgage loan companies and other deposit institutions following the coming into effect of the new Bank Act in May, 1967.

In an environment of tightening U.S. credit conditions and general inflationary expectations, the Canadian bank rate was raised by one half per cent to five per cent in early fall 1967, and Canadian banks started to experience difficulty in meeting the credit demands of their customers without running down their liquidity. About this time, Canadian long-term bond yields moved decisively above previous peaks.

CHART 16
SELECTED INTEREST RATES, CANADA

1966 - 1968

By Months



Following the Middle East crisis in June 1967, the intermittent pressures on the pound sterling became more persistent and, despite international support operations, eventually became overwhelming. The 14.3 per cent devaluation of the pound sterling on November 18 was accompanied by bank rate increases in many countries, including a further one per cent increase to six per cent in Canada. By the end of the year Canada-U.S. yield spreads were widening significantly.

Early in 1968 a combination of factors, including concern about the international monetary system, some pessimism about Canada's competitive position in international markets and the effects of new U.S. restrictions on business investment abroad gave rise to a severe speculative run on the Canadian dollar. In defence, the Bank rate was raised to seven per cent in January and an extensive network of international standby credits and support was arranged. In addition, the liquidity of Canadian chartered banks was further reduced, and they co-operated successfully to aid the short-term flows position in the balance of payments capital account. In March, in return for complete exemption from U.S. balance of payments programmes affecting capital flows into Canada, the Government of Canada undertook to take any steps necessary to ensure that the exemption from the U.S. programme would not result in Canada's being used as a "pass-through" by which the purpose of the U.S. balance of payments programme would be frustrated. The Canadian government has since introduced guidelines for this purpose for banks, other Canadian financial institutions, and non-financial corporations. Fiscal measures of restraint secured passage through Parliament in mid-March. During the unstable period immediately prior to the establishment on March 17 of the new two-price system for gold, both the U.S. and Canadian monetary authorities raised central bank rates by a further one-half per cent. In the exchange market the tide turned in mid-March, and the task of rebuilding Canada's foreign exchange reserves began. This included borrowing by the Government of Canada in Europe.

By late May the renewed strength of the Canadian dollar was evident. The Government of Canada long-term bond yield average has since fallen from a historic peak of seven per cent and other rates have also fallen. The Bank rate has been cut three times, and is now six per cent.

Instrumental in the easing in the crisis atmosphere have been the signs of improved international co-operation, including agreement on the new supplemental reserve asset in the International Monetary Fund to be known as Special Drawing Rights. The enactment of the U.S. tax increase and expenditure cuts in late June, and the commencement of talks on peace in Vietnam, also contributed substantially to removing the sense of crisis in financial markets.

In Canada, borrowing demands by governments, business and consumers, though still high, no longer exerted the strong upward pressure on yields that they had. The amount of funds raised in financial markets by borrowers in 1967 regained nearly all of the more than 20 per cent decline in 1966. Despite the international financial crisis last winter and associated tight monetary policy there was some further advance in total funds raised in the twelve-month period ended mid-1968 compared to the twelve months preceding. (See reference table 36). Mortgage approvals, the trend in bank loans and the new climate of cautious convalescence in bond markets indicate that through 1968 the rate of total loanable funds disbursed is being maintained at a high level.

Within these overall changes, funds raised by net new market issues and Canada Savings Bonds were 28 per cent lower in the year ended mid-1968 than

in the preceding twelve months. On the other hand, bank loan growth accelerated from seven per cent in 1966 to over 14 per cent in 1967 and early 1968 before flattening out more recently. Private sector institutional mortgage loan disbursements, which dropped drastically in 1966, advanced in momentum after mid-1967 and have continued to increase.

The Effect of Financial Developments Abroad

During most of 1967 the main effect in Canada of international developments was on interest rates, which moved up quite sharply as part of a general, almost worldwide, trend. The Canadian dollar tended to be strong, generally fluctuating in a range above its U.S. \$.925 parity value. During the period of upheaval following the sterling devaluation in November, some of this strength was eroded and the dollar moved closer to its parity value, where it stabilized until year end.

The January 1, 1968 announcement of the new U.S. balance of payments programme gave rise to widespread concern about its possible impact on the Canadian economy. The resultant pressure on the Canadian dollar caused a rapid drop in the exchange value to the bottom of the one per cent range on either side of parity value which is consequent upon Canada's membership in the International Monetary Fund (Chart 18). This was accompanied by unusually heavy losses of foreign exchange by the Exchange Fund Account as it purchased Canadian dollars in the market. These pressures continued with varying intensity throughout most of the first quarter and were particularly strong and persistent from the middle of February onward.

As a result of a number of developments discussed below, a turnaround occurred in late March; the situation then reversed itself so completely that the Canadian dollar rose quickly to a value well above parity, and the Exchange Fund Account has recouped its earlier exchange losses. The following table shows the effect on the overall exchange reserve position.

	December 1967	March 1968	June 1968	September 1968
(Millions of U.S. dollars at month end)				
Official holdings of gold and U.S. dollars.....	2,267.8	2,244.0	2,574.0	2,534.1
IMF creditor (+) or debtor (-) position.....	248.4	-185.0	-64.0	0.9
Federal Reserve swaps outstanding.....	—	-250.0	-125.0	—
Net Total.....	<u>2,516.2</u>	<u>1,809.0</u>	<u>2,385.0</u>	<u>2,535.0</u>

Heavy exchange losses occurred towards the middle of January, causing a number of defensive measures to be taken to restore confidence. On January 21, the U.S. Secretary of the Treasury issued a statement that the new U.S. balance of payments programme had not been intended to cause abnormal transfers of funds from Canada to the United States, and that it did in fact provide scope for continued large flows of capital from the United States to Canada. Almost simultaneously the Bank of Canada raised the bank rate from six to seven per cent, and announced that the chartered banks had agreed to discourage the use of bank credit by Canadian subsidiaries for the purpose of facilitating abnormal transfers of funds abroad or meeting financing requirements which in the past had normally been met by the parent companies. Although these measures

reduced the speculation against the dollar the loss of reserves continued, and during January the loss amounted to U.S. \$348 million. This loss was largely offset by a U.S. \$250 million drawing by the Bank of Canada on the Federal Reserve System under a reciprocal currency facility.

Towards the middle of February heavy speculative pressures were renewed, and at month end a U.S. \$426 million drawing by Canada on the IMF was announced. This drawing consisted of U.S. \$241 million representing Canada's creditor position in the IMF and of a U.S. \$185 million gold tranche drawing. It was made to illustrate the extent of the additional resources, over and above the foreign exchange reserves, available to maintain the existing parity value of the Canadian dollar, and to reconstitute the liquidity of the Exchange Fund. Month end reserve figures showed an increase in official holdings of gold and U.S. dollars of \$315 million, after giving effect to the IMF transaction, thus indicating a loss of reserves during the month of \$111 million.

Uneasiness continued to prevail in the market. On March 4 the Governor of the Bank of Canada requested banks and other financial intermediaries for the time being not to facilitate swapped deposit transactions, and the Minister of Finance issued a similar request to Canadian investors not to initiate such transactions. Swapped deposits come about when a Canadian investor deposits Canadian funds with a financial intermediary to be converted into a foreign currency and placed on deposit in that currency, with the intermediary undertaking through a forward contract to convert the foreign currency proceeds back into Canadian dollars at maturity. The Canadian investor then receives the interest earned on the foreign currency deposit plus the amount of the discount on the forward Canadian dollar or less the amount of the premium as the case may be.

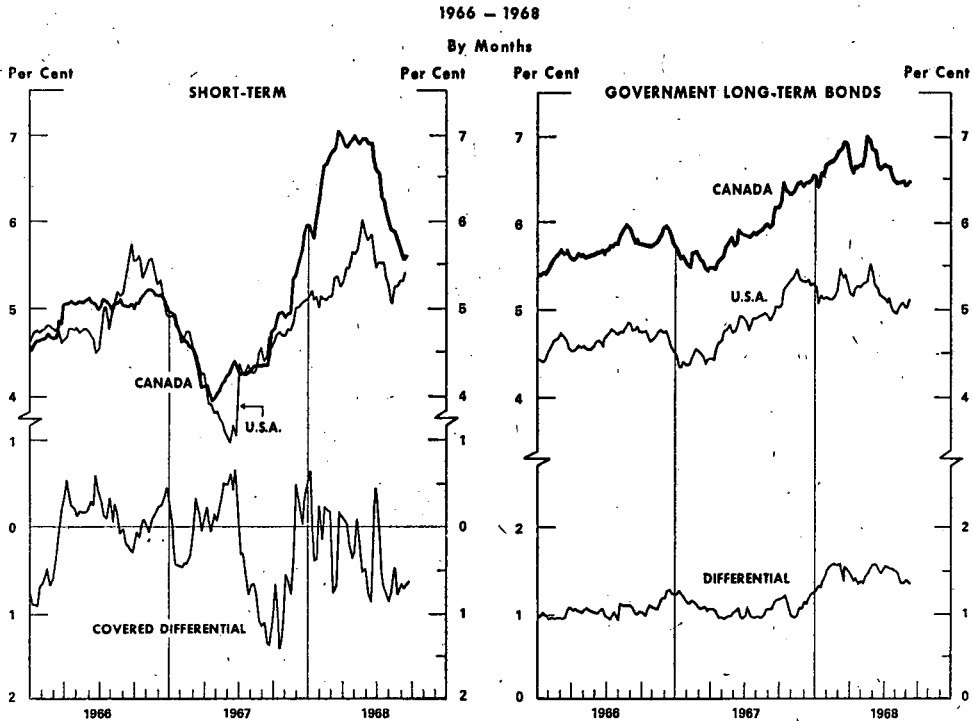
Between mid-1967 and the end of February 1968 the total of swapped deposits outstanding had almost doubled, to a level of approximately \$900 million, thus giving rise to a large capital outflow from Canada. Under the circumstances prevailing in early March, it was considered desirable to ensure that further outflows of this nature should not take place, and to attempt to repatriate some of the funds already outstanding. The March 4 requests concerning swapped deposits were withdrawn on June 12, by which time the total of swapped deposits outstanding had fallen steadily to about \$350 million.

On March 7 an exchange of letters was published between the U.S. Secretary of the Treasury and the Minister of Finance, stating that Canada would be exempt from the balance of payments programmes affecting capital flows administered by the U.S. Department of Commerce and the Federal Reserve System. This move made clear that Canada's position would not be weakened by the features of the January 1 programme which had contributed to the concern about its effect on the Canadian economy. In return, the Canadian government undertook to invest a major portion of its U.S. dollar assets in U.S. Government securities which would not constitute a liquid claim on the United States, and further undertook to take any steps necessary to ensure that Canada would not be used as a pass-through to circumvent the U.S. balance of payments programme. To carry out this second undertaking, the Government has since introduced guidelines for banks, non-bank financial institutions and non-financial corporations.

Also on March 7, the Minister of Finance announced that arrangements had been made for \$900 million of stand-by credits to support the Canadian dollar. These consisted of certain central bank arrangements and a \$500 million line of credit with the U.S. Export-Import Bank, which were never used.

During the first two weeks of March, general concern about the stability of the international monetary system reached crisis levels and was reflected in a renewed flight from currencies into gold. The massive proportions of this flight led to the termination of the Gold Pool arrangements on March 17. In the wake of the Gold Pool announcement the Bank of Canada raised its Bank rate by one-half of one per cent to $7\frac{1}{2}$ per cent, at the same time that the U.S. authorities increased the Federal Reserve discount rate to 5 per cent. The Bank of Canada also announced an increase in its reciprocal currency facility with the Federal Reserve System by \$250 million to \$1 billion.

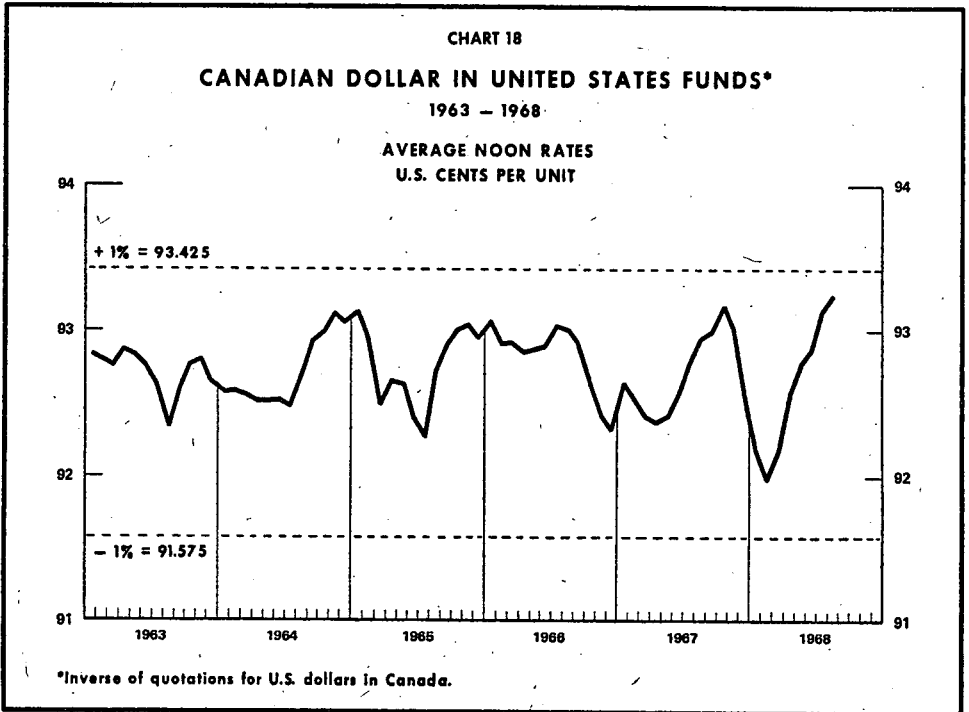
CHART 17
INTERNATIONAL INTEREST RATE COMPARISONS



The crisis conditions of early March in the international financial system were such that the measures announced in Ottawa on March 7 were insufficient by themselves to restore confidence in the Canadian dollar. Following the mid-month developments, however, and the passage by Parliament of new tax legislation, relative calm returned to the Canadian exchange market. A moderate build-up of reserves commenced during the second half of March, although this was not immediately sufficient to offset earlier losses, as indicated by the fact that the overall March decline in official holdings of gold and U.S. dollars amounted to \$246 million.

Since March, confidence in the international system has been restored to a marked degree. The general atmosphere in the system improved partly as a result of the Stockholm agreement late in March on the final details of the Special Drawing Rights proposals. It also benefitted from the evidence, as the

two-tier gold market became operational, that gold in the free market would demand only a limited premium over the official \$35 price. In this new climate of confidence; Canada's exemption from the January 1 U.S. balance of payments programme has had its intended effect. The improvement in Canada's position has been given further impetus by the normal seasonal improvement in the balance of international payments and by a strong export performance.



As a result, all the credit facilities mobilized during this period have been cancelled or allowed to lapse and the short-term loans have been repaid. The Bank rate has been reduced from its crisis level and the requests to the chartered banks made in January and March have been withdrawn.

Bond Market Financing

In the twelve-month period ending July 1968, net new issues of bonds by all Canadian debtors in domestic and foreign markets, at \$2.7 billion, were running about \$1 billion or 28 per cent below the very heavy issue rate of \$3.8 billion in the preceding twelve months. Heavy capital market borrowing, especially by governments, from late 1966 through 1967 was a major source of upward pressure on interest rates, reinforcing the rise due to inflationary expectations and international tensions. Details of changes in market bonds outstanding over the years 1963 to 1968 are shown in reference table 37.

The flow of fund changes in the bond market during last fall and winter were substantial. In the year ending mid-1968, the \$675 million increase in non-bank resident holdings of market bonds and Canada Savings Bonds con-

trasts with the \$1,500-1,900 million increases observed throughout earlier years of the decade. Half of this change was attributable to non-bank resident holders of marketable bonds, and the other half to the \$500 million turnaround in CSB flows from the \$200-500 million increases of earlier years to the \$169 million decrease in the twelve months ended mid-1968. The net increase in the Canadian banking system's holdings, at \$574 million for the whole period, was about midway in the prior years' range from net reductions in some years to increases of over \$1,200 million in years such as 1967. Partially offsetting these factors was the fact that Canadian placements abroad—in the United States, and for the first time in decades on a significant scale in Europe—were about double the \$600-800 million range of earlier years in this decade.

The 1967 shifts in financial investment patterns on a calendar year basis were thus severe in comparison with average flows earlier in the decade; however, a comparison of the twelve-month period ending July 1968 shows an even more pronounced shift. In the latter period, investment shifts by three key investor groups lay behind the \$1 billion reduction in the net flow of funds into bonds. The increase in Canadian banking system bond holdings of \$574 million was about \$500 million less than its \$1,124 million increase in the previous twelve-month period ended July 1967. Similarly, the decreases in growth in non-bank resident holdings of marketable bonds and Canada Savings Bonds amounted to \$1,250 million. Partially offsetting these slower flows was an increase in the annual flow of funds into Canadian foreign-pay bond issues of over \$700 million. The net effect of the changes in holdings of these three investor groups was a slowdown of more than \$1 billion in the flows of funds into Canadian governments and business issues. By contrast, the supply of credit for consumer purchases and mortgages has been well maintained although the cost of such credit has risen markedly.

The return to slower growth in the flow of funds into Canadian bonds occurred during the international crisis in financial confidence last winter and the associated tightening in monetary policy in the United States, Canada and elsewhere. The speculative run on the Canadian dollar which developed in the foreign exchange market in the first quarter of 1968 made it necessary to give top priority to checking the speculative outflow of capital and, once the tide had turned in mid-March, to rebuilding Canada's foreign exchange reserves. Achievement of these objectives involved a widening of the spread of Canadian interest rates over U.S. rates which themselves were rising sharply.

In recent months access to bond markets has improved, interest rates have eased somewhat; and market bond holdings by the banking system and other residents have increased, while foreign holdings of Canadian bonds have risen further. Canada Savings Bond holders since mid-1968 have continued to switch into bank and non-bank term instruments, corporate and other bonds, and equities. However, the monthly rate of net decline in CSBs outstanding has fallen from the June peak of \$159 million to a rate well below the \$89 million average monthly decline experienced in the first seven months of calendar 1968.

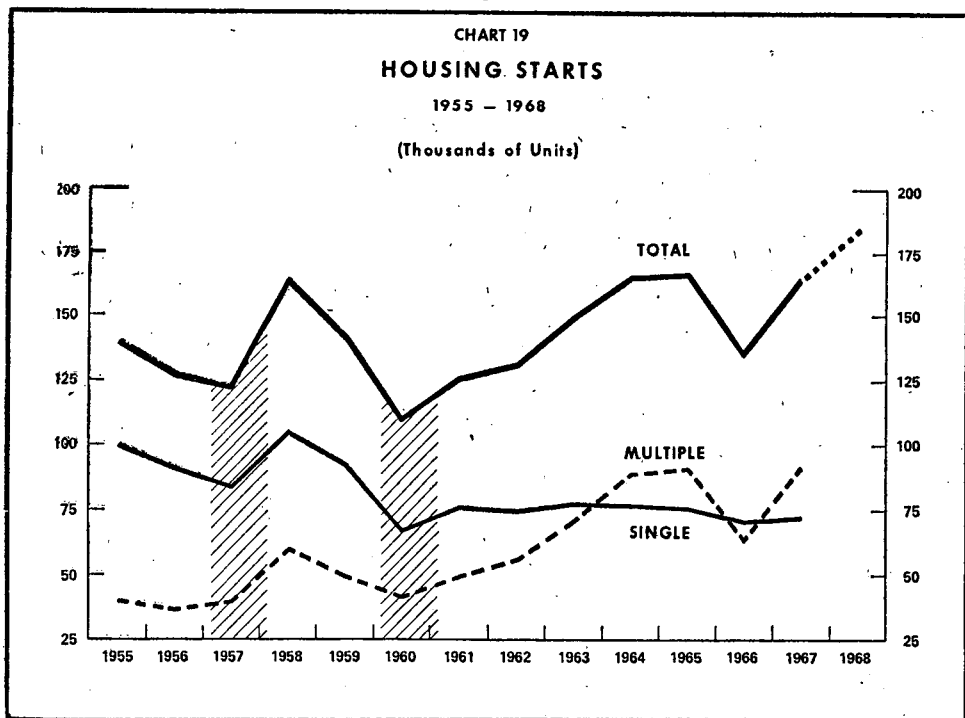
Mortgage Market Financing

One of the economic highlights in the past eighteen months has been the recovery in house building activity, shown in Chart 19. Loan approvals by institutional lenders, which lead actual loan disbursements by several months, had declined from a \$3 billion rate in 1965 to little over \$2 billion in 1966, but in 1967 they rose by 30 per cent to reach \$2.8 billion. Total public and private mortgage loan approvals in the twelve months ended June 1968 were running

slightly below the \$2.8 billion level, reflecting some downturn in approvals since the turn of this year (see reference table 39). There are three fundamental reasons for this overall improvement. Firstly, business investment has not been claiming as big a share of gross national expenditure since 1966. Secondly, the Government of Canada has by changing the interest rate formula in respect of NHA mortgages provided for a wider spread for mortgage yields over competing instruments. Thirdly, the flow of private sector funds into mortgages has been very significantly augmented by the re-entry of the banks into mortgage lending following the Bank Act changes in 1967.

Total private conventional and NHA loan approvals rose about \$600 million in the twelve-month period ended June 1968. This increase was shared equally between banks and non-bank financial institutions. Direct loan commitments by Central Mortgage and Housing Corporation fell \$464 million, from \$910 million to \$446 million, in the year ended June 1968, with a decline in the flow of public funds into private housing being partly offset by increased CMHC outlays for public and low-income housing.

In the past year or so there has also been a significant increase in new residential construction financed by means other than institutional mortgages or public financing. These other means include mortgage loans from Caisses Populaires, credit unions and private individuals, as well as construction undertaken without recourse to mortgage loans. There seems to have been an increase in funds channelled into the mortgage market from sources other than trust, life and mortgage loan companies and banks.



The general improvement in the flow of funds into mortgages has occurred in circumstances of severe tightness of credit conditions generally during much of the period under review. In the past the bank interest ceiling and other restrictions faced by financial institutions in attracting funds, by limiting their ability to raise deposit and lending rates fully in line with other market interest rates, had contributed to the sharp curtailment of the availability of mortgage loans. In the past year and a half there has been increased reliance on interest rates in the determination of mortgage investment, and less reliance than formerly on various rationing devices employed by the private sector. Mortgage interest rates have increased sharply. Average rates on prime residential conventional mortgage loans rose from about eight per cent at the beginning of 1967 to over nine per cent by the spring of 1968. Actual NHA interest rates, as distinct from the maximum or ceiling rate, similarly increased from $7\frac{1}{4}$ per cent to a peak of nearly 9 per cent. Like rates on other instruments, mortgage interest rates have come down somewhat in recent months.

To encourage a larger and relatively more stable flow of private funds into the mortgage market, the maximum interest rate on NHA insured mortgage loans was fixed at $7\frac{1}{4}$ per cent in November 1966, with the provision that beginning in 1967 this rate was to be adjusted automatically at the end of each calendar quarter to a level of $1\frac{1}{2}$ per cent above the average yield on long-term Government of Canada bonds. This move to a flexible NHA rate related to market conditions had significant effects on the flow of institutional funds into NHA mortgages in early 1967 but provided little stimulus to investment in NHA mortgages in the second and third calendar quarters of that year. In view of the large financial resources already committed by the Government of Canada for housing and other areas, and a need to conserve government funds to a greater extent for low-income housing, the government took further action in September to stimulate the flow of private mortgage money. The quarterly adjustment formula was altered to establish the maximum NHA rate at a level of $2\frac{1}{4}$ per cent above the long-term Government of Canada bond average, the widest spread permitted by the National Housing Act, with the intention of allowing the actual rate to be set by market forces within this limit. Following this action the spread not only between NHA mortgages and competing bonds, but also for conventional mortgages, widened, and this has provided a stimulus to mortgage investment by lending institutions. In 1967, the setting of the rate of interest on home improvement loans which are made by the banks and guaranteed by the government, was brought under the same formula.

The National Housing Act was amended in March 1968 to increase the ratio for home-ownership loans on new housing from 95 per cent of the first \$13,000 of lending value and 70 per cent of the balance, to 95 per cent of the first \$18,000 and 70 per cent of the balance, thereby reducing the down payment required. No changes were made in the \$18,000 per unit maximum. In February, the NHA loan regulations had been amended to raise the maximum loan for apartment units from \$12,000 to \$18,000. The regulations were also changed to permit the lender, where a rental loan is made to a corporate borrower, to increase the period of the lock-in from the previous maximum of ten years to a new, higher lock-in that may extend to within ten years of the term of the loan.

Consumer Finance

The rate of growth of consumer credit balances outstanding quickened in the past eighteen months, although it did not reach the pace of earlier years of the decade. The annual increase, which had been 8.3 per cent in 1966, was

10.9 per cent in 1967 and 11.9 per cent in the twelve months ended May 1968. From 1962 to 1965 the annual growth rates in consumer credit had been 12.5 per cent to 16.4 per cent. The increased tempo in the past year was associated primarily with increasing expenditure on consumer durables, generally bought "on time".

As indicated in reference table 40, the banks and consumer loan companies experienced faster-than-average growth in consumer loans in the period from May, 1967 to May, 1968. Policy loans of life insurance companies continued to expand rapidly.

During 1967 federal and provincial legislation came into effect requiring disclosure on a consistent basis of the overall costs of credit extended to personal borrowers. The parallel provisions of the Bank Act, which came into effect in October, 1967, cover all personal loans to \$25,000.

Business Finance

Investment in physical plant and equipment by the corporate sector reached a peak in 1966 and, as noted earlier, declined moderately during 1967; it has begun to recover in 1968. Corporations used both their own accumulated liquid resources and the bond markets to finance the 1963-1966 expansion, with the customary use of short-term sources to facilitate inventory accumulation and the orderly financing of investment programmes. Budgetary measures affecting the liquidity of corporations in the spring of 1966, the development of credit stringency throughout North America in the latter part of that year, and conditions in the bond market led to greatly increased reliance on shorter-term financing, while internal liquidity declined. (These trends are summarized in reference table 41). By the end of 1966 the ruling uncertainties in the financial markets had brought about a mood of caution in the corporate sector, and financial planning was concerned with the need to rebuild corporate liquidity as rapidly as conditions would permit.

Internal sources of funds since early 1967 have displayed an overall flat trend. Retained profits, after taxes and dividends, fell in 1966, but a lack of growth in dividend payments since that time permitted much of the lost ground to be made up during 1967 and 1968. Meanwhile, as a reflection of the substantial additions to physical capital of recent years, reserves for depreciation have been advancing steadily. The net effect of these developments has been, as noted, modest change in the level of internally-generated funds over the past eighteen months.

As investment outlays fell off, the need for external financing to make up the shortfall between internal funds and capital expenditures became less pressing. However, the external financing carried out between early 1967 and early 1968 remained much higher, both absolutely and relative to earlier financing, than that prevailing throughout the period subsequent to the resources boom of the mid-fifties. This partly reflected the fact that the post-boom decline in actual expenditures in 1967 was marginal, whereas after 1958 it was substantial and prolonged. However, it also reflected concern over the need to rebuild liquidity with all reasonable speed.

Accordingly, corporate sector financing remained active in 1967 and 1968, although the volume fell for a while and the structure of the new liabilities issued was dictated to some extent by market conditions. Thus, long-term

business borrowing through net new bond and stock issues was 24 per cent below 1966 levels last year, but in the twelve month period ended mid-1968 it was four per cent above the comparable preceding period.

Bank loans and certain other short-term business borrowings, which fell markedly in 1966, have since recovered somewhat the distance lost, despite the slower pace of inventory accumulation, which is financed by short-term debt. The pickup in short-term business debt reflected postponement of bond issues in the past year in expectation of eventually lower interest rates. Short-term borrowings also helped to finance businesses' increased preference for rebuilding liquid asset portfolios. Conditions may also have faced businesses with receivables which were not declining as fast as payables, and, therefore, with further increases in net receivables to be financed.

Federal Government Debt Operations

The general environment and special circumstances which affected federal government debt management policies and operations during fiscal year 1967-68 and the early months of the current fiscal year have been described earlier. At the time of the budget in June 1967, cash requirements of the federal government in the fiscal year 1967-68 were estimated at \$1.6 billion compared with actual requirements of \$530 million in the previous fiscal year. In the first nine months of the 1967-68 fiscal year, the federal government raised over \$650 million in new cash through the issue of marketable securities in the Canadian capital market, while refunding maturing issues which totalled \$1.5 billion. During the same period net sales of CSBs totalled \$283 million. These relatively heavy demands were made on the capital markets during a period of generally rising interest rates and when demands on the capital markets by other governments and industry were also very large. The government's concern about the disturbing strains on the capital markets and the measures proposed to alleviate the situation were outlined in the budget speech of November 30, 1967. In presenting the tax and fiscal measures the Minister of Finance repeated that the government would hold its overall net cash requirements and its consequent demands on the capital market to less than \$750 million in the next fiscal year, apart from unforeseen changes in exchange reserves.

The speculative pressure on the Canadian dollar during the last quarter of the 1967-68 fiscal year, with the accompanying heavy losses of foreign exchange provided substantial cash receipts, amounting to \$770 million in the three month period. This special development made it possible for the government to finance its requirements during the remainder of the fiscal year with little additional borrowing from the capital market during this very unsettled period. During the fiscal year as a whole, net borrowing in Canada by the federal government through marketable securities amounted to \$725 million, and net sales of Canada Savings Bonds amounted to \$80 million. Government net cash requirements totalled only \$485 million, and cash balances at the end of the fiscal year were at the relatively high level of \$997 million.

In the early months of the current fiscal year two factors had considerable influence on government cash requirements and debt operations. In the first place, the rebuilding of the foreign exchange position, as confidence in the Canadian dollar was restored, involved large cash outlays of Canadian dollars. Secondly, the sharp rise which had occurred in interest rates and their subsequent maintenance at relatively high levels to facilitate the reconstitution of foreign exchange reserves presented holders of Canada Savings Bonds with investment alternatives at significantly higher interest yields. The abnormally high redemp-

tion of savings bonds which took place in these circumstances was financed from government cash resources. These special factors, in addition to the normal requirements of government, produced heavy cash requirements in the early months of the current fiscal year. Notwithstanding the relatively high level of cash balances at the beginning of the year, it was therefore necessary to resume borrowings in the capital market. In the first four months, up to the end of July, net new issues of marketable securities in Canada totalled \$349 million, during which period the level of outstanding CSBs declined by \$408 million. The financing of exchange transactions during the four-month period totalled \$551 million, including foreign borrowing. These developments are summarized in table 16.

The federal government in the conduct of its debt operations was faced with generally rising interest rates for most of the period under review. During the second quarter of 1968 some Canadian interest rates reached their highest levels in a century. Government bonds, like other fixed income securities, were generally more difficult to sell during the period under review, in spite of more attractive terms and conditions. As illustrated in the schedule of details of debt operations (reference table 42), both coupons and prices on new bonds were made progressively more attractive to buyers while the terms to maturity were shortened. The following paragraphs trace the main features of the Government's debt management program through 1967 and up to the beginning of August, 1968.

As the first quarter of 1967 began it appeared that interest rates had peaked in late 1966 and that the economies of both the United States and Canada were experiencing moderating demand pressures. Long and short term rates fell dramatically and the Bank rate was reduced in two stages from 5½ per cent to 4½ per cent by April 7. The Bank of Canada, to avoid an excessive tightening of credit conditions for both domestic and external reasons, had since mid-1966 permitted a rapid expansion of the money supply which was reflected in a sharp increase in the liquidity of the chartered banks in the first part of 1967. During this time the government placed three issues with the market, raising \$217 million in new cash, and refunded out of cash balances CNR bonds totalling \$122 million. On February 1, 1967 there was a special issue of 303-day Treasury bills for \$100 million. By April, however, the bond market had become less optimistic and the government was faced with high and rising interest rates over most of the remaining period.

In view of the heavy cash requirements and the relatively few opportunities available to raise new money as a result of the large refundings due during 1967, the government placed a \$175 million cash issue on August 1. In the face of a much deteriorated market the offering was restricted to the short and medium terms, with the mid-term bond priced to yield over six per cent. By October yields had risen further, and dealer expectations in both Canada and the United States were for continued upward pressure on interest rates. The October 1 issue refunded the large amount maturing on that date and, once again, the terms to maturity of the three-tranche issue were shortened. By year-end most interest rates had passed the peaks reached in 1966 and the Bank rate had been raised, in two stages, to six per cent. In view of the large amount of bonds taken up by the banking system in 1967, the December 1 refunding was designed in particular to attract other investors, by the issue of only a 6-year 6¼ per cent bond. With this issue the government raised net proceeds of \$120 million. Also on December 1 there was a 364-day Treasury bill issue of \$125 million to refund the special February issue and raise \$25 million new cash.

TABLE 16
 GOVERNMENT OF CANADA CASH REQUIREMENTS AND SOURCES
 OF FINANCING
 (by fiscal years)

	1966-67	1967-68			1968-69
		First 9 Months	Last 3 Months	Total	First 5 Months
(Millions of dollars)					
Cash Requirements					
Budgetary.....	422	114	679	792	-17
Non-budgetary excluding all foreign exchange transactions.....	341	1,048	-442	607	540
Sub-Total.....	763	1,162	237	1,399	523
Foreign exchange transactions cash requirements (+) or receipts (-).....	-232	-42	-770	-812	608
Overall cash requirements.....	531	1,120	-533	587	1,131
Sources of Finance					
Market bonds ⁽¹⁾					
Gross New Issues.....	1,500	1,785	450	2,235	1,529
Retirements.....	-1,231	-1,485	-400	-1,835	-780
Net.....	269	300	50	350	749
(of which foreign pay ⁽²⁾).....	(-6)	(-205)	(-)	(-205)	(254)
Treasury bills.....	160	145	25	170	330
Canada Savings Bonds.....	283	283	-203	80	-477
Non-marketable and other ⁽³⁾	-1	244	-56	188	-84
Total.....	711	972	-184	788	518
Changes in Receiver General bank balances.....	180	-148	349	201	-613

⁽¹⁾CNR included under non-budgetary.

⁽²⁾Represents mainly in 1967-68 the cancellation of outstanding US-pay Government of Canada bonds repurchased from U.S. residents; and in 1968-69 the issue of foreign-pay bonds in Germany, Italy and the United States.

⁽³⁾Includes UIC and CPP bonds, Securities Investment Account and securities held for retirement of unmatured debt.

In view of the attractive alternatives available to the individual investor in the fall of 1967, the Canada Savings Bond campaign was designed to stem the rate of outstanding CSB redemptions and also to provide new cash. The "double-your-money" feature on Canada Savings Bonds which originated with the Centennial Series was continued in 1967. The 1967-68 series offered the same interest yield to maturity as the 1966 Series, but, to make it more attractive relative to comparable investments, the initial coupon was raised from 5 to 5½ per cent. Corporations and other businesses, churches, charities and other associations were made eligible to purchase CSBs for the first time and the maximum amount permitted for each purchaser was increased to \$50,000.

In the first part of 1968, as in 1967, the Canadian financial markets were heavily influenced by international factors. In addition, as a result of continuing rising costs and prices in Canada and the United States, there remained a strong desire for liquidity on the part of private and corporate investors. In the United States, and to a lesser degree in Canada, credit conditions were tightening

significantly. There was a brief recovery in the bond market in the first two weeks of 1968, but this proved to be only temporary and most interest rates in Canada resumed their climb to unprecedented highs.

At the time of the large January 15 refunding the raising of net new cash was limited to \$50 million, in view of market conditions. Short and long term rates rose to new peaks during this period as a result of the monetary stance taken to stem the speculative run on the Canadian dollar. The Bank rate was raised to 7 per cent and then to $7\frac{1}{2}$ per cent by mid-March. The April 1 refunding carried the first 7 per cent coupon on a Government bond since Confederation and, with a five-year term, was priced to yield 7.30 per cent. Even with this high yield, institutional investors were not attracted to the issue, and the tone of the market outlook continued pessimistic.

To reconstitute reserves and broaden the external market for government securities, the federal government in May floated two loans in Europe. This followed the ending of the exchange crisis described earlier. A loan in Italian lire equivalent to Canadian \$108 million was placed directly with the Italian Exchange Office and a loan, payable in German marks, equivalent to Canadian \$68 million, was sold in the Eurobond market. Finally, a loan for U.S. \$100 million, subject to delayed delivery contracts, was issued in the United States in June.

A substantial rally in the Canadian bond market occurred in April as world events appeared to take a more favourable turn. However, this did not last. Higher gold prices, the unfavourable response to the Administration's fiscal bill by U.S. legislators and rising pessimism regarding Vietnam peace talks caused bond prices once again to turn downward. The June 15 refunding was a three-tranche issue, two of which carried 7 per cent coupons. To replenish dwindling government cash balances, this issue raised \$105 million in new cash.

In May 1968 the government, in the interest of orderly debt management, offered a Special Replacement Series of Canada Savings Bonds to refund in advance the large outstanding 1959 series of Canada Savings Bonds which were due to mature in November 1968. On January 1, 1968 there were \$722 million of these bonds outstanding. Effective March 28, Special Replacement Bonds were offered only to holders of the 1959 series in exchange for their 1959 bonds. Subsequently, beginning May 15, the bonds were also offered to the general public for cash for a short period. The offer was withdrawn on May 23, 1968. The new bonds carried an annual average yield of 6.88 per cent, the most attractive ever offered on a Canada Savings Bond. Like the previous two issues of Canada Savings Bonds, the new bonds also offered compound interest so that the investor could double his money in 10 years and 5 months. The issue was very successful, with sales totalling \$850 million, of which \$538 million was exchanged; this helped to alleviate somewhat the concern the CSB redemptions were causing the financial markets.

By summer the Canadian bond market had improved considerably in both price and tone and the government was able to replenish declining cash balances. The improvement reflected a similar development in the United States following the passage of the Administration's tax bill. On June 28 the government sold at tender a special 364-day Treasury bill issue which provided \$150 million in new money. The August 1 loan stimulated considerable activity in the market. Receipts from the cash offer amounted to \$400 million, of which \$100 million represented bonds exchanged directly with the Bank of Canada.

The August 1 issue repeated a feature used several times during 1968. The government, by exchanging new bonds directly with the Bank of Canada for bonds in its portfolio maturing later in the year, was able, in effect, to pre-fund these issues. On April 1 \$100 million and on June 15 \$75 million of bonds maturing in 1968 were cancelled. On the last occasion, August 1, \$100 million of bonds maturing in 1968 were not immediately cancelled but were held in the Securities Investment Account. They have since been cancelled.

The Capital Account of the Balance of Payments

Capital flows between Canada and the rest of the world during the past year and a half have been profoundly affected by the significant developments that occurred in the international monetary and exchange-rate field, as well as by the influence of cyclical economic factors upon credit conditions and by the pressure which developed in a number of the world's capital markets as they attempted to reconcile the liquidity requirements of the public and private sectors.

The net saving made available to Canada in 1967 by the rest of the world through the deficit on Canada's current account transactions was, at \$543 million, among the lowest in the fifteen consecutive years for which deficits have now been recorded. It also represented a particularly sharp swing from the \$1,162 million of the previous year. (A summary and details of capital movements in the balance of international payments are shown in reference tables 43 and 44). The net inflow into Canada resulting from all long-term capital transactions in 1967 was \$1,339 million, the second highest level recorded since the second world war.

Over the year as a whole, the net outflow of short-term funds, \$778 million, was nearly as large as the surplus of \$796 million on current and long-term capital accounts, and only the difference of \$18 million accrued to Canada's total of international reserve assets. Less than half (\$286 million) of this very large net outflow of short-term funds reflected the switching of bank balances and like interest-arbitrage transactions. Roughly half a billion dollars, in other words, was accounted for by miscellaneous and to some extent unidentified short-term transactions, in which the termination and in some cases reversal of normal inter-corporate financing flows must have played a significant role.

A particularly interesting aspect of this outflow of "short-term" funds is that a majority of it (over \$300 million) appears to have occurred in the first quarter of 1967, a period in which interest rates abroad tended to fall faster and further than in Canada, and the movements in bank balances and other interest-sensitive funds were strongly inwards into Canada. Apart from the international de-escalation of interest rates which was in progress, this was a period of comparative calm; neither the U.S. nor the U.K. payments position was giving cause for particular concern, nor was likely to occasion exceptional repatriation of corporate funds at that time. The Canadian dollar was particularly strong in the exchange markets during January 1967 although it weakened moderately thereafter.

The explanation of this substantial movement of non-banking funds therefore seems to be the divergence that was then already developing between the trends in corporate physical investment in Canada and the United States. While the cyclical trend in investment in Canada, as in most components of national expenditure, has normally tended to be quite closely parallel to that in the United States and slightly advanced in timing, 1967 saw an exceptionally

pronounced and prolonged parting of the ways of the two economies. Shifts of working capital from Canadian subsidiaries to U.S. parent corporations would be a very likely consequence of such a development; normally, such capital is in many cases provided continuously by the parent to the subsidiary through the rolling-over of short-term advances.

The effect of this divergence in investment trends is also to be seen, though it is less marked, in the long-term capital account. Net direct investment in Canada by non-residents, though at the historically high level of \$620 million, was nevertheless \$90 million lower than in 1966. Borrowing through sales abroad of new issues of Canadian securities was also some \$165 million lower, though again high in absolute terms (\$1,300 million). The fact that the total net inflow of long-term capital was so high, and so much higher than in 1966, was due principally to factors unconnected with either private or public fixed investment during 1967 itself, namely: a much smaller schedule of retirements of earlier borrowings abroad, smaller outflows on portfolio transactions involving the repurchase of Canadian securities and large repayments to Canada of export credits extended in earlier years, particularly on wheat sales to communist countries.

Although net government borrowing abroad rose to an all-time peak in 1967, owing to a record volume of net provincial issues, the increase was offset entirely by a decline in net issues of corporate bonds. (Details of net new issues of bonds and debentures to non-residents are shown in reference table 45). There was also a small decline in net proceeds from stock issues which, together with the reduction in the inflow for direct investment, contributed to a marked contraction in financing by the business sector from abroad. In aggregate, proceeds from new issues placed abroad declined for the first time since 1960, but because there was also a smaller volume of retirements by the federal government (including special repurchases in connection with management of international reserves), net receipts remained virtually unchanged. However, the record volume of offerings in the United States raised the balance remaining for later delivery at the end of the year by some \$248 million. Although long-term interest rates in Canada were rising substantially, the differential between Canadian provincial and U.S. long-term corporate rates did not change appreciably. The greater recourse to the U.S. capital market by governments was due as much to the problem of availability of funds in the domestic market, which worsened towards the end of the year, as to the lower cost of borrowing in the United States.

The lower level of net repurchases of outstanding Canadian securities contributed some \$200 million to the rise in the total long-term capital inflow. Repurchases of Canadian stocks from non-residents were at the lowest level since 1960, and after the second quarter were exceeded by sales, leading to an inflow of capital in the second half of the year and also, for the first time since 1961, for the year as a whole. Net sales to U.S. residents at \$83 million represented a swing of \$178 million from the previous year. In total, the reversal from net repurchases to net sales of Canadian stocks was of the order of \$148 million, to which was added \$48 million as a result of smaller net repurchases of outstanding Canadian bonds, particularly those of the federal government.

The large increase in the inflow resulting from residual long-term capital transactions was largely associated with the sharp decline in wheat exports in 1967. Advances of export credits for wheat fell by \$100 million, while repayments rose \$66 million. Repayments of credits exceeded advances in every quarter of

TABLE 17
LONG-TERM CAPITAL FLOWS
1965 to 1968

	1965	1966	1967	Change 66 to 67	Jan-June 1968
	(Millions of dollars)				
Net ⁽¹⁾ foreign financing by governments:					
Government of Canada.....	-57	-171	-75	+96	+219
Provincial governments.....	+266	+383	+699	+316	+381
Municipal governments.....	+31	+81	+110	+29	+52
Total.....	+240	+293	+734	+441	+652
Net ⁽¹⁾ foreign financing of Canadian enterprises:					
Net issue of bonds.....	+593	+620	+183	-437	+203
Net issue of stocks.....	+17	+53	+45	-8	+19
Total securities.....	+610	+673	+228	-445	+222
Net direct investment in Canada.....	+535	+710	+620	-90	+195
Total.....	+1,145	+1,383	+848	-535	+417
Sub-Total: Public and private financing from abroad	+1,385	+1,676	+1,582	-94	+1,069
Net direct investment abroad.....	-125	-5	-90	-85	-70
Canadian outstanding securities.....	-219	-240	-44	+196	-15
Foreign securities.....	-85	-401	-418	-17	-188
Loans and capital subscriptions.....	-4	-11	-4	+7	-14
Columbia River Treaty, net.....	+32	+32	+44	+12	-
Export credits, net.....	-187	-47	+108	+155	+39
Long-term capital, n.i.e.....	+67	+57	+161	+104	-29
Sub-Total of above.....	-521	-615	-243	+372	-277
Total Long-Term Capital.....	+864	+1,061	+1,339	+278	+792

⁽¹⁾ New issues, less retirements, of securities, plus direct investments.

the year, and the total of net repayments amounted to \$128 million. Export credit transactions for other commodities produced a slightly larger capital outflow. Other transactions yielded a capital inflow of \$161 million, \$104 million higher than in the previous year.

The long-term capital account showed one very clear effect of the pressure against the Canadian dollar and other currencies in the first quarter of 1968: net direct investment in Canada by non-residents fell away to a bare \$5 million, and this was wholly accounted for by overseas interests, since there was net disinvestment on the part of U.S. residents. The first quarter is not a seasonally weak period for inward direct investment, which has never been much less than \$80 million in that quarter of the last fifteen years, and had averaged about \$130 million in 1965, 1966 and 1967. However, in the second quarter of the year the net direct investment flow into Canada amounted to \$190 million.

Direct investment abroad by Canadians, on the other hand, was at the record level of \$85 million in the first quarter of 1968, and this was not the result of one or a few outstandingly large individual transactions. Clearly, inward flows were delayed or cut as a result of the crisis, and outward flows accelerated or stepped-up. Other elements of the long-term capital account were less disrupted in the early months of 1968: new issues and retirements of Canadian securities both continued at about the (relatively high) levels of the

fourth quarter of 1967; the net outflow resulting from trade in outstanding Canadian securities was again relatively small in the first quarter (by the standards of recent years) as a result of continuing net sales of common and preference stocks; the net outflow for the purchase of foreign securities was also, at \$69 million, markedly lower than the \$137 million average of the last two quarters of 1967, reflecting the liquidation of the federal government's holding of bonds of the International Bank for Reconstruction and Development. There were further net repayments to Canada of export credits in the first quarter, but a largely offsetting outflow in respect of other residual longer-term transactions.

The large unspecified element in short-term capital flows in 1967 has already been noted. Virtually the whole of the net identified outflow of about \$300 million was accounted for by the foreign currency operations of the Canadian chartered banks, as net changes in foreigners' holdings of Canadian dollars and short-term money market instruments were small over the year as a whole. There were net inflows in both of these sectors of the account, however, in the last quarter of the year, as in all recent years except 1965. A seasonal pattern in corporate financing now appears to exert greater influence on these items than interest arbitrage considerations.

Banking flows, on the other hand, responded decisively to the rapid run-down in Eurodollar interest rates in the earlier part of 1967. Foreign currency swapped deposits by Canadian residents, which had already fallen away heavily in the last quarter of 1966, continued to decline through May; and other foreign currency deposits at the chartered banks by Canadians, which had risen enough in the fourth quarter of 1966 to offset most of the decline in swapped deposits, were now also run down in the first and second quarters of the new year. The banks, too, which had considerably increased their own net asset position abroad in the closing months of 1966, ran down this position in the first quarter, and increased it very little again over the second. The net result of these changes for the first half of 1967 was a \$285 million decrease in foreign currency assets of Canadians and the net position of the banks, taken together (a net capital inflow into Canada of \$376 million by the somewhat broader balance of payments definition). Partly offsetting this, however, was an outflow arising from a decrease of \$92 million in the banks' foreign currency assets with Canadian residents.

By the end of the second quarter of 1967, the picture had changed drastically. Eurodollar rates had started to rise again early in May, and were soon followed in Canada by the rate on swapped deposits. At the same time, the money supply as conventionally defined had started a steep rise which was to continue for most of the rest of the year. In part this reflected structural changes resulting from the Bank Act, but in part also the efforts of the monetary authorities to temper the wind of international interest rate movements, as they had done during the rise of mid-1966 and the decline of early 1967. One virtually inevitable result, however, was a swing in banking flows across the exchanges which yielded net outflows of more than \$300 million (balance of payments definitions) in both the third and fourth quarters. In the third quarter, swapped deposits were a relatively minor factor in the outflow abroad, which must rather have been fed by the proceeds of new issues of U.S.-pay securities. In the fourth quarter, however, swapped deposits rose by nearly a quarter of a billion dollars and accounted for the majority of the outflow.

By the end of the year, the net foreign currency asset position of the chartered banks with non-residents was approaching \$1.3 billion, and it rose by a further \$200 million during the first two months of 1968. In early March as

one of a number of measures to strengthen the Canadian dollar (as noted earlier) the banks were requested not to facilitate further swap deposit business, and a fairly rapid run-down of such deposits then began.

A noteworthy feature of the Canadian exchange crisis, however, and of the whole of the first quarter of 1968 in which international monetary conditions were so unsettled, was the relatively slight effect it appears to have had on banking flows across the exchanges, and the modest part these flows played in the total outflow of funds from Canada. The only significant movement revealed by the quarterly figures, as shown in reference table 46, was a \$200 million switch of foreign currency assets by the Canadian banks from U.S. to overseas (mainly U.K.) residents. Their net claims on all non-residents rose by only \$49 million. Nor is it the case that the quarterly figures conceal particularly large ebbs and flows on a monthly basis. In terms of the balance of payments accounts "bank balances and other short-term funds abroad" showed an outflow of only \$126 million, of which only a minor part is accounted for by the banking flows.

The total loss of \$621 million in short-term funds during the first quarter (to which, in estimating the dollar effects of the exchange crisis, must be added at least \$100 million of delayed inflows and accelerated outflows on long-term capital account) was in largest part accounted for by some \$460 million of miscellaneous, and in many cases presumed, short-term transactions, including the balancing item.

Net short-term capital movements in the second quarter of 1968 were very small. Banking data for the period show a fairly substantial continued buildup of both assets and liabilities with non-residents, which involved little net change in the overall position over the period as a whole. During the quarter, however, there was a marked flow into and then again out of Canada as liabilities to Canadian residents in the form of swapped deposits were first run down sharply in accordance with the request made in March, and then up again by some quarter of a billion dollars in June, after the request was withdrawn.

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REFERENCE TABLE 1
 MAIN INTERNATIONAL ECONOMIC INDICATORS
 1965 to 1967

	Real Gross National Product			Real Fixed Capital Formation			Exports			Imports		
	1965	1966	1967	1965	1966	1967	1965	1966	1967	1965	1966	1967
	(Per cent change from previous year)											
Canada.....	6.9	6.5	2.8	12.1	12.9	3.3	5.3	17.8	10.5	15.0	16.7	8.0
United States.....	6.1	5.8	2.6	8.8	4.4	-1.0	3.5	10.7	4.2	14.4	19.2	5.4
United Kingdom.....	2.5 ⁽¹⁾	1.5 ⁽¹⁾	1.4 ⁽¹⁾	3.5	1.1	5.0	7.3	6.9	-2.0	1.2	3.3	6.2
France.....	4.2	4.9	4.4	-0.4	9.1	5.8	11.8	8.5	4.4	2.7	14.9	4.4
Germany.....	5.0	2.8	-0.3	6.4	0.4	-7.7	10.4	12.5	8.0	19.6	3.2	-3.7
Italy.....	3.5	5.5	5.9	-8.4	3.7	7.1	20.6	11.7	8.3	1.5	16.7	13.1
Japan.....	3.7	10.7	13.1	19.8	9.3	11.0	26.6	15.7	-6.8	2.9	16.6	22.5

	Industrial Production			Employment			Average Hourly Earnings—Mfg.			Implicit Price Index		
	1965	1966	1967	1965	1966	1967	1965	1966	1967	1965	1966	1967
	(Per cent change from previous year)											
Canada.....	8.3	7.9	2.7	3.8	4.2	3.2	4.8	5.5	7.0	3.0	4.5	4.0
United States.....	8.5	8.9	1.1	2.6	2.5	2.0	2.9	4.7	3.6	2.0	2.7	2.9
United Kingdom.....	3.0	1.1	-1.1	0.8 ⁽³⁾	0.5 ⁽³⁾	-0.1 ⁽³⁾	6.9 ⁽²⁾	6.2 ⁽²⁾	3.3 ⁽²⁾	3.7 ⁽¹⁾	3.0 ⁽¹⁾	3.6 ⁽¹⁾
France.....	1.6	6.8	2.2	-0.4	—	-0.5	8.0	5.9	6.0	2.5	2.8	2.8
Germany.....	5.6	1.5	-1.5	0.6 ⁽³⁾	-0.3 ⁽³⁾	-2.9 ⁽³⁾	9.4	7.3	3.9	3.7	3.7	0.7
Italy.....	4.6	11.6	8.4	-2.4 ⁽³⁾	-1.9 ⁽³⁾	0.3 ⁽³⁾	8.8	3.2	6.2	4.0	2.3	2.7
Japan.....	3.9	13.1	19.2	3.1 ⁽³⁾	2.1 ⁽³⁾	3.0 ⁽³⁾	8.7 ⁽²⁾	11.6 ⁽²⁾	13.6 ⁽²⁾	5.9	3.9	4.4

⁽¹⁾Gross domestic product and GDP implicit price index.

⁽²⁾Average weekly earnings.

⁽³⁾Employing in manufacturing only.

SOURCE: OECD *Economic Surveys*, by country.

OECD *Economic Outlook*.

OECD *Main Economic Indicators*.

DBS *The National Accounts, Income and Expenditure*, Annual, Cat. 13-201.

Japan *Economic Statistics Monthly*.

REFERENCE TABLE 2
 NATIONAL INCOME AND GROSS NATIONAL PRODUCT
 1966 to 1968
 (Seasonally adjusted at annual rates)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)												
Wages, salaries, and supplementary labour income.....	29,661	32,389	28,548	29,308	29,964	30,824	31,512	32,140	32,772	33,132	33,776	34,740
Military pay and allowances.....	621	704	684	568	588	644	740	680	692	704	700	648
Corporation profits before taxes.....	5,145	5,020	5,380	5,236	4,824	5,140	4,796	4,900	5,148	5,236	5,232	5,596
Deduct: Dividends paid to non-residents ⁽¹⁾	-797	-755	-728	-768	-776	-916	-640	-808	-852	-720	-808	-960
Rent, interest, and miscellaneous investment income.....	3,844	4,339	3,708	3,844	3,832	3,992	4,012	4,360	4,444	4,540	4,572	4,692
Accrued net income of farm operators from farm production ⁽²⁾	2,204	1,698	2,184	2,244	2,252	2,136	1,996	1,856	1,488	1,452	1,812	1,548
Net income of non-farm unincorporated business ⁽³⁾	2,949	3,194	2,936	2,852	3,000	3,008	2,948	3,176	3,336	3,316	3,272	3,400
Inventory valuation adjustment.....	-321	-291	-488	-232	-340	-224	-292	-268	-228	-376	-292	-216
National Income	43,306	46,298	42,224	43,052	43,344	44,604	45,072	46,036	46,800	47,284	48,264	49,448
Indirect taxes less subsidies.....	7,950	8,705	7,860	7,912	8,180	7,848	8,792	8,688	8,624	8,716	9,240	9,280
Capital consumption allowances and miscellaneous valuation adjustments....	6,623	7,000	6,404	6,624	6,696	6,768	7,000	7,176	6,980	6,844	7,288	7,420
Residual error of estimate.....	-241	65	96	280	120	468	-28	172	-32	148	120	248
Gross National Product at Market Prices	58,120	62,068	56,584	57,868	58,340	59,688	60,836	62,072	62,372	62,992	64,912	66,396
(Gross national product at market prices excluding accrued net income of farm operators).....	(55,916)	(60,370)	(54,400)	(55,624)	(56,088)	(57,552)	(58,840)	(60,216)	(60,884)	(61,540)	(63,100)	(64,848)

⁽¹⁾Includes the withholding tax applicable to this item.

⁽²⁾Includes an arbitrary smoothing of crop production and seasonal adjustments for withdrawals of grain from farm stocks and the change in livestock items. Because of the arbitrary elements, too precise an interpretation should not be given the seasonally adjusted figures of accrued net income of farm operators.

⁽³⁾Includes net income of independent professional practitioners.

SOURCE: DBS *The National Accounts, Income and Expenditure*, Quarterly, Cat. 13-001.

REFERENCE TABLE 3
 CHANGES IN SELECTED COMPONENTS OF NATIONAL INCOME
 1966 to 1968
 (Seasonally adjusted)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Per cent change from previous period)												
Labour income.....	13.3	9.2	4.3	2.7	2.2	2.9	2.2	2.0	2.0	1.1	1.9	2.9
Total non-farm business income.....	0.2	1.5	1.2	-2.7	-3.3	4.1	-5.0	4.3	5.1	0.8	-0.6	5.8
Corporation profits before taxes.....	-1.0	-2.4	1.5	-2.7	-7.9	6.6	-6.7	2.2	5.1	1.7	-0.1	7.0
Net income of non-farm unincorporated business ⁽¹⁾	2.5	8.3	0.5	-2.9	5.2	0.3	-2.0	7.7	5.0	-0.6	-1.3	3.9
Investment income.....	8.7	12.9	-1.2	3.7	-0.3	4.2	0.5	8.7	1.9	2.2	0.7	2.6
Farm income.....	34.0	-23.0	25.5	2.7	0.4	-5.2	-6.6	-7.0	-19.8	-2.4	24.8	-14.6
National Income.....	11.3	6.9	4.5	2.0	0.7	2.9	1.0	2.1	1.7	1.0	2.1	2.5

⁽¹⁾Includes the withholding tax applicable to this item.

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 4
 LABOUR INCOME⁽¹⁾, EMPLOYMENT AND AVERAGE INCOME
 1966 and 1967
 Selected Industries

	Labour Income		Employment		Average Income per Employee	
	1966	1967	1966	1967	1966	1967
	(Per cent change from previous year)					
Mining.....	8.7	10.3	2.2	1.5	6.4	8.7
Manufacturing.....	11.4	6.1	5.4	0.2	5.7	5.9
Construction.....	24.8	4.0	6.5	-4.2	17.2	8.6
Transportation, communication and water utilities ⁽²⁾	8.2	12.6	3.1	2.7	4.9	9.6
Trade.....	11.1	9.7	5.4	2.6	5.4	6.9
Finance, insurance and real estate.....	8.5	8.5	3.8	6.4	4.5	2.0
Service.....	13.9	13.0	8.4	7.9	5.1	4.7
Total specified industries ⁽³⁾	12.3	8.9	5.7	2.7	6.2	6.0

⁽¹⁾Excludes supplementary labour income.

⁽²⁾Includes storage, electric power, gas and water utilities.

⁽³⁾Excludes agriculture, fishing and trapping, public administration and defence.

SOURCE: DBS *Estimates of Employees by Province and Industry*, Monthly, Cat. 72-008.
 DBS *Estimates of Labour Income*, Monthly, Cat. 72-005.

REFERENCE TABLE 5
CORPORATION PROFITS BEFORE TAXES, BY INDUSTRY
1966 to 1968
(Seasonally adjusted at annual rates)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)												
Mines, quarries and oil wells.....	570	566	604	624	556	496	560	512	580	612	644	628
Manufacturing industries:												
Food and beverage industries.....	366	370	396	360	360	348	304	348	420	408	448	424
Rubber industries.....	34	42	36	32	36	32	32	36	36	64	44	25
Textile industries.....	65	59	96	56	60	48	48	52	60	76	68	100
Wood industries.....	128	117	156	140	104	112	124	124	108	112	176	184
Paper and allied industries.....	188	147	172	220	164	196	172	156	136	124	172	188
Printing, publishing and allied industries.....	95	117	88	84	100	108	116	112	120	120	120	124
Primary metal industries.....												
Metal fabricating industries.....												
Machinery industries.....	700	724	792	720	620	668	664	720	728	784	716	880
Transportation equipment industries.....												
Electrical products industries.....	117	81	120	128	92	128	40	44	104	136	96	76
Non-metallic mineral products industries.....	89	53	92	88	104	72	64	48	56	44	68	104
Petroleum and coal products industries.....	164	173	148	180	156	172	172	164	172	184	152	164
Chemical and chemical products industries.....	231	206	260	232	232	200	212	216	188	208	208	248
Other manufacturing industries ⁽¹⁾	125	125	116	116	120	148	136	116	116	132	132	116
Total, manufacturing industries.....	2,302	2,214	2,472	2,356	2,148	2,232	2,084	2,136	2,244	2,392	2,400	2,636
Transportation.....												
Storage.....	553	437	508	560	476	668	444	460	412	432	348	424
Communication.....												
Electric power, gas and water utilities.....	94	117	92	92	92	100	140	92	120	116	136	100
Wholesale trade.....	419	398	480	408	376	412	380	396	400	416	444	432
Retail trade.....	297	316	332	276	288	292	264	316	388	296	340	312
Finance, insurance and real estate.....	643	639	616	640	632	684	652	648	732	724	684	820
Service industries.....	176	203	192	184	160	168	208	248	196	160	160	152
Other non-manufacturing ⁽²⁾	91	80	84	96	96	88	64	92	76	88	76	92
Total, all industries.....	5,145	5,020	5,330	5,236	4,824	5,140	4,796	4,900	5,148	5,236	5,232	5,596

⁽¹⁾Includes tobacco, leather and miscellaneous manufacturing industries.

⁽²⁾Includes agriculture, forestry, fishing and construction.

SOURCE: DBS Corporation Profits, Quarterly, Cat. 61-003.

REFERENCE TABLE 6
GROSS NATIONAL EXPENDITURE
1966 to 1968
(Seasonally adjusted at annual rates)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)												
Personal expenditure on consumer goods and services.....	34,848	37,714	33,956	34,116	35,332	35,988	36,444	37,388	38,192	38,832	39,832	40,252
Government expenditure on goods and services.....	11,286	12,377	10,656	10,964	11,632	11,892	11,860	12,672	12,288	12,688	13,092	13,380
Business gross fixed capital formation ⁽¹⁾	12,493	12,365	11,968	12,572	12,308	13,124	12,972	12,724	11,916	11,848	12,268	12,760
New residential construction.....	2,171	2,337	2,280	2,264	2,084	2,056	1,920	2,348	2,532	2,548	2,436	2,948
New non-residential construction.....	4,850	4,670	4,480	5,016	4,672	5,232	5,128	4,724	4,236	4,592	4,548	4,768
New machinery and equipment.....	5,472	5,358	5,208	5,292	5,552	5,836	5,924	5,652	5,148	4,708	5,284	5,044
Value of physical change in inventories—total ⁽²⁾	940	225	988	1,668	588	516	152	148	680	-80	148	12
Non-farm business inventories.....	777	189	792	1,392	564	360	176	208	684	-312	-12	60
Farm inventories and grain in commercial channels.....	163	36	196	276	24	156	-24	-60	-4	232	160	-48
Exports of goods and services.....	13,073	14,608	12,600	12,820	13,276	13,536	14,468	15,004	14,252	14,708	16,184	16,780
Imports of goods and services.....	-14,280	-15,157	-13,548	-13,996	-14,676	-14,900	-15,088	-15,692	-14,988	-14,860	-16,496	-16,544
Residual error of estimate.....	-240	-64	-96	-276	-120	-468	28	-172	32	-144	-116	-244
Gross National Expenditure at Market Prices.....	58,120	62,068	56,584	57,868	58,340	59,688	60,836	62,072	62,372	62,992	64,912	66,396

⁽¹⁾Includes private businesses and institutions, and publicly owned business enterprises.

⁽²⁾The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment.

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 7
 CHANGES IN SELECTED COMPONENTS OF GROSS NATIONAL EXPENDITURE
 1966 to 1968
 (Seasonally adjusted)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Per cent change from previous period)												
Personal expenditure on consumer goods and services	8.7	8.2	2.0	0.5	3.6	1.9	1.3	2.6	2.2	1.7	2.6	1.1
Government expenditure on consumer goods and services.....	17.4	9.7	6.3	2.9	6.1	2.2	-0.3	6.8	-3.0	3.3	3.2	2.2
Business gross fixed capital formation ⁽¹⁾	17.3	-1.0	3.3	5.0	-2.1	6.6	-1.2	-1.9	-6.4	-0.6	3.5	4.0
New residential construction.....	2.2	7.6	5.4	-0.7	-8.0	-1.4	-6.6	22.3	7.8	0.6	-4.4	21.0
New non-residential construction.....	20.5	-3.7	1.7	12.0	-6.9	12.0	-2.0	-7.9	-10.3	8.4	-1.0	4.8
New machinery and equipment.....	21.5	-2.1	3.8	1.6	4.9	5.1	1.5	-4.6	-8.9	-8.5	12.2	-4.5
Exports of goods and services.....	16.0	11.7	6.0	1.3	3.6	2.0	6.9	3.7	-5.0	3.2	10.0	3.7
Imports of goods and services.....	15.2	6.1	2.2	3.3	4.9	1.5	1.3	4.0	-4.5	-0.9	11.0	0.3
Gross National Expenditure.....	11.3	6.8	4.5	2.3	0.8	2.3	1.9	2.0	0.5	1.0	3.0	2.3

⁽¹⁾See footnote (1) reference table 6.

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 8
GROSS NATIONAL EXPENDITURE IN CONSTANT (1957) DOLLARS
1966 to 1968
(Seasonally adjusted at annual rates)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)												
Personal expenditure on consumer goods and services.....	29,902	31,327	29,508	29,296	30,256	30,548	30,788	31,224	31,508	31,788	32,292	32,304
Government expenditure on goods and services.....	8,335	8,606	7,948	8,192	8,548	8,652	8,312	8,932	8,460	8,720	8,812	8,980
Business gross fixed capital formation ⁽¹⁾	9,633	9,318	9,376	9,732	9,444	9,980	9,748	9,636	9,036	8,852	9,128	9,336
New residential construction.....	1,585	1,591	1,704	1,672	1,508	1,456	1,348	1,608	1,720	1,688	1,596	1,896
New non-residential construction.....	3,656	3,350	3,452	3,804	3,500	3,868	3,732	3,400	3,024	3,244	3,184	3,280
New machinery and equipment.....	4,392	4,377	4,220	4,256	4,436	4,656	4,668	4,628	4,292	3,920	4,348	4,160
Value of physical change in inventories—total ⁽²⁾	891	174	1,000	1,568	532	464	116	100	556	-76	188	64
Non-farm business inventories.....	726	162	784	1,284	500	336	160	180	572	-264	-4	76
Farm inventories and grain in commercial channels.....	165	12	216	284	32	128	-44	-80	-16	188	192	-12
Exports of goods and services.....	11,345	12,467	11,152	11,212	11,380	11,636	12,396	12,796	12,148	12,528	13,624	14,112
Imports of goods and services.....	-12,240	-12,834	-11,716	-12,044	-12,544	-12,656	-12,832	-13,296	-12,720	-12,488	-13,668	-13,660
Residual error of estimate.....	-196	-51	-80	-228	-96	-380	24	-140	24	-112	-88	-188
Gross National Expenditure in Constant (1957) Dollars.....	47,670	49,007	47,188	47,728	47,520	48,244	48,552	49,252	49,012	49,212	50,288	50,948

(1), (2) See footnotes (1) and (2) reference table 6.

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 9
 CHANGES IN SELECTED COMPONENTS OF GROSS NATIONAL EXPENDITURE
 IN CONSTANT (1957) DOLLARS

1966 to 1968
 (Seasonally adjusted)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous period)											
Personal expenditure on consumer goods and services	5.1	4.8	0.8	-0.7	3.3	1.0	0.8	1.4	0.9	0.9	1.6	—
Government expenditure on consumer goods and services.....	10.8	3.3	3.6	3.1	4.3	1.2	-3.9	7.5	-5.3	3.1	1.1	1.9
Business gross fixed capital formation ⁽¹⁾	12.9	-3.3	2.0	3.8	-3.0	-5.7	-2.3	-1.1	-6.2	-2.0	3.1	2.3
New residential construction.....	-3.5	0.4	3.6	-1.9	-9.8	-3.4	-7.4	19.3	7.0	-1.9	-5.5	18.8
New non-residential construction.....	14.4	-8.4	0.5	10.2	-8.0	10.5	-3.5	-8.9	-11.1	7.3	-1.9	3.0
New machinery and equipment.....	19.0	-0.3	2.7	0.9	4.2	5.0	0.3	-0.9	-7.3	-8.7	10.9	-4.3
Exports of goods and services.....	12.3	9.9	5.2	0.5	1.5	2.2	6.5	3.2	-5.1	3.1	8.7	3.6
Imports of goods and services.....	12.9	4.9	1.9	2.8	4.2	0.9	1.4	3.6	-4.3	-1.8	9.4	-0.1
Gross National Expenditure.....	6.5	2.8	3.0	1.1	-0.4	1.5	0.6	1.4	-0.5	0.4	2.2	1.3

⁽¹⁾See footnote ⁽¹⁾ reference table 6.

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 10
PRIVATE AND PUBLIC CAPITAL EXPENDITURE
1963 to 1968

	1963	1964	1965	1966	1967	1968
	(Millions of dollars)					
Agriculture and fishing.....	762	836	926	1,043	1,073	1,042
Forestry.....	60	88	96	92	89	92
Mining, quarrying and oil wells.....	521	632	735	1,030	1,005	1,007
Manufacturing.....	1,358	1,831	2,340	2,914	2,516	2,455
Utilities and transportation.....	1,771	2,059	2,423	2,926	3,083	3,314
Construction industry.....	135	197	263	249	253	252
Trade, finance and commercial services.....	918	1,042	1,269	1,527	1,417	1,444
Institutions.....	873	771	1,012	1,204	1,371	1,576
Housing.....	1,713	2,028	2,133	2,181	2,352	2,661
Government departments.....	1,282	1,460	1,668	1,924	2,015	2,195
Total Capital Expenditure.....	9,393	10,944	12,865	15,090	15,174	16,038
Total Capital Expenditure as a percentage of Gross National Expenditure.....	21.6	23.1	24.6	26.0	24.4	24.0 ⁽¹⁾

⁽¹⁾ Estimated by Department of Finance.

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada, Outlook, Annual, and Mid-year Review 1968, Cat. 61-205.*

REFERENCE TABLE 11
PRIVATE AND PUBLIC CAPITAL EXPENDITURE
RECONCILIATION WITH NATIONAL ACCOUNTS INVESTMENT
1963 to 1967

	1963	1964	1965	1966	1967
	(Millions of dollars)				
Private and public capital expenditure— reference table 10.....	9,393	10,944	12,865	15,090	15,174
Deduct:					
New residential construction by governments	6	7	9	10	15
New non-residential construction by governments.....	1,609	1,618	1,958	2,252	2,464
New machinery and equipment outlays by governments.....	187	216	247	335	330
Business gross fixed capital formation— National Accounts definition, reference table 6	7,591	9,103	10,651	12,493	12,365

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada, DBS The National Accounts.*

REFERENCE TABLE 12
INVESTMENT AS A PER CENT OF GROSS NATIONAL EXPENDITURE
1963 to 1967

	Total Private and Public Investment	Housing and Social Capital ⁽¹⁾	Business Investment Private and Public ⁽²⁾
1963.....	21.6	9.1	12.6
1964.....	23.1	9.1	14.0
1965.....	24.6	9.4	15.2
1966.....	26.0	9.3	16.6
1967.....	24.4	9.4	15.0

NOTE: Figures may not cross-add due to rounding.

⁽¹⁾ Includes housing, outlays by government departments, institutions and municipal waterworks.

⁽²⁾ Includes government business enterprises.

SOURCE: DBS and Department of Trade and Commerce *Private and Public Investment in Canada, DBS The National Accounts.*

REFERENCE TABLE 13
 CHANGES IN NON-FARM BUSINESS INVENTORIES
 1966 to 1968
 (Seasonally adjusted at annual rates)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
			(Millions of dollars)									
Manufacturing.....	496	36	508	500	420	556	36	212	144	-248	-132	-344
Durables.....	333	-50	468	348	200	316	44	72	-140	-176	-120	-72
Non-durables.....	163	86	40	152	220	240	-8	140	284	-72	-12	-272
Wholesale trade.....	125	81	-68	416	76	76	132	56	96	40	24	-64
Retail trade.....	153	33	284	412	76	-160	60	-188	260	-	284	324
Other industries.....	3	39	68	64	-8	-112	-52	128	184	-104	-188	144
Total.....	777	189	792	1,392	564	360	176	208	684	-312	-12	60

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 14
 CHANGES IN MANUFACTURERS' INVENTORIES, SHIPMENTS AND ORDERS
 1966 to 1968
 (Seasonally adjusted)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Per cent change from previous period)												
Inventories held:												
Raw materials.....	9.6	3.2	2.6	1.6	2.6	1.3	-0.4	0.2	1.8	-0.3	-0.3	-1.3
Goods in process.....	16.2	9.1	4.6	3.3	4.5	2.5	1.5	1.5	4.2	-2.8	-1.9	0.6
Finished products.....	9.7	10.1	1.9	3.8	3.0	3.3	2.3	2.4	1.9	-0.6	-1.1	—
Inventories owned.....	11.7	6.0	3.1	2.7	3.1	2.2	0.3	1.2	2.1	-0.7	-1.1	-0.6
Shipments.....	9.4	2.1	2.8	0.2	1.0	2.0	-2.0	0.9	2.5	0.2	-0.2	3.4
Unfilled orders.....	18.1	6.4	4.0	4.7	3.3	2.6	2.2	-1.9	1.8	-0.2	-1.8	-1.3

SOURCE: DBS *Inventories, Shipments and Orders in Manufacturing Industries*, Monthly, Cat. 31-001.

REFERENCE TABLE 15
 CHANGES IN PERSONAL EXPENDITURE
 1966 to 1968
 (Seasonally adjusted)

	1966	1967	1966				1967				1968	
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Per cent change from previous period)												
Total consumer expenditure.....	8.7	8.2	2.0	0.5	3.6	1.9	1.3	2.6	2.2	1.7	2.6	1.1
Durables.....	4.2	4.7	2.2	-10.4	12.5	-0.9	-3.1	6.6	3.1	-3.8	5.5	0.3
Non-durables.....	9.7	9.2	1.5	2.5	2.3	2.3	1.4	3.5	2.5	0.6	2.3	0.8
Services.....	8.9	8.1	2.5	1.5	2.6	2.1	2.4	0.4	1.5	4.8	2.1	1.6
(Total non-durables and services).....	(9.3)	(8.7)	(2.0)	(2.0)	(2.4)	(2.2)	(1.9)	(2.1)	(2.0)	(2.4)	(2.2)	(1.1)

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 16
INTERNATIONAL PAYMENTS: CURRENT ACCOUNT
1963 to 1968

(Seasonally adjusted at annual rates)

	1963	1964	1965	1966	1967	1966				1967				1968	
						1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
						(Millions of dollars)									
Current Receipts:															
Merchandise exports (adjusted).....	7,082	8,238	8,745	10,326	11,387	9,816	9,940	10,640	10,908	11,448	11,504	10,712	11,884	13,188	13,524
Gold available for export.....	154	145	138	127	112	132	120	128	128	124	116	104	104	124	120
Travel expenditures.....	609	662	747	840	1,304	840	840	836	844	952	1,484	1,744	1,036	912	1,080
Interest and dividends.....	230	332	322	318	294	320	356	280	316	320	236	312	308	308	352
Freight and shipping.....	563	644	668	758	845	716	728	792	796	832	848	832	868	916	928
Inheritances and immigrant's funds.....	151	169	216	268	337	232	260	284	296	320	348	352	328	304	368
Other current receipts..	500	557	645	759	806	728	752	780	776	844	776	808	796	736	776
Total Current Receipts	9,289	10,747	11,481	13,396	15,085	12,784	12,996	13,740	14,064	14,840	15,312	14,864	15,324	16,488	17,148
Current Payments:															
Merchandise imports (adjusted).....	6,579	7,537	8,627	10,102	10,906	9,516	9,856	10,304	10,732	10,760	11,188	10,964	10,712	11,920	11,816
Travel expenditures.....	585	712	796	900	877	876	892	944	888	936	848	820	904	940	904
Interest and dividends.....	860	1,010	1,086	1,140	1,190	1,056	1,104	1,100	1,300	1,064	1,188	1,276	1,232	1,256	1,368
Freight and shipping.....	648	679	761	823	884	800	816	836	840	888	888	868	892	952	936
Inheritances and immigrant's funds.....	185	201	211	198	213	180	192	208	212	208	208	224	212	204	212
Official contributions.....	65	69	93	166	181	127	127	127	127	127	127	127	127	127	127
Other current payments	888	963	1,037	1,229	1,377	1,276	1,276	1,528	1,500	1,520	1,736	1,452	1,524	1,428	1,520
Total Current Payments	9,810	11,171	12,611	14,558	15,628	13,704	14,136	14,920	15,472	15,376	16,056	15,604	15,476	16,700	16,756
Balance on merchandise trade.....	+503	+701	+118	+224	+481	+300	+84	+336	+176	+688	+316	-252	+1,172	+1,268	+1,708
Balance on other transactions.....	-1,024	-1,125	-1,248	-1,386	-1,024	-1,220	-1,224	-1,516	-1,584	-1,224	-1,060	-488	-1,324	-1,480	-1,316
Current Account Balance	-521	-424	-1,130	-1,162	-543	-920	-1,140	-1,180	-1,408	-536	-744	-740	-152	-212	+392

SOURCE: DBS Quarterly Estimates of the Canadian Balance of International Payments, Quarterly, Cat. 67-001.

REFERENCE TABLE 17
BALANCE ON TRAVEL ACCOUNT
1965 to 1968

	1965	1966	1967	1966				1967				1968	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)													
United States:													
Receipts.....	660	730	1,158	64	155	403	108	71	302	637	148	68	205
Payments.....	548	628	609	141	172	212	103	153	166	184	106	157	173
Balance.....	+112	+102	+549	-77	-17	+191	+5	-82	+136	+453	+42	-89	+32
Rest of World:													
Receipts.....	87	110	146	10	28	52	20	11	44	71	20	11	30
Payments.....	248	272	268	50	67	103	52	56	64	94	54	52	70
Balance.....	-161	-162	-122	-40	-39	-51	-32	-45	-20	-23	-34	-41	-40
All Countries:													
Receipts.....	747	840	1,304	74	183	455	128	82	346	708	168	79	235
Payments.....	796	900	877	191	239	315	155	209	230	278	160	209	243
Balance.....	-49	-60	+427	-117	-56	+140	-27	-127	+116	+430	+8	-130	-8

SOURCE: DBS Quarterly Estimates of the Canadian Balance of International Payments.

REFERENCE TABLE 18
GEOGRAPHICAL DISTRIBUTION OF MERCHANDISE AND NON-MERCHANDISE TRANSACTIONS
1966 and 1967

	United States		United Kingdom		Other Countries		All Countries	
	1966	1967	1966	1967	1966	1967	1966	1967
	(Millions of dollars)							
Merchandise exports (adjusted).....	6,249	7,325	1,133	1,199	2,944	2,863	10,326	11,387
Merchandise imports (adjusted).....	7,242	7,980	664	651	2,196	2,275	10,102	10,906
Trade balance.....	-993	-655	+469	+548	+748	+588	+224	+481
Non-merchandise receipts.....	2,052	2,501	386	395	632	802	3,070	3,698
Non-merchandise payments.....	3,089	3,225	430	459	937	1,038	4,456	4,722
Non-merchandise balance.....	-1,037	-724	-44	-64	-305	-236	-1,386	-1,024
Total current receipts.....	8,301	9,826	1,519	1,594	3,576	3,665	13,396	15,085
Total current payments.....	10,331	11,205	1,094	1,110	3,133	3,313	14,558	15,628
Current account balance.....	-2,030	-1,379	+425	+484	+443	+352	-1,162	-543

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 19
LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT, CANADA
1963 to 1968

	1963	1964	1965	1966	1967	1968 ⁽¹⁾	1963	1964	1965	1966	1967	1968 ⁽²⁾
	(Thousands of persons)						(Per cent change from previous period)					
Total labour force.....	6,748	6,933	7,141	7,420	7,694	7,868	2.0	2.7	3.0	3.9	3.7	2.5
Agriculture.....	662	641	602	551	566	555	-1.9	-3.2	-6.1	-8.5	2.7	-1.4
Non-agriculture.....	6,086	6,292	6,540	6,869	7,129	7,313	2.5	3.4	3.9	5.0	3.8	2.8
Men.....	4,879	4,961	5,065	5,193	5,329	5,424	1.2	1.7	2.1	2.5	2.6	2.0
Women.....	1,870	1,972	2,076	2,227	2,365	2,444	4.1	5.5	5.3	7.3	6.2	4.0
Age 14-19.....	672	700	738	778	816	838	3.7	4.2	5.4	5.4	4.9	2.6
Total employed.....	6,375	6,609	6,862	7,152	7,379	7,484	2.4	3.7	3.8	4.2	3.2	1.6
Agriculture.....	649	630	594	544	559	542	-1.7	-2.9	-5.7	-8.4	2.8	-1.3
Non-agriculture.....	5,726	5,979	6,268	6,609	6,820	6,936	2.9	4.4	4.8	5.4	3.2	1.8
Men.....	4,567	4,698	4,842	4,983	5,083	5,123	1.8	2.9	3.1	2.9	2.0	0.8
Women.....	1,808	1,911	2,020	2,169	2,296	2,359	4.1	5.7	5.7	7.4	5.9	3.4
Age 14-19.....	596	628	673	714	740	745	4.0	5.4	7.2	6.1	3.6	0.5
Total unemployed.....	374	324	280	267	315	384	-4.1	-13.4	-13.6	-4.6	18.0	25.1
Unemployment rate.....	5.5	4.7	3.9	3.6	4.1	4.9	—	—	—	—	—	—

⁽¹⁾ Average of the first eight months of 1968. Small differences in totals may arise due to the seasonal adjustment process.

⁽²⁾ Per cent change is based on the first eight months of 1968 compared to the first eight months of 1967.

SOURCE: DBS *The Labour Force*, Monthly, Cat. 71-001.

REFERENCE TABLE 20
 LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT BY REGION
 1965 to 1968

	1965	1966	1967	1968 ⁽¹⁾	1966	1967	1968 ⁽²⁾
	(Thousands of persons)				(Per cent change from previous period)		
ATLANTIC REGION							
Labour force:							
Total.....	611	626	635	643	2.5	1.4	2.1
Non-agricultural.....	577	593	605	—	2.8	2.0	—
Employed:							
Total.....	566	586	593	595	3.5	1.2	1.2
Non-agricultural.....	533	554	564	568	3.9	1.8	1.4
Unemployed.....	45	40	42	48	-11.1	5.0	14.3
Unemployment rate (per cent).....	7.4	6.4	6.6	7.5	—	—	—
QUEBEC							
Labour force:							
Total.....	2,022	2,116	2,196	2,214	4.6	3.8	0.8
Non-agricultural.....	1,903	2,007	2,080	—	5.5	3.6	—
Employed:							
Total.....	1,912	2,016	2,080	2,071	5.4	3.2	-0.6
Non-agricultural.....	1,796	1,910	1,966	1,952	6.3	2.9	-1.0
Unemployed.....	110	100	116	143	-9.1	16.0	26.5
Unemployment rate (per cent).....	5.4	4.7	5.3	6.5	—	—	—
ONTARIO:							
Labour force:							
Total.....	2,614	2,719	2,834	2,909	4.0	4.2	2.9
Non-agricultural.....	2,461	2,577	2,685	—	4.7	4.2	—
Employed:							
Total.....	2,548	2,651	2,745	2,803	4.0	3.5	2.4
Non-agricultural.....	2,397	2,510	2,598	2,664	4.7	3.5	2.7
Unemployed.....	66	69	89	107	4.5	29.0	21.6
Unemployment rate (per cent).....	2.5	2.5	3.1	3.7	—	—	—
PRAIRIE REGION:							
Labour force:							
Total.....	1,228	1,248	1,268	1,311	1.6	1.6	3.3
Non-agricultural.....	955	1,007	1,023	—	5.4	1.6	—
Employed:							
Total.....	1,196	1,222	1,238	1,269	2.2	1.3	2.3
Non-agricultural.....	925	982	995	1,036	6.2	1.3	4.0
Unemployed.....	32	26	30	41	-18.8	15.4	46.4
Unemployment rate (per cent).....	2.6	2.1	2.4	3.1	—	—	—
BRITISH COLUMBIA:							
Labour force:							
Total.....	666	710	762	791	6.6	7.3	5.2
Non-agricultural.....	644	684	736	—	6.2	7.6	—
Employed:							
Total.....	639	678	723	742	6.1	6.6	3.9
Non-agricultural.....	617	652	698	716	5.7	7.1	3.9
Unemployed.....	27	32	39	48	18.5	21.9	26.3
Unemployment rate (per cent).....	4.1	4.5	5.1	6.1	—	—	—

⁽¹⁾ Average of the first eight months of 1968. Small differences in totals may arise due to the seasonal adjustment process.

⁽²⁾ Per cent change is based on the first eight months of 1968 compared to the first eight months of 1967.

SOURCE: DBS *The Labour Force*.

REFERENCE TABLE 21
ANNUAL CHANGES IN REAL DOMESTIC PRODUCT
1963 to 1967

	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Real domestic product.....	5.1	6.4	6.9	6.0	2.7
Agriculture.....	12.0	-9.9	4.9	13.3	-14.2
Real domestic product less agriculture.....	4.6	7.4	7.0	5.6	3.6
Mines.....	5.5	12.9	5.4	3.7	6.4
Manufacturing.....	6.8	9.5	9.1	7.2	0.3
Non-durables.....	5.0	7.5	6.2	5.8	1.3
Durables.....	8.6	11.8	12.1	8.8	-0.7
Construction.....	1.2	10.9	13.9	6.0	0.5
Transportation, storage and communication.....	6.7	8.2	5.8	7.2	5.8
Trade.....	3.8	5.8	7.2	4.4	4.2
Finance, insurance and real estate.....	3.9	4.4	3.8	2.7	4.4
Services.....	4.2	6.6	7.4	5.4	4.8
Commercial industries less agriculture.....	5.2	7.9	7.3	6.0	3.1

SOURCE: DBS *Indexes of Real Domestic Product by Industry (1961 Base)*, Occasional, Cat. 61-506.
DBS *Index of Industrial Production (1961 = 100)*, Monthly, Cat. 61-005.

REFERENCE TABLE 22
 QUARTERLY CHANGES IN REAL DOMESTIC PRODUCT
 1965 to 1968
 (Seasonally adjusted)

	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per-cent change from previous quarter)													
Real domestic product less agriculture.....	2.1	1.2	2.2	2.2	1.9	0.3	0.3	1.3	0.6	1.7	0.6	0.6	0.6	1.5
Mines.....	3.9	-2.4	3.3	1.6	2.2	-0.1	-3.5	4.9	1.4	2.6	0.8	3.2	-0.3	2.4
Manufacturing.....	2.6	1.8	3.0	3.0	2.3	0.4	0.3	0.7	-1.1	0.5	0.4	1.1	-0.3	3.2
Non-durables.....	0.8	0.9	2.5	2.3	2.0	0.6	-0.5	1.0	-0.2	1.0	-0.1	1.1	2.2	1.3
Durables.....	4.6	2.7	3.5	3.7	2.7	0.1	1.0	0.4	-2.0	-0.1	1.0	1.0	-2.7	5.2
Construction.....	5.5	-1.4	3.3	2.6	6.5	-0.9	-4.2	-0.8	1.0	3.1	2.0	-3.1	1.5	6.1
Transportation, storage and communication.....	0.8	0.7	3.2	4.3	-0.2	2.3	—	2.5	2.3	1.1	0.6	0.8	2.1	-1.5
Trade.....	2.3	3.3	1.2	1.8	2.3	-2.9	2.8	1.7	-0.7	4.0	-0.5	1.0	-0.7	0.6
Finance, insurance and real estate.....	1.1	1.1	0.7	0.5	0.6	0.6	1.1	0.7	1.2	1.5	1.2	0.9	0.7	1.2
Services.....	1.8	2.0	1.6	1.3	1.2	1.4	0.9	1.3	1.3	1.6	0.9	0.3	0.6	0.6
Commercial industries less agriculture.....	2.2	1.3	2.3	2.5	2.0	0.2	0.1	1.3	0.5	1.6	0.5	0.6	0.5	1.7

SOURCE: DBS Indexes of Real Domestic Product by Industry (1961 Base).
 DBS Index of Industrial Production (1961=100).

REFERENCE TABLE 23
ANNUAL CHANGES IN EMPLOYMENT BY INDUSTRY
1963 to 1967

	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Agriculture ⁽¹⁾	-1.7	-2.9	-5.7	-8.4	2.8
Mines.....	-1.7	1.2	6.3	2.2	1.5
Manufacturing.....	2.9	4.9	4.9	5.4	0.2
Non-durables.....	1.4	3.6	2.6	4.0	0.3
Durables.....	4.8	6.4	7.5	6.9	0.1
Construction.....	0.3	5.6	10.4	6.5	-4.2
Transportation, storage and communication.....	0.9	3.0	2.9	3.1	2.7
Trade.....	3.1	4.0	5.2	5.4	2.6
Finance, insurance and real estate.....	5.3	5.2	3.7	3.8	6.4
Services.....	5.9	6.8	7.5	8.4	7.9
Commercial industries less agriculture.....	2.5	4.7	5.5	5.4	1.8

⁽¹⁾ Taken from DBS *The Labour Force*.

SOURCE: DBS *Estimates of Employees by Province and Industry*.

REFERENCE TABLE 24
 QUARTERLY CHANGES IN EMPLOYMENT BY INDUSTRY
 1965 to 1968
 (Seasonally adjusted)

	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^p
	(Per cent change from previous quarter)													
Mines.....	3.1	1.5	1.9	1.3	1.2	-0.4	-3.2	2.8	0.9	-0.8	1.1	0.8	1.3	-0.8
Manufacturing.....	1.2	1.2	1.4	1.8	1.8	1.1	0.3	0.9	0.1	-1.0	-0.1	-0.4	-0.8	1.3
Non-durables.....	—	0.6	1.7	1.0	1.5	0.7	0.2	0.7	0.1	-0.4	-0.6	—	0.5	1.6
Durables.....	2.4	1.7	1.2	2.8	2.0	1.5	0.6	1.1	-0.1	-1.8	0.6	-0.8	-2.2	0.9
Construction.....	3.2	1.1	3.4	4.4	2.6	-0.6	-1.9	1.1	0.3	-5.0	-0.6	0.1	0.3	2.1
Transportation, storage and communication.....	1.0	-0.1	0.6	0.9	0.8	0.9	0.8	1.0	1.7	0.1	-0.9	0.1	0.8	-1.6
Trade.....	1.4	1.4	1.3	1.2	2.3	0.9	0.3	1.1	0.5	0.5	0.5	0.9	1.1	2.0
Finance, insurance and real estate..	0.6	0.8	0.8	0.9	1.0	1.3	0.8	0.7	2.2	2.5	1.5	1.0	1.1	3.1
Services.....	1.6	1.4	2.5	2.4	2.1	1.8	1.9	1.5	1.6	2.7	2.4	1.1	1.4	2.3
Commercial industries less agriculture.....	1.5	1.1	1.6	1.8	1.8	1.1	0.1	1.2	0.8	-0.4	-0.2	0.4	0.5	1.4

^p=preliminary

SOURCE: DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by the Department of Finance).

REFERENCE TABLE 25
ANNUAL CHANGES IN OUTPUT PER EMPLOYEE
1963 to 1967

	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Agriculture.....	13.9	-7.2	11.2	23.7	-16.5
Mines.....	7.3	11.6	-0.8	1.5	4.8
Manufacturing.....	3.8	4.4	4.0	1.7	0.1
Non-durables.....	3.6	3.8	3.5	1.7	1.0
Durables.....	3.6	5.1	4.3	1.8	-0.8
Construction.....	0.9	5.0	3.2	-0.5	4.9
Transportation, storage and communication.....	5.7	5.0	2.8	4.0	3.0
Trade.....	0.7	1.7	1.9	-0.9	1.6
Finance, insurance and real estate.....	-1.3	-0.8	0.1	-1.1	-1.9
Services.....	-1.6	-0.2	-0.1	-2.8	-2.9
Commercial industries less agriculture.....	2.6	3.1	1.7	0.6	1.3

SOURCE: Reference tables 21 and 23.

REFERENCE TABLE 26
 QUARTERLY CHANGES IN OUTPUT PER EMPLOYEE
 1965 to 1968
 (Seasonally adjusted)

	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^p
	(Per cent change from previous quarter)													
Mines.....	0.8	-3.9	1.4	0.3	0.1	0.3	-0.3	2.0	0.5	3.4	-0.3	2.4	-1.6	3.2
Manufacturing.....	1.4	0.6	1.6	1.2	0.5	-0.7	—	-0.2	-1.2	1.5	0.5	1.5	0.5	1.9
Non-durables.....	0.8	0.3	0.8	1.3	0.5	-0.1	-0.7	0.3	-0.3	1.4	0.5	1.1	1.7	-0.3
Durables.....	2.1	1.0	2.3	0.9	0.7	-1.4	0.4	-0.7	-1.9	1.7	0.4	1.8	-0.5	4.3
Construction.....	2.2	-2.5	-0.1	-1.7	3.8	-0.3	-2.3	-1.9	0.7	8.5	2.6	-3.2	1.2	3.9
Transportation, storage and communication.....	-0.2	0.8	2.6	3.4	-1.0	1.4	-0.8	1.5	0.6	1.0	1.5	0.7	1.3	0.1
Trade.....	0.9	1.9	-0.1	0.6	—	-3.8	2.5	0.6	-1.2	3.5	-1.0	0.1	-1.8	-1.4
Finance, insurance and real estate..	0.5	0.3	-0.1	-0.4	-0.4	-0.7	0.3	—	-1.0	-1.0	-0.3	-0.1	-0.4	-1.8
Services.....	0.2	0.6	0.9	-1.1	-0.9	-0.4	-1.0	-0.2	-0.3	-1.1	-1.5	-0.8	-0.8	-1.7
Commercial industries less agriculture.....	0.7	0.2	0.7	0.7	0.2	-0.9	—	0.1	-0.3	2.0	0.7	0.2	—	0.3

^p=preliminary

Source: Reference tables 22 and 24.

REFERENCE TABLE 27
ANNUAL CHANGES IN EARNINGS AND OUTPUT
1963 to 1967

	1963	1964	1965	1966	1967
	(Per cent change from previous year)				
Wages and salaries per worker					
Non-farm	3.7	3.4	5.7	6.3	6.2
Manufacturing	3.1	3.8	5.1	5.7	5.9
Output per worker					
Non-farm	1.7	2.0	1.5	—	0.6
Manufacturing	3.8	4.4	4.0	1.7	0.1
Wages and salaries per unit of output					
Non-farm	2.0	1.4	4.1	6.3	5.6
Manufacturing	-0.7	-0.6	1.1	3.9	5.8
Corporate profits per unit of output					
Non-farm	4.9	7.2	0.7	-6.3	-5.8
Manufacturing	5.4	-0.7	-2.2	-9.4	-4.1

SOURCE: DBS *Estimates of Labour Income*.
 DBS *Estimates of Employees by Province and Industry*.
 DBS *Indexes of Real Domestic Product by Industry (1961 Base)*.
 DBS *Index of Industrial Production (1961 = 100)*.
 DBS *Corporation Profits*.

REFERENCE TABLE 28
 QUARTERLY CHANGES IN EARNINGS AND OUTPUT
 1965 to 1968
 (Seasonally adjusted)

	1965				1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q ^P
	(Per cent change from previous quarter)													
Wages and salaries per worker														
Non-farm.....	2.2	1.4	1.4	1.6	2.0	1.0	1.6	1.7	1.5	1.7	1.3	0.7	1.6	1.5
Manufacturing.....	2.3	1.2	0.9	2.4	1.3	0.6	2.2	1.0	0.6	2.3	2.3	0.7	1.5	1.6
Output per worker														
Non-farm.....	0.7	0.1	0.6	-0.5	0.3	-1.0	-0.3	0.1	-0.4	1.5	—	0.2	0.1	0.1
Manufacturing.....	1.4	0.6	1.6	1.2	0.5	-0.7	—	-0.2	-1.2	1.5	0.5	1.5	0.5	1.9
Wages and salaries per unit of output														
Non-farm.....	1.5	1.3	0.8	1.1	1.7	2.0	1.9	1.6	1.9	0.2	1.3	0.5	1.5	1.4
Manufacturing.....	0.9	0.6	-0.7	1.2	0.8	1.3	2.2	1.2	1.8	0.8	1.8	-0.8	1.0	-0.3
Corporate profits per unit of output														
Non-farm.....	-2.3	0.2	2.3	-3.0	-0.2	-3.1	-8.2	5.2	-7.2	—	—	—	—	—
Manufacturing.....	9.4	-1.5	0.1	-5.9	2.7	-5.1	-9.1	3.2	-5.6	0.3	4.6	1.0	-0.6	5.3
										2.0	4.7	5.4	0.6	6.4

^P = preliminary

SOURCE: DBS *Estimates of Labour Income*.

DBS *Estimates of Employees by Province and Industry* (Seasonally adjusted by Department of Finance).

DBS *Indexes of Real Domestic Product by Industry (1961 Base)*.

DBS *Index of Industrial Production (1961 = 100)*.

DBS *Corporation Profits*.

REFERENCE TABLE 29
GROSS NATIONAL EXPENDITURE PRICE INDEXES
 (Seasonally adjusted base weighted price indexes)
 1966 to 1968

	1966		1967				1968	
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Per cent change from previous quarter)							
Personal expenditure.....	0.6	0.9	0.4	1.3	1.3	0.7	1.2	1.0
Non-durable goods.....	0.5	0.5	-0.1	0.8	1.2	0.4	1.8	0.8
Durable goods.....	-0.3	1.2	-0.2	1.4	1.0	1.1	-0.4	0.5
Total goods.....	0.4	0.6	—	0.8	1.2	0.5	1.3	0.8
Food.....	0.7	-0.2	-0.9	-0.6	2.0	0.8	1.4	-0.1
Non-food.....	0.2	1.1	0.4	1.6	0.7	0.4	1.3	1.1
Non-food non-durables.....	0.4	1.1	0.6	1.8	0.6	—	2.1	1.5
Services, excluding net expenditures abroad.....	1.0	1.2	1.3	2.1	1.5	0.8	0.9	1.3
Government expenditure ⁽¹⁾	1.7	1.6	2.9	-0.2	1.8	0.6	0.3	1.2
Business gross fixed capital formation.....	1.2	1.0	1.2	-0.8	-0.2	1.0	1.1	1.0
Residential construction.....	2.1	2.2	0.9	2.1	1.0	2.5	1.3	1.8
Non-residential construction.....	1.4	1.3	1.5	1.2	0.7	1.1	0.9	1.7
Machinery and equipment.....	0.8	0.2	1.0	-3.8	-1.6	0.1	1.2	-0.2
Exports.....	1.6	0.6	0.4	—	0.1	0.6	1.2	0.5
Merchandise.....	1.6	0.4	0.2	-0.4	-0.3	0.4	1.2	0.1
Imports ⁽¹⁾	0.5	0.9	0.2	0.3	0.3	0.8	1.4	0.4
Gross National Expenditure (excluding inventories).....	1.2	1.0	1.3	0.5	1.0	0.7	0.9	1.0
G.N.E. (implicit price).....	1.3	0.7	1.3	0.6	1.0	0.5	0.9	0.9

⁽¹⁾Quarter-to-quarter changes in this component are not necessarily analytically significant owing to the incomplete price data.
 Source: DBS *The National Accounts*.

REFERENCE TABLE 30
CONSUMER PRICE INDEX
1963 to 1968
(1949 = 100)

	1963	1964	1965	1966	1967	August 1968
All items	133.0	135.4	138.7	143.9	149.0	156.0
Food.....	130.3	132.4	135.9	144.5	146.5	157.4
Housing.....	136.2	138.4	140.9	144.7	151.0	158.4
Clothing.....	116.3	119.2	121.4	126.0	132.3	135.7
Transportation.....	140.4	142.0	147.3	150.3	157.2	161.8
Health and personal care.....	162.4	167.8	175.5	180.9	190.2	199.1
Recreation and reading.....	149.3	151.8	154.3	158.7	166.8	175.2
Tobacco and alcohol.....	118.1	120.2	122.3	125.1	128.3	141.1
All commodities	123.1	124.7	126.7	131.5	134.9	140.2
Durables.....	115.5	114.5	114.6	115.0	118.6	119.8
Non-durables.....	124.6	126.7	129.2	134.9	138.3	144.3
Non-durables excluding food....	120.3	122.4	124.1	127.5	132.4	138.8
Services	159.8	163.8	170.6	176.6	185.9	195.6

SOURCE: DBS *Prices and Price Indexes*, Monthly, Cat. 62-002.

REFERENCE TABLE 31
CHANGES IN THE CONSUMER PRICE INDEX
1963 to 1968

	1963	1964	1965	1966	1967	Aug. 1968
						Aug. 1967
	(Per cent change from previous year)					
All items	1.8	1.8	2.4	3.7	3.5	3.4
Food.....	3.2	1.6	2.6	6.3	1.4	1.6
Housing.....	1.0	1.6	1.8	2.7	4.4	4.1
Clothing.....	2.5	2.5	1.8	3.8	5.0	2.6
Transportation.....	—	1.1	3.7	2.0	4.6	2.4
Health and personal care.....	2.6	3.3	4.6	3.1	5.1	3.8
Recreation and reading.....	1.4	1.7	1.6	2.9	5.1	4.3
Tobacco and alcohol.....	0.3	1.8	1.7	2.3	2.6	9.7
All commodities	1.7	1.3	1.6	3.8	2.6	2.6
Durables.....	0.2	-0.9	0.1	0.3	3.1	0.8
Non-durables.....	2.0	1.7	2.0	4.4	2.5	2.8
Non-durables excluding food....	1.0	1.7	1.4	2.7	3.8	4.5
Services	1.4	2.5	4.2	3.5	5.3	4.2

SOURCE: DBS *Prices and Price Indexes*.

REFERENCE TABLE 32
 CONTRIBUTIONS TO CHANGES IN THE CONSUMER PRICE INDEX
 1963 to 1968

	1963	1964	1965	1966	1967	1968 ⁽²⁾
	(Percentage points)					
All Items	1.8	1.8	2.4	3.7	3.5	3.4
Food.....	0.9	0.4	0.7	1.6	0.4	0.4
Housing.....	0.4	0.5	0.6	0.9	1.4	1.3
Clothing.....	0.2	0.3	0.2	0.4	0.5	0.3
Transportation.....	—	0.2	0.4	0.3	0.5	0.3
Health and personal care.....	0.2	0.2	0.3	0.3	0.4	0.3
Recreation and reading.....	0.1	0.1	0.1	0.1	0.2	0.2
Tobacco and alcohol.....	—	0.1	0.1	0.1	0.1	0.6
All Items	1.8	1.8	2.4	3.7	3.5	3.4
All commodities.....	1.2	0.9	1.0	2.4	1.6	1.6
Durables.....	—	-0.1	—	—	0.3	0.1
Non-durables.....	1.2	1.0	1.0	2.4	1.3	1.5
Non-durables excluding food..	0.3	0.5	0.4	0.8	1.0	1.2
Services.....	0.3	0.7	1.1	1.0	1.4	1.2
Portion of shelter excluded ⁽¹⁾	0.3	0.2	0.3	0.3	0.5	0.6

⁽¹⁾Includes new houses, property taxes and mortgage interest.

⁽²⁾Per cent change is based on the first eight months of 1968 compared to the first eight months of 1967.

SOURCE: DBS *Prices and Price Indexes*.

REFERENCE TABLE 33
GOVERNMENT TRANSACTIONS ON A NATIONAL ACCOUNTS BASIS
1964 to 1968
(Seasonally adjusted at annual rates)

	1964	1965	1966	1967	1967				1968	
					1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)										
GOVERNMENT REVENUE:										
Direct taxes—persons.....	3,428	3,913	4,484	5,493	5,532	4,980	5,540	5,920	6,456	6,044
Federal.....	2,558	2,716	2,955	3,572	3,632	3,276	3,588	3,792	4,268	3,952
Provincial and municipal.....	870	1,197	1,529	1,921	1,900	1,704	1,952	2,128	2,188	2,092
Direct taxes—corporations.....	2,053	2,225	2,252	2,208	2,120	2,228	2,224	2,260	2,352	2,492
Federal.....	1,546	1,675	1,696	1,630	1,568	1,648	1,644	1,660	1,736	1,860
Provincial.....	507	550	556	578	552	580	580	600	616	632
Withholding taxes										
Federal.....	140	168	203	218	192	240	220	220	240	216
Indirect taxes.....	6,695	7,564	8,466	9,227	9,208	9,224	9,164	9,312	9,676	9,732
Federal.....	2,847	3,252	3,575	3,707	3,820	3,712	3,644	3,652	3,700	3,588
Provincial and municipal.....	3,848	4,312	4,891	5,520	5,388	5,512	5,520	5,660	5,976	6,144
Investment income.....	1,526	1,671	1,813	2,149	1,856	2,144	2,268	2,328	2,168	2,280
Federal.....	570	630	690	800	612	808	872	908	764	832
Provincial and municipal.....	956	1,041	1,118	1,312	1,216	1,308	1,356	1,368	1,348	1,368
Canada Pension Plan.....	—	—	5	37	28	28	40	52	56	80
Employer and employee contributions to social insurance and government pension funds.....	912	1,027	1,843	2,031	1,972	2,028	2,132	1,992	2,124	2,196
Federal.....	574	618	690	704	680	716	780	640	756	748
Provincial and municipal.....	338	409	439	478	456	468	496	492	484	488
Canada Pension Plan.....	—	—	531	624	620	620	628	628	644	672
Quebec Pension Plan.....	—	—	183	225	216	224	228	232	240	288
Transfers from federal government										
Provincial and municipal.....	1,252	1,434	1,662	1,992	1,752	2,112	2,064	2,040	2,336	2,472
Total Revenue.....	16,006	18,002	20,723	23,318	22,632	22,956	23,612	24,072	25,352	25,432
Federal.....	8,235	9,059	9,809	10,631	10,504	10,400	10,748	10,872	11,464	11,196
Provincial and municipal.....	7,771	8,943	10,195	11,801	11,264	11,684	11,968	12,288	12,948	13,196
Canada Pension Plan.....	—	—	536	661	648	648	668	680	700	752
Quebec Pension Plan.....	—	—	183	225	216	224	228	232	240	288

REFERENCE TABLE 33 (Continued)
 GOVERNMENT TRANSACTIONS ON A NATIONAL ACCOUNTS BASIS
 1964 to 1968
 (Seasonally adjusted at annual rates)

	1964	1965	1966	1967	1967				1968	
					1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)										
GOVERNMENT EXPENDITURE:										
Goods and services.....	8,654	9,614	11,286	12,377	11,860	12,672	12,288	12,688	13,092	13,380
Federal—Total.....	3,046	3,293	3,920	4,259	4,096	4,472	4,196	4,272	4,580	4,412
—(Defence).....	(1,584)	(1,559)	(1,709)	(1,805)	(1,644)	(1,844)	(1,952)	(1,730)	(1,704)	(1,820)
Provincial and municipal.....	5,608	6,321	7,366	8,118	7,764	8,200	8,092	8,416	8,512	8,968
Transfer payments to persons.....	4,133	4,574	5,047	6,223	5,884	6,236	6,200	6,572	6,644	7,168
Federal.....	2,239	2,312	2,478	2,936	2,772	3,032	2,972	2,968	3,080	3,384
Provincial and municipal.....	1,894	2,262	2,569	3,287	3,112	3,204	3,228	3,604	3,564	3,784
Canada Pension Plan.....	—	—	—	—	—	—	—	—	—	—
Quebec Pension Plan.....	—	—	—	—	—	—	—	—	—	—
Interest on the public debt.....	1,526	1,645	1,805	1,982	1,844	1,928	2,020	2,136	2,036	2,236
Federal.....	995	1,052	1,151	1,245	1,140	1,208	1,280	1,352	1,256	1,424
Provincial and municipal.....	531	593	654	737	704	720	740	784	780	812
Subsidies.....	323	326	516	522	416	536	540	596	436	452
Federal.....	277	259	375	390	292	436	396	436	304	340
Provincial.....	46	67	141	132	124	100	144	160	132	112
Capital assistance										
Federal.....	82	84	59	65	52	60	48	100	80	36
Transfers to provincial and municipal governments										
Federal.....	1,252	1,434	1,662	1,992	1,752	2,112	2,064	2,040	2,336	2,472
Total Expenditure.....	15,970	17,677	20,375	23,161	21,808	23,544	23,160	24,132	24,624	25,744
Federal.....	7,891	8,434	9,645	10,887	10,104	11,320	10,956	11,168	11,636	12,068
Provincial and municipal.....	8,079	9,243	10,730	12,274	11,704	12,224	12,204	12,964	12,988	13,676
Canada Pension Plan.....	—	—	—	—	—	—	—	—	—	—
Quebec Pension Plan.....	—	—	—	—	—	—	—	—	—	—
Surplus (+) or deficit (-).....	36	325	348	157	824	-588	452	-60	728	-312
Federal.....	344	625	164	-256	400	-920	-208	-296	-172	-872
Provincial and municipal.....	-308	-300	-535	-473	-440	-540	-236	-676	-40	-480
Canada Pension Plan.....	—	—	536	661	648	-648	668	680	700	752
Quebec Pension Plan.....	—	—	183	225	216	224	228	232	240	288

SOURCE: DBS *The National Accounts*.

REFERENCE TABLE 34
 REVENUES, EXPENDITURES AND FISCAL POSITION, BY LEVEL OF GOVERNMENT
 Selected years 1955 to 1967
 (National accounts basis)

	1955	1961	1964	1965	1966	1967
	(Millions of dollars)					
Federal—Revenue.....	4,937	6,668	8,235	9,059	9,809	10,631
—Expenditure.....	4,761	7,129	7,891	8,434	9,645	10,887
Surplus (+) or deficit (-).....	+176	-461	+344	+625	+164	-256
Provincial—Revenue.....	1,874	3,709	5,426	6,361	7,312	8,661
—Expenditure.....	1,740	3,837	5,296	6,136	7,245	8,785
Surplus (+) or deficit (-).....	+134	-128	+130	+225	+67	-124
Municipal—Revenue.....	1,374	2,707	3,642	4,073	4,616	5,305
—Expenditure.....	1,578	3,123	4,080	4,598	5,218	5,654
Surplus (+) or deficit (-).....	-204	-416	-438	-525	-602	-349
Canada Pension Plan.....	—	—	—	—	536	661
Quebec Pension Plan.....	—	—	—	—	183	225
Total ⁽¹⁾ —Revenue.....	7,386	11,099	14,754	16,568	19,061	21,326
—Expenditure.....	7,280	12,104	14,718	16,243	18,713	21,169
Surplus (+) or deficit⁽⁻⁾.....	+106	-1,005	+36	+325	+348	+157

⁽¹⁾Excluding inter-governmental transfers.

SOURCE: *The National Accounts*.

REFERENCE TABLE 35
 FEDERAL GOVERNMENT REVENUES AND EXPENDITURES
 PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS RECONCILIATION
 1966 to 1968
 (Not seasonally adjusted)

	1966				1967				1968	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
	(Millions of dollars)									
REVENUE:										
Budgetary Revenue.....	1,972	1,992	1,976	2,166	2,224	2,173	2,104	2,340	2,425	2,136
Deduct:										
Budgetary return on investment.....	-145	-118	-88	-164	-148	-141	-90	-218	-163	-145
Post Office revenue.....	-61	-56	-51	-81	-65	-59	-60	-85	-78	-63
Other non-tax budgetary revenue.....	-56	-26	-35	-34	-52	-14	-28	-28	-61	-18
	(-262)	(-200)	(-174)	(-279)	(-265)	(-214)	(-178)	(-331)	(-302)	(-226)
Corporate income tax, excess of accruals (+) over collections (-).....	-96	-17	+8	+61	-122	-82	-23	+34	-84	+55
Add:										
Extra-budgetary funds revenue:										
Old age security taxes.....	326	319	294	300	373	377	345	345	428	420
Unemployment insurance fund—em- ployer-employee contributions...	87	78	89	89	88	82	93	87	82	87
Government pension fund—employer- employee contributions.....	75	91	93	88	84	91	105	74	109	94
Prairie Farm Assistance Act levies..	2	2	5	2	2	3	5	1	2	1
	(490)	(490)	(481)	(479)	(547)	(553)	(548)	(507)	(621)	(602)
Government investment income:										
Interest on loans, advances and in- vestments.....	49	69	63	90	67	81	80	106	80	60
Interest receipts on social insurance and government pension accounts	46	50	51	52	53	57	58	60	60	85
Profits before taxes (net of losses) of government business enterprises.	32	69	43	76	6	72	77	83	22	71
	(127)	(188)	(157)	(218)	(126)	(210)	(215)	(249)	(162)	(216)
Miscellaneous ⁽¹⁾	-88	+73	+8	+39	-108	+93	-4	+35	-168	+149
Total Revenue, National Accounts Basis..	2,143	2,526	2,456	2,684	2,402	2,733	2,662	2,834	2,654	2,932

⁽¹⁾See footnote ⁽¹⁾ page 107.

EXPENDITURE:										
Budgetary Expenditure.....	2,543	1,671	2,081	2,271	2,756	2,018	2,320	2,392	3,104	2,108
Deduct:										
Budgetary transfers to funds and agencies ⁽²⁾	-191	-90	-175	-133	-200	-159	-125	-153	-245	-88
Post Office expenditure.....	-71	-53	-60	-71	-83	-61	-71	-78	-91	-67
Deficits of government business enterprises.....	-55	-5	-7	-10	-46	-9	-13	-14	-49	-11
Reserves and write-offs.....	-53	-8	-10	-8	-151	-7	-8	-7	-9	-8
Purchase of existing capital assets.....	-2	-1	-1	-2	-1	-1	-1	-1	-3	-3
Budgetary revenue items offset against budgetary expenditure ⁽³⁾	-32	-32	-32	-34	-32	-32	-32	-35	-33	-33
	(-404)	(-189)	(-285)	(-258)	(-513)	(-269)	(-250)	(-288)	(-430)	(-210)
Add:										
Extra budgetary funds expenditure										
Old age security benefit payments.....	249	251	252	254	316	345	335	337	370	374
Unemployment insurance benefits.....	126	82	38	49	138	102	51	62	174	126
Government pensions.....	29	32	32	32	33	35	34	35	34	36
Prairie farm emergency payments.....	5	1	—	1	1	—	—	1	8	—
Expenditure of government funds and agencies ⁽²⁾	121	90	187	153	178	169	147	146	145	133
Miscellaneous ⁽⁴⁾	-317	401	101	46	-301	428	98	31	-399	441
Total Expenditure, National Accounts Basis.....	2,352	2,339	2,406	2,548	2,608	2,828	2,735	2,716	3,006	3,008
Surplus(+) or deficit(-), National accounts basis.....	-209	+187	+50	+136	-206	-95	-73	+118	-352	-76
Surplus(+) or deficit(-), budgetary basis.....	-571	+321	-105	-105	-532	+155	-217	-52	-679	+28
Total, National Accounts basis.....	2,143	2,526	2,456	2,684	2,402	2,733	2,662	2,834	2,654	2,932

⁽¹⁾These miscellaneous adjustments largely represent revenues from miscellaneous direct and indirect taxes and adjustments for the supplementary period. In the National Accounts, revenues in the supplementary period are shifted into the following fiscal quarter.

⁽²⁾In the National Accounts, budgetary appropriations to various funds and agencies are replaced by the outlays actually made by these federal agencies.

⁽³⁾The largest components of this item consists of revenue from sales of goods and services by the government. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

⁽⁴⁾This item includes the supplementary period adjustment. In the National Accounts, expenditures on goods and services in the supplementary period are split evenly between adjacent fiscal quarters. Most other expenditure items are shifted entirely to the next fiscal quarter.

SOURCE: DBS, and Department of Finance estimates.

REFERENCE TABLE 36
 SUMMARY OF SECURITIES AND CREDIT MARKET BORROWING
 1965 to 1968

	1965	1966	1967	12 months ending	
				June 1967	June 1968
	(Millions of dollars)				
Government of Canada:⁽¹⁾					
Market securities.....	-92	-84	703	860	776
Canada Savings Bonds.....	253	223	230	346	-117
Total.....	161	139	933	1,206	659
Provinces⁽²⁾ and municipalities:					
Securities.....	992	1,412	1,799	1,628	1,306
Bank loans.....	198	137	80	127	233
Total.....	1,190	1,549	1,879	1,755	1,539
Corporations and other⁽³⁾					
Bonds.....	1,031	877	716	762	728
Stocks.....	336	535	356	325	407
Loans, etc. ⁽⁴⁾	1,330	402	755	508	830
Total.....	2,697	1,814	1,827	1,595	1,965
Mortgages from private sector institutions⁽⁵⁾.....	1,659	1,134	1,100	776	1,387
Bank loans to persons, farmers and institutions.....	685	295	649	442	608
Total.....	6,392	4,931	6,388	5,774	6,158

⁽¹⁾Securities held outside Government of Canada accounts.

⁽²⁾Excludes securities bought by the Canada Pension Plan and the Quebec Pension Plan.

⁽³⁾Consists of non-financial business and Canadian religious and other non-profit institutions.

⁽⁴⁾Includes bank loans in Canadian and foreign currencies, sales finance company loans, IDB and other term loans, commercial paper and bankers' acceptances. Excludes trade payables net of receivables and non-residential mortgages.

⁽⁵⁾Chartered banks, Quebec Savings Banks, Credit Unions and caisses populaires, trust and mortgage loan companies, sales finance and consumer loan companies; life and other insurance companies, trustee pension plans, mutual and closed-end funds.

SOURCE: Bank of Canada and Department of Finance.

REFERENCE TABLE 37
 CHANGES IN MARKET BONDS AND CANADA SAVINGS BONDS OUTSTANDING
 1963 to 1968

	1963	1964	1965	1966	1967	12 months ending	
						July 1967	July 1968
	(Millions of dollars)						
New Issues in Canada by:							
Government of Canada—market ⁽¹⁾	350	-270	-87	79	749	905	535
—Canada Savings Bonds.....	513	480	253	223	230	356	-169
Total	863	210	166	302	979	1,261	366
Provinces and municipalities ⁽²⁾	1,011	928	724	987	999	1,010	539
Corporations ⁽³⁾	443	610	1,003	539	737	779	344
Total	2,317	1,748	1,893	1,828	2,715	3,050	1,249
Foreign-Pay Bond Issues:							
Government of Canada.....	119	-7	-5	-163	-46	-45	241
Provinces and municipalities.....	285	472	267	424	800	619	767
Corporations ⁽³⁾	286	205	335	438	104	140	445
Total	690	670	597	699	858	714	1,453
Total Bond Issues	3,007	2,418	2,490	2,527	3,573	3,764	2,702
Taken up by:							
Banking system ⁽⁴⁾	737	-172	400	130	1,203	1,124	574
Non-bank residents:							
Market bonds.....	1,067	1,440	1,240	1,475	1,282	1,570	844
Canada Savings Bonds.....	513	480	253	223	230	356	-169
Holders of Canadian foreign-pay.....	690	670	597	699	858	714	1,453
Total	3,007	2,418	2,490	2,527	3,573	3,764	2,702

⁽¹⁾Includes Treasury bills and excludes Government of Canada accounts.

⁽²⁾Excludes securities bought by the Canada and Quebec Pension Plans.

⁽³⁾Financial and non-financial business corporations.

⁽⁴⁾Bank of Canada plus Chartered Banks.

Source: Bank of Canada and Department of Finance.

REFERENCE TABLE 38
 OFFICIAL HOLDINGS OF GOLD AND UNITED STATES DOLLARS
 Monthly
 1966 to 1968

End of period	Gold	U.S. dollars	Total
	(Millions of U.S. dollars)		
1966—January.....	1,112.8	1,449.6	2,562.4
February.....	1,076.5	1,471.1	2,547.6
March.....	1,085.6	1,424.2	2,509.8
April.....	1,096.0	1,373.1	2,469.1
May.....	1,060.7	1,351.5	2,412.2
June.....	1,024.2	1,317.6	2,341.8
July.....	986.2	1,329.2	2,315.4
August.....	996.7	1,284.3	2,281.0
September.....	1,008.7	1,235.6	2,242.3
October.....	1,020.5	1,202.7	2,223.2
November.....	1,033.7	1,208.4	2,242.1
December.....	1,045.6	1,190.3	2,235.9
1967—January.....	1,055.9	1,182.3	2,238.2
February.....	1,069.6	1,124.6	2,194.2
March.....	1,083.5	1,119.9	2,203.4
April.....	1,042.3	1,145.9	2,188.2
May.....	1,052.9	1,141.7	2,194.6
June.....	1,066.3	1,102.4	2,168.7
July.....	1,073.5	1,109.1	2,182.6
August.....	1,085.7	1,112.1	2,197.8
September.....	1,099.3	1,121.5	2,220.8
October.....	1,103.8	1,199.6	2,303.4
November.....	1,110.0	1,166.9	2,276.9
December.....	1,014.9	1,252.9	2,267.8
1968—January.....	1,024.8	1,150.5	2,175.3
February.....	1,026.2	1,463.8	2,490.0
March.....	976.1	1,268.3	2,244.4
April.....	976.1	1,439.5	2,415.6
May.....	926.3	1,768.7	2,695.0
June.....	926.3	1,647.7	2,574.0
July.....	926.3	1,588.3	2,514.6
August.....	926.3	1,663.2	2,589.5
September.....	863.1	1,671.0	2,534.1

SOURCE: Department of Finance.

REFERENCE TABLE 39
MORTGAGE LOAN APPROVALS⁽¹⁾
1962 to 1968

	Private Lending Institutions								CMHC ⁽⁴⁾	Total Private and Public
	Conventional Mortgages			NHA	Total Private Lending	of which				
	Non-Residential	Residential				Banks	Life Cos.	Trust Cos., etc. ⁽³⁾		
		Existing ⁽²⁾	New							
	(Millions of dollars)									
1962-1964 Average.....	397	476	638	383	1,894	3	900	991	313	2,207
1965.....	581	749	902	320	2,552	6	1,158	1,388	513	3,065
1966.....	382	471	574	191	1,618	—	804	814	593	2,211
1967.....	369	655	744	356	2,124	253	800	1,071	737	2,861
1967 1Q.....	80	101	133	187	501	15	180	306	59	560
2Q.....	107	210	249	32	598	58	221	319	405	1,003
3Q.....	93	202	193	46	534	75	220	239	191	725
4Q.....	89	142	169	90	490	105	178	207	81	571
1968 1Q.....	98	127	243	188	656	88	261	307	84	740
2Q.....	74	143	236	205	658	82	237	339	90	748
12 months ending:										
June 1967.....	352	501	610	278	1,741	73	711	957	910	2,651
June 1968.....	354	614	841	529	2,338	350	896	1,092	446	2,784

⁽¹⁾Data are on a gross basis, i.e., they do not necessarily take account of cancellations or alterations of loans after initial approval.

⁽²⁾Includes data on farm property.

⁽³⁾Includes loan and trust companies, Quebec saving banks, fraternal and mutual benefit societies.

⁽⁴⁾Includes student housing.

SOURCE: Central Mortgage and Housing Corporation.

REFERENCE TABLE 40
 CHANGES IN CONSUMER CREDIT OUTSTANDING
 1962 to 1968

	1962	1963	1964	1965	1966	1967	12 months ending		Amount Outstanding May 31, 1968
							May 1967	May 1968	
(Millions of dollars)									
Chartered banks.....	153	249	361	448	217	519	307	546	3,209
Sales finance companies.....	44	73	161	96	53	-47	25	-9	1,155
Consumer loan companies.....	120	96	94	139	120	153	104	163	1,369
Quebec Savings Banks.....	4	1	1	1	—	1	—	2	18
Life insurance companies.....	14	13	13	13	39	29	40	45	506
Retail dealers ⁽¹⁾	27	33	55	67	38	10	24	—	755
Total.....	362	465	685	764	467	665	500	747	7,012

⁽¹⁾Includes department stores, furniture and appliance dealers and the instalment credit of motor vehicle dealers.

SOURCE: Bank of Canada, Department of Insurance, Department of Finance and DBS.

REFERENCE TABLE 41
 SELECTED SOURCES OF FINANCING BY NON-FINANCIAL
 CORPORATE BUSINESS
 1965 to 1968

	1965	1966	1967	12 months ended	
				June 1967	June 1968
	(Millions of dollars)				
Changes in:					
Chartered bank loans in Canadian dollars ⁽¹⁾	655	396	704	449	759
Chartered bank loans to residents in foreign currencies.....	258	98	-95	-58	-56
Sales finance co. loans.....	318	-213	64	-49	180
Other term loans.....	53	61	44	57	41
Sub-total.....	1,284	342	717	399	924
Net new issues of:					
Commercial paper and bankers' acceptances ⁽²⁾	46	60	38	109	-94
Bonds.....	1,031	877	716	762	728
Stocks.....	336	535	356	325	407
Sub-total.....	1,413	1,472	1,110	1,196	1,041
Total.....	2,697	1,814	1,827	1,595	1,965

⁽¹⁾Change in total business loans excluding provincially-guaranteed bank loans to public utilities, transportation and communications corporations.

⁽²⁾For the first half of 1967 and 1968, bankers' acceptances are January to July.

Source: Bank of Canada.

REFERENCE TABLE 42

DETAILS OF NEW ISSUES AND RETIREMENTS OF GOVERNMENT OF CANADA DIRECT
AND GUARANTEED MARKETABLE BONDS FROM JANUARY 1, 1967 TO AUGUST 31, 1968.

(Millions of dollars par value)

Date	Retirements	Amount	New Bonds	Amount Delivered	Net Change in Amount Outstanding	Term of New Bonds	Yield to Maturity
1967							
January 2.....	CNR 2½% Jan. 2, 1967	50			-50		
February 1.....			5½% Oct. 1, 1975 5½% Aug. 1, 1980 5½% Sept. 1, 1992	70 30 50		8 yrs. 8 mos. 13 yrs. 6 mos. 25 yrs. 7 mos.	5.70 5.71 5.69
April 1.....	4% Apr. 1, 1967 4½% Apr. 1, 1967	170 155	4½% Apr. 1, 1968 5% Oct. 1, 1973 5½% May 1, 1990	175 200 125	+150	1 yr. 6 yrs. 6 mos. 23 yrs. 1 mo.	4.66 5.21 5.48
April 1.....		325		500	+175		
April 1.....	CNR 4½% Apr. 1, 1967	72			-72		
April 15.....	5% Oct. 15, 1967 ⁽¹⁾	3			-3		
June 1.....	4½% June 1, 1967	325	4½% June 15, 1968 5% July 1, 1970 5½% Dec. 1, 1974	160 100 100		1 yr. ½ mo. 3 yrs. 1 mo. 7 yrs. 6 mos.	4.60 5.09 5.67
August 1.....				360	+35		
August 1.....			5% Oct. 1, 1968 5½% Apr. 1, 1969 6% Dec. 15, 1971	20 70 85		1 yr. 2 mos. 1 yr. 8 mos. 4 yrs. 4½ mos.	5.44 5.56 6.06
October 1.....	3½% Oct. 1, 1967 4½% Oct. 1, 1967	350 175	4½% Dec. 15, 1968 5½% Dec. 15, 1969 6% Apr. 1, 1971 ⁽²⁾	125 175 225	+175	1 yr. 2½ mos. 2 yrs. 2½ mos. 3 yrs. 6 mos.	5.61 5.86 6.00
		525		525	-		

October 15.....	5% Oct. 15, 1987 ⁽¹⁾	3			-3		
December 1.....	4½% Jan. 15, 1968 5½% Jan. 15, 1968	77 28	6½% Dec. 1, 1973 ⁽²⁾	- 225		6 yrs.	6.35
		105		225	+120		
December 1.....	2¾% Sept. 1, 1974 ⁽⁴⁾ 2¾% Sept. 15, 1975 ⁽⁴⁾ 5% Oct. 15, 1987 ⁽⁴⁾	16 11 173					
		200			-200		
December 29.....	CNR 5½% Dec. 15, 1971 CNR 5½% Jan. 1, 1985 CNR 5% Oct. 1, 1987	3 1 2					
		6			-6		
	Total (Calendar 1967)	1,614		1,935	+321		
1968							
January 15.....	4½% Jan. 15, 1968 5½% Jan. 15, 1968	303 97	6% Feb. 15, 1970 6% Dec. 15, 1971	250 200		2 yrs. 1 mo. 3 yrs. 11 mos.	6.20 6.44
		400		450	+50		
	Total (Fiscal 1967-68)	1,964		2,235	+271		
April 1.....	4½% Apr. 1, 1968 2¾% June 15, 1968 4½% June 15, 1968 5% Oct. 1, 1968 4½% Dec. 15, 1968	175 24 25 26 25	5½% Apr. 1, 1969 7% Apr. 1, 1973	60 215 ⁽⁶⁾		1 yr. 5 yrs.	7.03 7.30
		275		275	-		
April 3.....	5½% Aug. 1, 1980 ⁽⁶⁾	9			-9		
April 15.....	5% Oct. 15, 1987 ⁽⁷⁾	1			-1		

REFERENCE TABLE 42 (Continued)

DETAILS OF NEW ISSUES AND RETIREMENTS OF GOVERNMENT OF CANADA DIRECT
AND GUARANTEED MARKETABLE BONDS FROM JANUARY 1, 1967 TO AUGUST 31, 1968

(Millions of dollars par value)

Date	Retirements	Amount	New Bonds	Amount Delivered	Net Change in Amount Outstanding	Term of New Bonds	Yield to Maturity
May 15.....	CNR 5% May 15, 1968	56	5½% May 15, 1970 5½% May 15, 1971 6% May 15, 1972	35	-56	2 yrs. 3 yrs. 4 yrs.	5.75 5.87 6.00
				36			
				37			
				108 ⁽⁸⁾	+108		
May 24.....			6½% June 1, 1973	68 ⁽⁹⁾	+68	5 yrs. 7 days	6.87
June 1.....			6½% June 1, 1988	78 ⁽¹⁰⁾	+78	20 yrs.	6.90
June 15.....	2½% June 15, 1968 4½% June 15, 1968 5% Oct. 1, 1968	285 135 75	6½% July 1, 1969 7% Oct. 1, 1970 7% June 15, 1974	75	7.00 7.11 7.26	1 yr. ¼ mo. 2 yrs. 3½ mos. 6 yrs.	
				275			
				250 ⁽¹¹⁾			
		495		600	+105		
August 1.....			6½% Dec. 15, 1969 6½% Oct. 1, 1970 7% Apr. 1, 1973	35	6.65 6.75 7.00	1 yr. 4½ mos. 2 yrs. 2 mos. 4 yrs. 8 mos.	
				105			
				260 ⁽¹²⁾			
				400	+400		
	Total (Fiscal year 1968-69 to August 1).....	836		1,529	+693		

⁽⁸⁾ U.S.-pay issue subject to partial redemption at par for the sinking fund on each interest payment date, commencing April 15, 1965, in a principal amount of U.S. \$2.5 million.

⁽⁹⁾ Exchangeable on or before April 1, 1970 into equal par value 6% bonds due October 1, 1993.

⁽¹⁰⁾ Exchangeable on or before December 1, 1972 into equal par value 6½% bonds due December 1, 1994.

⁽¹¹⁾ U.S.-pay issues.

⁽¹²⁾ \$100 million 7% bonds exchanged directly with Bank of Canada for bonds maturing in 1968.

⁽¹³⁾ Subject to purchase fund.

⁽¹⁴⁾ U.S. pay issue subject to partial redemption for sinking fund on prorated basis following partial retirement of issue on December 1, 1967.

⁽¹⁵⁾ Payable in Italian Lire and placed directly with Italian Exchange Office.

⁽¹⁶⁾ Payable in German Marks and offered in Europe through Deutsche Bank.

⁽¹⁷⁾ U.S. pay issue in principal amount U.S. \$100 million, subject to delayed delivery contracts.

⁽¹⁸⁾ \$75 million 7% due 1974 exchanged directly with Bank of Canada for bonds maturing in 1968.

⁽¹⁹⁾ \$100 million 7% due 1973 exchanged directly with Bank of Canada for bonds maturing in 1968 and since cancelled.

SOURCE: Department of Finance.

REFERENCE TABLE 43
SUMMARY OF BALANCE OF PAYMENTS
1963 to 1968

(Not seasonally adjusted)

	1963	1964	1965	1966	1967	1966				1967				1968	
						1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
						(Millions of dollars)									
Merchandise trade balance	+503	+701	+118	+224	+481	+10	-49	+223	+40	+98	+6	+86	+291	+236	+362
Deficit on non-merchandise transactions ⁽¹⁾	-1,178	-1,270	-1,386	-1,513	-1,136	-431	-360	-222	-500	-464	-314	+90	-448	-508	-388
Current account balance ⁽¹⁾	-675	-569	-1,268	-1,289	-655	-421	-409	+1	-460	-366	-308	+176	-157	-272	-26
Gold production available for export.....	+154	+145	+138	+127	+112	+34	+29	+32	+32	+32	+28	+26	+26	+33	+29
Capital movements—inflows (+) outflows (-):															
Long-term forms.....	+637	+820	+864	+1,061	+1,339	+465	+214	+239	+143	+277	+256	+301	+505	+95	+697
Short-term forms.....	+30	-33	+423	-258	-778	-216	+49	-357	+266	+44	-30	-447	-345	-621	-80
	+146	+363	+157	-359	+18	-138	-117	-85	-19	-13	-54	+56	+29	-765	+620
Increase (+) or decrease (-) in official holdings of gold and foreign exchange.....	+60	+86	-11	-462	+34	-166	-181	-105	-10	-35	-37	+55	+51	-23	+355
Net International Monetary Fund position.....	+86	+277	+168	+103	-16	+28	+64	+20	-9	+22	-17	+1	-22	-471	+130
Reciprocal swap facility with Federal Reserve System.....	—	—	—	—	—	—	—	—	—	—	—	—	—	-271	+135
	+146	+363	+157	-359	+18	-138	-117	-85	-19	-13	-54	+56	+29	-765	+620

⁽¹⁾Excluding gold production available for export.

SOURCE: DBS Quarterly Estimates of the Canadian Balance of International Payments.

REFERENCE TABLE 44
INTERNATIONAL PAYMENTS: CAPITAL MOVEMENTS

1963 to 1968

(Not seasonally adjusted)

	1963	1964	1965	1966	1967	1966		1967				1968	
						3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)													
Direct investment in Canada.....	+280	+270	+535	+710	+620	+151	+222	+138	+164	+143	+175	+5	+190
Direct investment abroad.....	-135	-95	-125	-5	-90	+80	-34	-30	-7	-25	-28	-85	+15
Canadian securities:-													
Trade in outstanding bonds and de-													
bentures.....	+39	+77	+55	-104	-56	-52	-15	-10	-22	-10	-14	-53	-11
Trade in outstanding common and													
preference stocks.....	-170	-98	-274	-136	+12	-34	-44	-53	-17	+30	+52	+15	+34
New issues.....	+984	+1,100	+1,240	+1,465	+1,300	+303	+228	+317	+291	+274	+418	+408	+711
Retirements.....	-404	-382	-390	-499	-338	-87	-131	-58	-131	-48	-101	-126	-119
Foreign securities (total).....	+22	-52	-85	-401	-418	-103	-93	-74	-70	-142	-132	-69	-119
Loans and capital subscriptions by Govern-													
ment of Canada:													
Advances, etc.....	-18	-10	-14	-35	-38	-9	-17	-3	-3	-9	-23	-10	-8
Repayments to Canada.....	+25	+10	+10	+24	+34	+1	+19	+11	+2	+1	+20	+2	+2
Columbia River Treaty, net.....	-	+54	+32	+32	+44	-	+32	-	-	-	+44	-	-
Long-term capital transactions not included													
elsewhere.....	+14	-54	-120	+10	+269	-11	-24	+39	+49	+87	+94	+8	+2
Change in certain Canadian assets of													
foreigners:													
Canadian dollar deposits.....	+43	+28	+31	+10	+24	+21	+12	+48	-59	-7	+28	+7	-2
Government of Canada demand liabil-													
ities.....	+1	-	+2	+5	-4	+5	+8	-6	-7	-2	+11	-4	-3
Canadian Treasury bills.....	-27	-16	+12	-15	+4	+2	-9	+15	+8	-17	-2	+23	+1
Canadian commercial paper.....	-23	-11	+10	-	+11	+12	+5	-6	+5	+1	+11	+7	-17
Canadian finance paper.....	+93	+196	-162	-4	-54	-55	+29	+7	-24	-55	+18	-61	-38
Canadian finance company obligations													
not included elsewhere.....	+35	+52	+209	+154	+34	+44	+87	-17	+11	-31	+71	-7	-6
Bank balances and other short-term funds													
abroad.....	-258	-528	+138	-601	-286	-317	-97	+332	+44	-311	-351	-126	+49

All other transactions.....	+166	+246	+183	+193	-507	-69	+231	-329	-8	-39	-131	-460	-64
Net capital movements excluding monetary items shown below.....	+667	+787	+1,287	+803	+561	-118	+409	+321	+226	-146	+160	-526	+617
Official monetary movements in the form of:													
Change in official holdings of gold and foreign exchange.....	+60	+86	-11	-462	+34	-105	-10	-35	-37	+55	+51	-23	+355
Change in net International Monetary Fund position.....	+86	+277	+168	+103	-16	+20	-9	+22	-17	+1	-22	-471	+130
Other special international financial assistance.....	-	-	-	-	-	-	-	-	-	-	-	-271	+135

SOURCE: DBS Quarterly Estimates of the Canadian Balance of International Payments.

REFERENCE TABLE 45
NET PROCEEDS FROM NEW ISSUES OF CANADIAN BONDS AND DEBENTURES/TO NON-RESIDENTS
1965 to 1968
(Not seasonally adjusted)

	1965	1966	1967	1966				1967				1968	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)													
New Issues:													
Government of Canada (incl. guaranteed).....	28	32	20	4	10	12	6	3	4	4	9	4	255
Provincial government (incl. guaranteed).....	297	448	760	126	168	95	59	217	242	118	183	240	180
Municipal government.....	84	177	163	60	52	5	60	56	6	52	49	46	33
Corporations (incl. railroads).....	807	751	312	341	124	187	99	30	31	93	158	109	233
Total.....	1,216	1,408	1,255	531	354	299	224	306	283	267	399	399	701
Retirements:													
Government of Canada (incl. guaranteed).....	85	203	95	54	80	43	26	3	63	—	29	11	29
Provincial government (incl. guaranteed).....	31	65	61	24	15	13	13	22	24	5	10	21	18
Municipal government.....	53	96	53	13	16	11	56	11	12	8	22	16	11
Corporations (incl. railroads).....	214	131	129	24	53	18	36	22	32	35	40	78	61
Total.....	383	495	338	115	164	85	131	58	131	48	101	126	119
Total Net Proceeds:													
Government of Canada (incl. guaranteed).....	-57	-171	-75	-50	-70	-31	-20	—	-59	4	-20	-7	226
Provincial government (incl. guaranteed).....	266	383	699	102	153	82	46	195	218	113	173	219	162
Municipal government.....	31	31	110	47	36	-6	4	45	-6	44	27	30	22
Corporations (incl. railroads).....	593	620	183	317	71	169	63	8	-1	58	118	31	172
Total.....	833	913	917	416	190	214	93	248	152	219	298	273	582

SOURCE: DBS Sales and Purchases of Securities between Canada and Other Countries, Monthly, Cat. 67-002.

REFERENCE TABLE 46
 CANADIAN CHARTERED BANKS' HEAD OFFICES AND BRANCHES IN CANADA
 NET CHANGES IN FOREIGN CURRENCY POSITION⁽¹⁾
 1965 to 1968

(Not seasonally adjusted)

	1965	1966	1967	1966				1967				1968 ⁽²⁾	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)													
With U.S. residents:													
Assets.....	-207	208	273	-183	-69	165	295	-366	116	254	269	-224	205
Liabilities.....	-727	-309	76	-156	-71	-78	-4	12	7	-103	160	-98	38
Net.....	520	517	197	27	2	243	299	-378	109	357	109	-126	167
Other non-residents:													
Assets.....	-441	-2	375	-54	-42	-42	136	3	165	-104	311	223	26
Liabilities.....	505	48	188	-205	-28	-70	351	-123	215	21	75	48	197
Net.....	-946	-50	187	151	-14	28	-215	126	-50	-125	236	175	-171
Total non-residents:													
Assets.....	-648	206	648	-237	-111	123	431	-363	281	150	580	-1	231
Liabilities.....	-222	-261	264	-361	-99	-148	347	-111	222	-82	235	-50	236
Net claims (c).....	-426	467	384	124	-12	271	84	-252	59	232	345	49	-5
With Canadian residents:													
Assets (b).....	276	84	-102	66	5	-11	24	-19	-73	-1	-9	-29	-22
Liabilities (a) ¹	-107	401	364	180	63	208	-50	-189	-31	146	438	35	-90
(of which Swapped deposits).....	(-170)	(187)	(165)	(187)	(31)	(136)	(-167)	(-145)	(-11)	(88)	(233)	(-164)	(-161)
Net.....	383	-317	-466	-114	-58	-219	74	170	-42	-147	-447	-64	68
Changes in banks' own net position (a) ²	-43	150	-82	10	-70	52	158	-82	17	85	-102	-15	63

⁽¹⁾Adjusted for variations in exchange rates.

⁽²⁾Takes no account of changes in gold held by chartered banks, formerly treated as a U.S. asset.

Balance of payments effects:

(a)¹ + (a)² with sign reversed, is major component of D.17.1, "bank balances and other short-term funds abroad", as follows:

—[(a) ¹ + (a) ²]:	150	-551	-282	-190	7	-260	-108	271	14	-231	-344	-20	27
D.17.1:	138	-601	-323	-171	-16	-317	-97	332	44	-311	-351	-126	49

(b) is divided between D.17.5 and D.13, respectively short and long-term residual capital items.

(c) with sign reversed is net balance of payments effect of banks' foreign currency operations.

SOURCE: Department of Finance.

REFERENCE TABLE 47
 FINANCING OF CANADA'S BILATERAL ACCOUNT WITH THE UNITED STATES
 1965 to 1968
 (Not seasonally adjusted)

	1965	1966	1967	1966				1967				1968	
				1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
(Millions of dollars)													
Transactions with U.S. (excluding international financial agencies):													
Current account deficit (excl. gold).....	-2,075	-2,157	-1,491	-624	-634	-223	-676	-614	-548	+27	-356	-484	-310
Capital inflow from U.S.....	+437	+1,059	+336	+533	+270	+40	+216	+383	+49	-241	+145	-370	+205
Net amount to be financed by other transactions.....	-1,638	-1,098	+1,155	-91	-364	-183	-460	-231	-499	-214	-211	-854	-105
Other transactions:													
Current account surplus with rest of world	+807	+868	+836	+203	+225	+224	+216	+248	+240	+149	+199	+212	+284
Net capital movement from (+) or to (-) rest of world.....	+850	-256	+225	-284	-7	-158	+193	-62	+177	+95	+15	-156	+412
New gold production available for export.	+138	+127	+112	+34	+29	+32	+32	+32	+28	+26	+26	+33	+29
Increase (-) in Canadian holdings of gold and foreign exchange.....	+11	+462	-34	+166	+181	+105	+10	+35	+37	-55	-51	+23	-355
Change in Canada's position with the International Monetary Fund ⁽¹⁾	-168	-103	+16	-28	-64	-20	+9	-22	+17	-1	+22	+471	-130
Reciprocal swap facility with Federal Reserve System.....	-	-	-	-	-	-	-	-	-	-	-	+271	-135
Total financing.....	+1,638	+1,098	+1,155	+91	+364	+183	+460	+231	+499	+214	+211	+854	+105

⁽¹⁾Improvement (-) in Canadian position represents net provision of resources by Canada to the IMF.

SOURCE: DBS *Quarterly Estimates of the Canadian Balance of International Payments.*

REFERENCE TABLE 48
CANADA'S RESERVE POSITION WITH THE INTERNATIONAL MONETARY FUND
1961 to 1968

	1961	1962	1963	1964	1965	1966	1967	1968	
								1Q	2Q
	(Millions of U.S. dollars)								
Increase in gold subscription (+).....	—	—	—	—	—	47.5	—	—	—
Drawings by Canada (—).....	—	-300.0	—	—	—	—	—	-426.0 ⁽²⁾	—
Repurchases (repayments of drawings) by Canada (+).....	—	—	79.7	166.0	—	—	—	—	—
Net Fund sales (+) or repurchases (—) of Canadian dollars to or from third countries.....	84.6	-50.3	—	99.0	183.4	47.6	-15.1	-7.3	121.0
Fund sales of gold for Canadian dollars (—).....	-25.0	—	—	-9.0	-27.5	—	—	—	—
Reserve position at end of period⁽¹⁾.....	212.1	-138.2	-58.5	197.5	353.4	448.5	433.4	0.1	121.1

NOTE: Fund borrowing under the General Arrangements to Borrow (GAB) does not affect the reserve position.

⁽¹⁾A negative figure indicates the amount by which the credit tranche position falls short of the quota.

⁽²⁾Includes the Fund's repayment of its 1965 borrowing from Canada (\$35 million).

SOURCE: IMF *International Financial Statistics*, monthly.

PART II
REVIEW OF GOVERNMENT ACCOUNTS 1967-68

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TABLE 1
(in millions of dollars)

SUMMARY OF BUDGETARY AND NON-BUDGETARY TRANSACTIONS AND CHANGES IN CASH POSITION	Fiscal year ended March 31	
	1968 (preliminary)	1967
	\$	\$
Budgetary transactions—		
Revenue—		
Tax.....	8,017	7,440
Non-tax.....	1,060	918
	<i>9,077</i>	<i>8,358</i>
Expenditure—		
Defence.....	1,813	1,696
Non-defence.....	8,056	7,084
	<i>9,869</i>	<i>8,780</i>
Deficit (—).....	-792	-422
Non-budgetary transactions (excluding unmatured debt transactions)		
Receipts and credits—		
Net annuity, insurance and pension accounts receipts.....	465	931
Repayment of advances to exchange fund account.....	322	341
Canada pension plan account.....	672	592
Investments in United States dollar securities issued by other than the Government of Canada.....	57	7
Increase in non-interest-bearing notes payable on demand.....	450	111
Repayment of loans, investments and advances.....	37	437
Other.....	449	437
	<i>2,415</i>	<i>2,456</i>
Disbursements and charges—		
Canada pension plan investment fund.....	665	581
Loans, investments and advances.....	1,476	1,564
Other.....	69	420
	<i>2,210</i>	<i>2,565</i>
Net amount available from or required for (—) non-budgetary transactions.....	205	-109
Overall cash requirement to be financed by increase in unmatured debt or decrease in cash balances.....	-587	-531
Net increase in unmatured debt outstanding in hands of the public.....	788	711
Net increase in Receiver General bank balances.....	201	180

NOTE: In 1967-68 a change in practice was introduced whereby revenues arising from Royal Canadian Mounted Police expenditures were credited thereto. For purposes of comparison the 1966-67 figures have been adjusted.

Budgetary transactions

The budgetary revenue, expenditure and deficit as forecast in the budget speech of June 1, 1967, the revised figures as forecast on November 30, 1967 and the actual figures are shown in the following table:

TABLE 2
(in millions of dollars)

BUDGETARY TRANSACTIONS FOR FISCAL YEAR 1967-68	Budget forecast June 1, 1967	Revised forecast November 30, 1967	Actual (preliminary)	Increase or decrease (—) compared with November 30, 1967 forecast	
				Amount	Per cent
Revenue.....	8,960	9,115	9,077	-38	0.42
Expenditure.....	9,700	9,900	9,869	-31	0.31
Deficit.....	740	785	792	7	

PART II
REVIEW OF GOVERNMENT ACCOUNTS
1967-68

INTRODUCTION

This Part of the Budget Papers presents in summary form a review of the accounts of the Government of Canada for the fiscal year 1967-68. The fiscal year of the government ends on March 31 but the books must remain open for some time after that date to record various adjusting entries.

**HIGHLIGHTS OF THE GOVERNMENT'S FINANCIAL
OPERATIONS DURING 1967-68**

This section outlines the financial operations of the government in 1967-68 giving a brief summary of the budgetary and non-budgetary transactions, the unmatured debt transactions and the changes in the cash position and the debt position during the fiscal year. More detailed explanations are given in subsequent sections of this review.

The following table summarizes the budgetary and non-budgetary transactions for 1967-68 with comparative figures for 1966-67 and indicates how these transactions affected the government's cash balances.

Revenue

Budgetary revenue of the government amounted to \$9,077 million for 1967-68. This was \$38 million or about half of one per cent less than the revised figure of \$9,115 million forecast on November 30, 1967 and \$719 million or 9 per cent more than the total collected in 1966-67.

Tax revenue accounted for \$577 million of the increase and non-tax revenue accounted for \$142 million of the increase over 1966-67 receipts.

The yield from the income taxes was \$470 million higher and from sales tax \$88 million higher than in 1966-67.

Expenditure

Budgetary expenditure amounted to \$9,869 million, \$31 million or approximately one third of one per cent less than the revised figure of \$9,900 million forecast on November 30, 1967 and \$1,089 million or 12 per cent higher than expenditure in 1966-67.

Defence expenditure of \$1,813 million was 18 per cent of total budgetary expenditure compared with \$1,696 million or 19 per cent in 1966-67 and was again the largest category.

Civil or non-defence expenditure was \$8,056 million compared with \$7,084 million in 1966-67, an increase of \$972 million. The main changes were increases of \$222 million in fiscal, subsidy and other payments to provinces, \$110 million in public debt charges, \$71 million in the government's contributions to the provinces under the Hospital Insurance and Diagnostic Services Act and \$51 million in the net operating loss of the agricultural stabilization board. Payments to provinces under the Canada assistance plan increased by \$215 million in 1967-68, offset by a decrease of \$137 million in respect of unemployment assistance. In addition to the above increases, expenditures of \$106 million were made in respect of the new adult occupational training program for which there was no comparable expenditure in the previous fiscal year.

Deficit

On the basis of these preliminary figures, expenditures of \$9,869 million exceeded revenues of \$9,077 million resulting in a deficit of \$792 million compared with a deficit of \$785 million as forecast on November 30, 1967 and a deficit of \$422 million in 1966-67.

Non-budgetary transactions (excluding unmatured debt transactions)

Non-budgetary transactions are those which increase or decrease the government's asset and liability accounts and do not enter into the calculation of the annual budgetary surplus or deficit.

In 1967-68 net receipts and credits of \$2,415 million exceeded net disbursements and charges of \$2,210 million, resulting in a net receipt of \$205 million. In 1966-67 net disbursements and charges totalled \$2,565 million and net receipts and credits totalled \$2,456 million, resulting in a net requirement of \$109 million.

Old age security fund

Receipts by the fund during 1967-68 of \$1,495 million exceeded payments of \$1,388 million by \$107 million. In 1966-67 receipts were \$1,285 million and payments were \$1,073 million.

The transactions in the fund during 1967-68 compared with those for 1966-67 were as follows:

	Fiscal year ended March 31	
	1968 (preliminary)	1967
	(in millions of dollars)	
Balance in fund at April 1.....	429	217
Receipts—		
Sales tax.....	545	559
Personal income tax.....	800	577
Corporation income tax.....	150	149
	1,924	1,502
Disbursements—		
Pension payments.....	-1,388	-1,073
Balance in fund at March 31.....	536	429

Canada pension plan account

Receipts during 1967-68 were \$685 million and disbursements were \$13 million. In 1966-67 receipts were \$600 million and disbursements were \$8 million.

The transactions in the account during 1967-68 compared with those in 1966-67 were as follows:

	Fiscal year ended March 31	
	1968 (preliminary)	1967
	(in millions of dollars)	
Balance at April 1.....	681	89
Receipts.....	685	600
Disbursements.....	-13	-8
Balance at March 31.....	1,353	681

At March 31, 1968 the balance in the account consisted of an operating balance of \$72 million on deposit with the government and provincial securities, purchased on instructions from the provinces, in the amount of \$1,275 million and Government of Canada securities in the amount of \$6 million recorded in the Canada pension plan investment fund.

Unmatured debt transactions

Unmatured debt transactions in 1967-68 reflected an increase of \$788 million in unmatured debt outstanding in the hands of the public compared with an increase of \$711 million in 1966-67.

Change in cash position

Receiver General bank balances in current deposits were \$201 million more at March 31, 1968 than at March 31, 1967. This is the amount by which the increase of \$788 million in outstanding unmatured debt plus the net receipt of \$205 million from non-budgetary transactions exceeded the budgetary deficit of \$792 million.

Change in debt position

As a result of budgetary and non-budgetary transactions the gross liabilities increased by \$2,586 million to \$32,926 million at March 31, 1968, net recorded assets increased by \$1,794 million to \$16,169 million and net debt increased by \$792 million to \$16,757 million.

	Fiscal year ended March 31		
	1968 (preliminary)	1967	Increase or decrease (-)
	(in millions of dollars)		
Gross liabilities.....	32,926	30,340	2,586
Less net recorded assets.....	16,169	14,375	1,794
Net debt.....	<u>16,757</u>	<u>15,965</u>	<u>792</u>

THE BUDGETARY ACCOUNTS

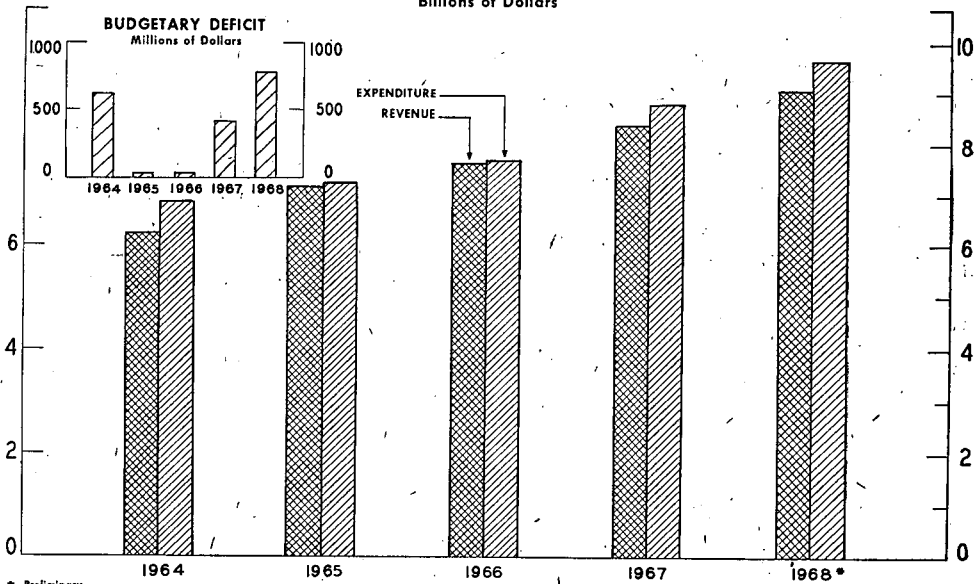
Total budgetary revenue was \$9,077 million in 1967-68, budgetary expenditure was \$9,869 million and the budgetary deficit was \$792 million.

In 1967-68 a change in practice was introduced whereby revenues arising from Royal Canadian Mounted Police expenditures were credited thereto. This revenue totalled \$31 million in 1967-68.

The figures shown in the following table for prior years have not been changed to reflect the effect of this new practice.

BUDGETARY REVENUE AND EXPENDITURE

Fiscal Years Ended March 31
Billions of Dollars



* Preliminary

TABLE 3
BUDGETARY REVENUE, EXPENDITURE AND DEFICIT
(in millions of dollars)

Fiscal year ended March 31	Budgetary revenue	Budgetary expenditure	Deficit
1959.....	4,754.7	5,364.0	-609.3
1960.....	5,289.8	5,702.9	-413.1
1961.....	5,617.7	5,958.1	-340.4
1962.....	5,729.6	6,520.6	-791.0
1963.....	5,878.7	6,570.3	-691.6
1964.....	6,253.2	6,872.4	-619.2
1965.....	7,180.3	7,218.3	-38.0
1966.....	7,695.8	7,734.8	-39.0
1967.....	8,376.2	8,797.7	-421.5
1968 (preliminary).....	9,076.6	9,869.0	-792.4

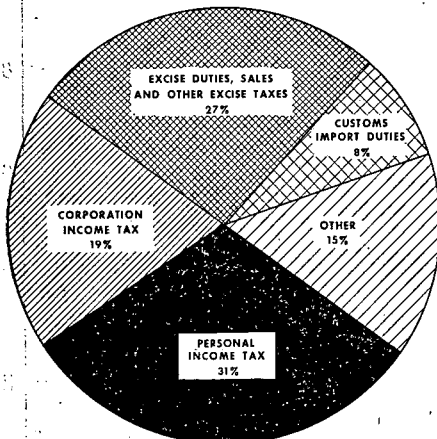
REVENUE

Budgetary revenue in 1967-68 was \$9,077 million, \$719 million or 9 per cent over the total of \$8,358 million received in 1966-67. Tax revenue at \$8,017 million accounted for 88 per cent of the total revenue for the fiscal year and non-tax revenue at \$1,060 million accounted for 12 per cent.

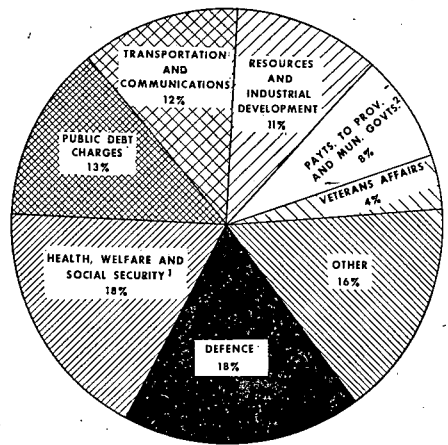
The more important items were increases of \$376 million in personal income tax collections, \$88 million in sales tax receipts, \$77 million in corporation income taxes and \$93 million in return on investments.

BUDGETARY REVENUE BY MAJOR SOURCE

For Fiscal Year Ended March 31, 1968
Preliminary



BUDGETARY EXPENDITURE BY MAJOR FUNCTION



1. Does not include payments out of old age security fund.

2. Does not include those payments made to provincial and municipal governments for specific purposes.

TABLE 4
BUDGETARY REVENUE BY MAJOR SOURCES
(in millions of dollars)

SOURCE	Fiscal year ended March 31				Increase or decrease (-)	
	1968 (preliminary)		1967		Amount	Per cent
	Amount	Per cent	Amount	Per cent		
Tax revenue—						
Income tax—						
Personal ⁽¹⁾	2,849.6	31.4	2,473.8	29.6	375.8	15.2
Corporation ⁽¹⁾	1,670.6	18.4	1,593.2	19.1	77.4	4.9
On dividends, interest, etc., going abroad.....	220.5	2.4	203.6	2.4	16.9	8.3
Excise taxes—						
Sales ⁽¹⁾⁽²⁾	1,601.1	17.7	1,513.6	18.1	87.5	5.8
Other.....	337.0	3.7	315.6	3.8	21.4	6.8
Customs import duties.....	746.4	8.2	777.6	9.3	-31.2	-4.0
Excise duties.....	488.6	5.4	461.0	5.5	27.6	6.0
Estate tax.....	102.2	1.1	101.1	1.2	1.1	1.1
Other taxes.....	0.3		0.2		0.1	50.0
	8,016.3	88.8	7,439.7	89.0	576.6	7.8
Non-tax revenue—						
Return on investments.....	612.3	6.8	519.1	6.2	93.2	18.0
Post office—net postal revenue.....	281.6	3.1	253.3	3.0	28.3	11.2
Other non-tax revenue.....	166.4	1.8	146.1	1.8	20.3	13.9
	1,060.3	11.7	918.5	11.0	141.8	15.4
Total budgetary revenue⁽³⁾.....	9,076.6	100.0	8,353.2	100.0	718.4	8.6

1967-68

1966-67

⁽¹⁾Excluding credits to:

The old age security fund—

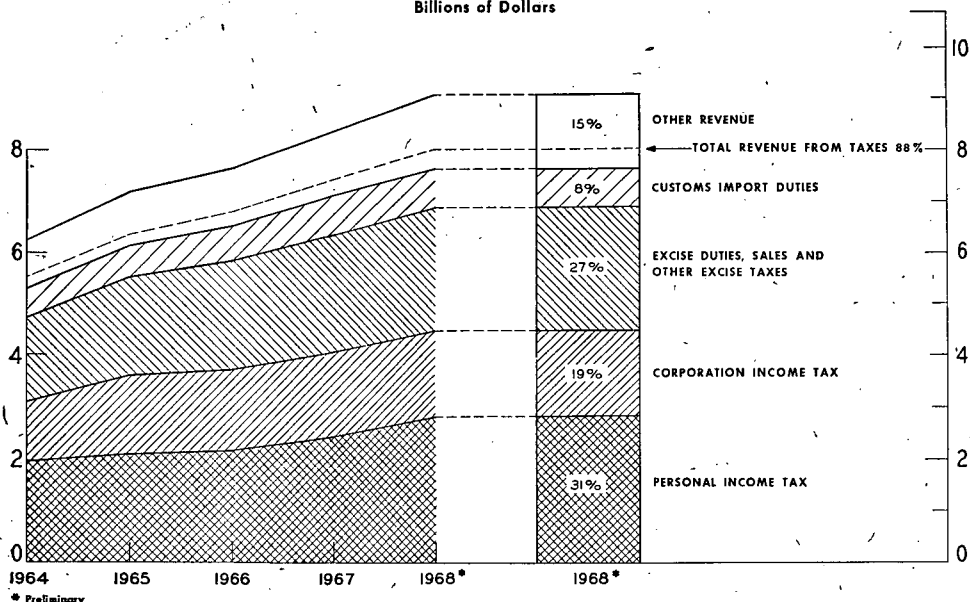
Personal income tax.....	800.1	576.6
Corporation income tax.....	150.0	149.5
Sales tax.....	544.5	559.5
	<u>1,494.6</u>	<u>1,285.6</u>

⁽²⁾Net after deduction of refunds and drawbacks.

⁽³⁾Solicitor General vote 15, Appropriation Act No. 3, 1967 gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison the 1966-67 total has been adjusted.

BUDGETARY REVENUE BY SOURCE

Fiscal Years Ended March 31
Billions of Dollars



TAX REVENUE

Federal-provincial fiscal arrangements

Under fiscal arrangements, that became operative in 1962, the federal government withdrew in part from the field of direct taxation and left the vacated area to the provinces. The federal government offered to collect the provincial income taxes without charge provided that provincial personal income tax was expressed as a percentage of federal personal income tax otherwise payable and provincial corporation income tax applied to taxable income calculated in the same way as for federal income tax purposes. To allow for the imposition of the provincial income taxes, the Income Tax Act was amended to abate the federal income tax otherwise payable by individuals in all provinces by 24 per cent in 1966 and 28 per cent in 1967 and 1968. For 1966 the abatements of federal income tax otherwise payable in the Province of Quebec was 47 per cent; for 1967 and 1968, the corresponding abatement was 50 per cent. These higher abatements for Québec are in compensation of the fact that the payment of youth allowances and the full cost of certain programs which are supported jointly by federal and provincial governments in the other provinces have been assumed by that province. For the year 1966 the federal corporation income tax rates were abated by 9 percentage points for taxable income earned in a province other than Québec and by 10 percentage points for taxable income earned in Québec. For 1967 and 1968 the corresponding abatement was 10 per cent for all provinces. The federal government has entered into tax-collection agreements under which it collects the provincial personal income taxes of all provinces except Québec and the provincial corporation income taxes of all provinces except Ontario and Québec.

Under these collection agreements, payments are made monthly to each province based on an estimate of that province's tax revenue. When the actual amounts of assessed returns are established, usually in the month of December following the end of the fiscal year, adjustments are made with the provinces.

Under the present fiscal arrangements, the federal government agreed to abate its estate tax by 50 per cent in the fiscal years 1962-63 and 1963-64, and by 75 per cent thereafter, in any province that imposed its own succession duties. To a province that did not wish to re-enter the succession duty field the federal government agreed to pay 50 per cent of the federal estate tax revenue in 1962-63 and 1963-64 and 75 per cent thereafter. During 1962-63, Quebec and Ontario collected their own succession duties while the other provinces received a payment in lieu of imposing duties. Starting in 1963-64 British Columbia joined Ontario and Quebec in imposing its own succession duties. When the estate tax abatement was raised to 75 per cent in 1964-65, British Columbia increased its succession duty rates accordingly but Quebec and Ontario preferred to take in lieu of the extra abatement a payment equivalent to 25 per cent of the federal estate tax in those provinces. This arrangement also carried into 1965-66, 1966-67 and 1967-68.

Tax on personal income

In 1967-68 personal income tax was again the largest source of government revenue. Its yield (excluding the old age security tax) was \$2,850 million or 31 per cent of all budgetary revenue compared with \$2,474 million or 30 per cent in 1966-67. The increase of \$376 million was due mainly to a higher level of personal incomes in 1967-68 and partly due to a temporary surtax of 3 per cent on the basic tax in excess of \$200. This temporary surtax applied in respect of tax imposed on 1968 and 1969 income.

In addition to the federal revenue, \$961 million was allocated to the provincial tax collection agreements account under the terms of federal-provincial fiscal arrangements compared with \$697 million in 1966-67.

The tax on personal incomes levied under the Old Age Security Act and credited to the old age security fund was \$800 million compared with \$576 million in 1966-67. This increase of \$224 million was due in part to higher levels of personal income in 1967-68 and in part to the fact that the maximum amount payable on account of this levy was raised from \$120 to \$240 per year effective January 1, 1967.

Corporation income tax

Corporation income tax was the second largest source of government revenue. The yield (excluding the old age security tax) was \$1,671 million or 18 per cent of total budgetary revenue compared with \$1,593 million or 19 per cent in 1966-67. The increase of \$78 million was due mainly to the termination of the accelerated depreciation programs at the end of 1966 and early in 1967 and to the three year curtailment of capital cost allowances for certain classes of assets purchased between March 30, 1966 and April 1, 1967.

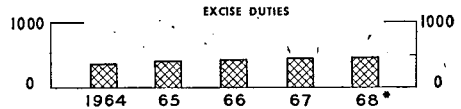
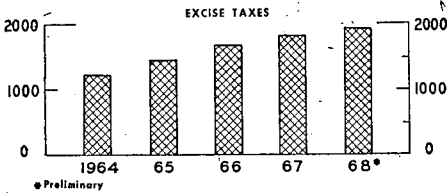
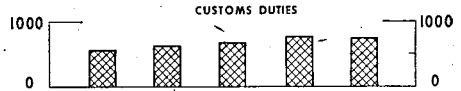
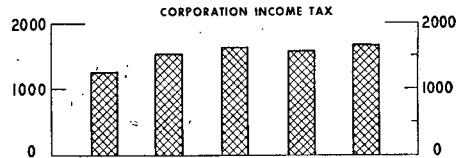
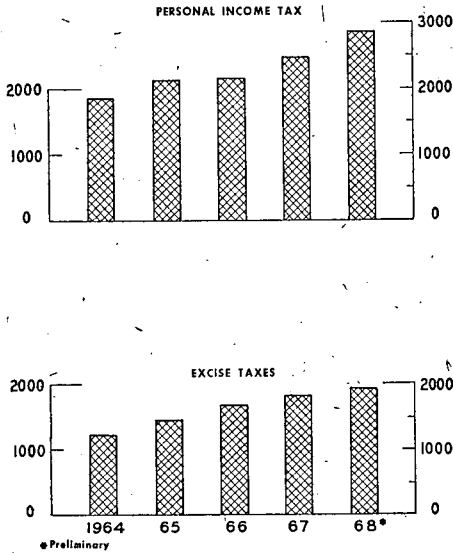
In addition to the federal revenue, \$167 million was allocated to the provincial tax collection agreements account under terms of federal-provincial fiscal arrangements compared with \$132 million in 1966-67.

The tax on incomes of corporations levied under the Old Age Security Act and credited to the old age security fund was \$150 million, the same amount as in 1966-67.

Taxes on dividends, interest, etc., going abroad

Revenue in this category was derived from taxes withheld from payments of dividends, interest, rents, royalties, alimony and income from estates and trusts paid to non-residents. Collections for 1967-68 were \$221 million, an increase of \$17 million or 8 per cent over the 1966-67 total.

PRINCIPAL SOURCES OF TAX REVENUE
Fiscal Years Ended March 31
Millions of Dollars



Excise taxes

From a revenue standpoint the general sales tax was the most important tax levied under the Excise Tax Act. Receipts (excluding the old age security tax) were \$1,601 million, \$88 million or 6 per cent higher than 1966-67 receipts of \$1,514 million. The increase was due in large part to an increase from 11 per cent to 12 per cent effective January 1, 1967, in the rate of the tax. The increase did not apply to building materials. Partially offsetting the revenue gain from this rate change was the exemption for drugs effective September 1, 1967 and the reduction of the rate of tax on production machinery and equipment to 6 per cent on April 1, 1967 and its elimination on June 2, 1967.

The rates of sales tax referred to above include a 3 per cent tax on sales levied under the Old Age Security Act. Revenue from this tax was \$545 million compared with \$560 million in 1966-67. Most of the decrease resulted from the elimination of the tax on production machinery and on drugs.

The yield from other excise taxes levied under the Excise Tax Act was \$337 million, \$21 million more than in 1966-67. The increase was due mainly to increased rates in the excise taxes on wines and tobacco and tobacco products.

Customs import duties

Receipts from this source were \$746 million compared with \$777 million in 1966-67, a decrease of \$31 million.

Excise duties

Excise duties are levied on alcoholic beverages (other than wines) and tobacco products. (Additional taxes on tobacco products were levied under the Excise Tax Act.) Net receipts in 1967-68 were \$489 million compared with \$461 million in 1966-67. The increase of \$28 million was due mainly to increased rates of duty effective December 1, 1967.

Gross receipts of \$301 million from duties on alcoholic beverages consisted of \$181 million in respect of spirits and \$120 million in respect of beer and were \$28 million higher than collections of \$272 million in 1966-67 of which \$158 million was in respect of spirits and \$114 million in respect of beer.

Gross receipts of \$195 million from duties on tobacco products were \$1 million less than collections of \$196 million in 1966-67.

Refunds and drawbacks of \$7 million resulted in net excise duty collections of \$489 million in 1967-68. In 1966-67 refunds and drawbacks were also \$7 million and net receipts were \$461 million.

Estate tax

Revenue in this category was derived under the Estate Tax Act. Net receipts of \$102 million were \$1 million more than in 1966-67.

Other taxes

Revenue under this heading during the fiscal year was \$300 thousand compared with \$200 thousand in 1966-67.

NON-TAX REVENUE

Non-tax revenue totalled \$1,060 million compared with \$918 million in 1966-67. The increase of \$142 million was due mainly to increases of \$93 million in return on investments and \$28 million in post office revenue.

It is noted that Solicitor General vote 15, Appropriation Act No. 3, 1967, which covered administration, operation and maintenance costs of the Royal Canadian Mounted Police, gave authority to credit thereto all revenue arising from services provided thereunder. Consequently such revenue, which consists mainly of services and service fees, proceeds from sales, and privileges, licences and permits, is not reflected in the accounts as revenue. For purposes of comparison the 1966-67 figures have been amended accordingly.

TABLE 5
(in millions of dollars)

NON-TAX REVENUE	Fiscal year ended March 31		Increase or decrease (-)	
	1968 (preliminary)	1967	Amount	Per cent
Return on investments.....	612.3	519.1	93.2	18.0
Post office—net postal revenue.....	281.6	253.3	28.3	11.2
Services and service fees.....	58.9	48.8	10.1	20.7
Privileges, licences and permits.....	41.6	38.8	2.8	7.2
Proceeds from sales.....	18.5	21.0	-2.5	-11.9
Refunds of previous years' expenditure.....	21.7	17.2	4.5	26.2
Bullion and coinage.....	10.7	5.4	5.3	98.1
Premium, discount and exchange.....		0.2	0.2	-100.0
Other.....	15.0	14.9	0.1	2.0
	1,060.3	918.5	141.8	15.4

Return on investments

These receipts, in an amount of \$612 million, consisted of income derived from loans and advances made by the government and from investments by the government in productive or earning assets. In 1966-67 receipts were \$519 million.

TABLE 6
(in millions of dollars)

RETURN ON INVESTMENTS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Loans to, and investments in, Crown corporations—			
Atomic Energy of Canada Limited.....	0.8	0.6	0.2
Bank of Canada—profits.....	177.0	150.6	26.4
Canada Deposit Insurance Corporation.....	0.2		0.2
Canadian Broadcasting Corporation.....	3.8	2.2	1.6
Canadian Corporation for the 1967 World Exhibition....	9.9	3.5	6.4
Canadian Dairy Commission.....	0.9		0.9
Canadian National Railways.....	22.5	16.4	6.1
Canadian Overseas Telecommunication Corporation....	2.5	2.5	
Central Mortgage and Housing Corporation			
Interest on debentures.....	156.7	124.1	32.6
Net profit.....	6.6	5.6	1.0
	163.3	129.7	33.6
Crown Assets Disposal Corporation.....		1.0	-1.0
Eldorado Mining and Refining Limited.....	ω	1.0	-1.0
Export Credits Insurance Corporation.....	9.5	7.8	1.7
Farm Credit Corporation.....	34.6	29.1	5.5
National Capital Commission.....	3.8	3.8	
National Harbours Board.....	1.4	1.7	-0.3
Northern Canada Power Commission.....	3.8	3.1	0.7
Northern Ontario Pipe Line Crown Corporation.....	0.7		0.7
Polymer Corporation Limited.....	2.6	4.5	-1.9
The St. Lawrence Seaway Authority.....	10.8	13.8	-3.0
	448.1	371.3	76.8
Other loans and investments—			
United Kingdom.....	21.2	21.6	-0.4
Other national governments.....	3.9	4.1	-0.2
Provincial governments.....	0.6	0.8	-0.2
Exchange fund account.....	55.2	60.6	-5.4
Interest-bearing deposits with chartered banks.....	23.4	24.2	-0.8
Municipal Development and Loan Board.....	12.7	5.9	6.8
Securities investment account.....	17.0	3.7	13.3
Soldier and general land settlement loans and veterans land act advances.....	13.0	10.6	2.4
Investments in United States dollar securities issued by other than the Government of Canada.....	6.6	7.9	-1.3
Miscellaneous.....	10.6	8.4	2.2
	16.2	147.8	16.4
	612.3	519.1	93.2

ω Less than \$50,000.

Receipts from Crown corporations at \$448 million were \$77 million more than in the previous year. The main changes were increases of \$34 million in payments by the Central Mortgage and Housing Corporation and \$26 million in the Bank of Canada profits paid to the government.

The yield from other loans and investments at \$164 million was \$16 million more than the 1966-67 total. The main changes were increases of \$13 million in earnings of the securities investment account and \$7 million in interest on loans to the Municipal Development and Loan Board and a decrease of \$5 million in profits from the exchange fund account.

Post office revenue

Gross receipts from post office operations were \$327 million but authorized disbursements from revenue for salaries and rent allowances, other allowances and commissions at semi-staff and revenue offices, commissions at sub-offices, transit charges on Canadian mail forwarded through and delivered in foreign countries, etc. in the amount of \$45 million brought net revenue to \$282 million. In 1966-67 gross revenue was \$295 million, authorized disbursements were \$42 million and net revenue was \$253 million.

Net costs of operating the Post Office Department during 1967-68 (excluding the \$45 million charged to revenue) were \$302 million. As net revenue was \$282 million there was a net operating deficit of \$20 million. In 1966-67 net revenue

TABLE 7
(in millions of dollars)

POST OFFICE REVENUE.	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Postage—			
In Canada.....	307.1	277.0	30.1
From foreign countries.....	6.4	5.2	1.2
Commission on money orders.....	9.4	9.2	0.2
Rental of post office boxes.....	2.5	2.4	0.1
Other.....	1.7	1.6	0.1
	327.1	295.4	31.7
Less—			
Salaries and allowances—			
Revenue post offices.....	11.9	11.8	0.1
Semi-staff post offices.....	21.7	19.4	2.3
Sub post offices.....	5.9	5.5	0.4
Transit charges to or through foreign countries.....	4.3	3.8	0.5
Other.....	1.7	1.6	0.1
	45.5	42.1	3.4
	281.6	253.3	28.3

was \$253 million, net operating costs were \$268 million and the net operating deficit was \$15 million. The higher receipts in 1967-68 resulted from increased postal rates and the increase in costs was due mainly to higher salary rates and to normal staff growth.

However, it should be noted that the total shown for post office revenue does not reflect any payment for the franking privilege covering parliamentary and departmental mail or for certain miscellaneous services provided for other government departments and agencies, nor does the total shown for operating expenses reflect any charges for premises occupied by the Post Office Department or for accounting and miscellaneous services provided by other departments.

Services and service fees

Revenue from this source was \$59 million compared with \$49 million in 1966-67.

The Department of Transport received \$27 million including aircraft landing fees of \$15 million, marine steamers earnings of \$5 million and harbour dues and wharfage of \$2 million; the Department of Agriculture received \$9 million of which \$5 million was for services in connection with the inspection, weighing, storage and elevation of grain and \$2 million for race track supervision; the Department of Finance received \$7 million mainly from numismatic revenue; the Department of National Health and Welfare received \$5 million including a \$3 million reimbursement by the provinces for treatment of Indians in federal government hospitals and the Department of Trade and Commerce received \$2 million, mainly from weights and measures and electricity and gas inspection fees.

Privileges, licences and permits

Revenue from this category totalled \$42 million for 1967-68, \$3 million more than in the previous fiscal year.

The Department of Transport received \$19 million mainly from rentals, concessions and radio licence fees; the Department of Indian Affairs and Northern Development received \$8 million of which \$2 million was from fees, leases and royalties in respect of oil, gas and gold and \$1 million from transient motor vehicle licences; the Department of Consumer and Corporate Affairs received \$5 million from patents, trade marks, charters, etc. and the Department of Public Works received \$4 million for rental of public buildings and sites.

Proceeds from sales

Receipts of \$19 million were \$3 million less than the total for 1966-67.

The Department of Defence Production received \$4 million mainly from the sale of surplus Crown assets, Central Mortgage and Housing Corporation received \$3 million from the sales of properties and the Department of Public Printing and Stationery received \$3 million mainly from the sales of publications.

Refunds of previous years' expenditure

Refunds in 1967-68 of expenditures made in prior years were \$22 million, \$5 million more than in 1966-67.

The Department of National Defence received \$7 million of which \$2 million was due to cost audits and \$2 million was due to adjustments on contracts with the United States government and the Department of Veterans Affairs received \$7 million in refunds of veterans' pensions, allowances and re-establishment credits.

Bullion and coinage

Revenue of \$11 million derived from the operation of the Royal Canadian Mint consisted mainly of a net gain on coinage. Small amounts were also obtained from gold refining charges, handling charges and gain on gold refining. In 1966-67 revenue from the operation of the Mint totalled \$5 million.

Premium, discount and exchange

Premium, discount and exchange resulted in a net expenditure of \$615 thousand in 1967-68 compared with a net revenue of \$242 thousand in 1966-67.

Other non-tax revenue

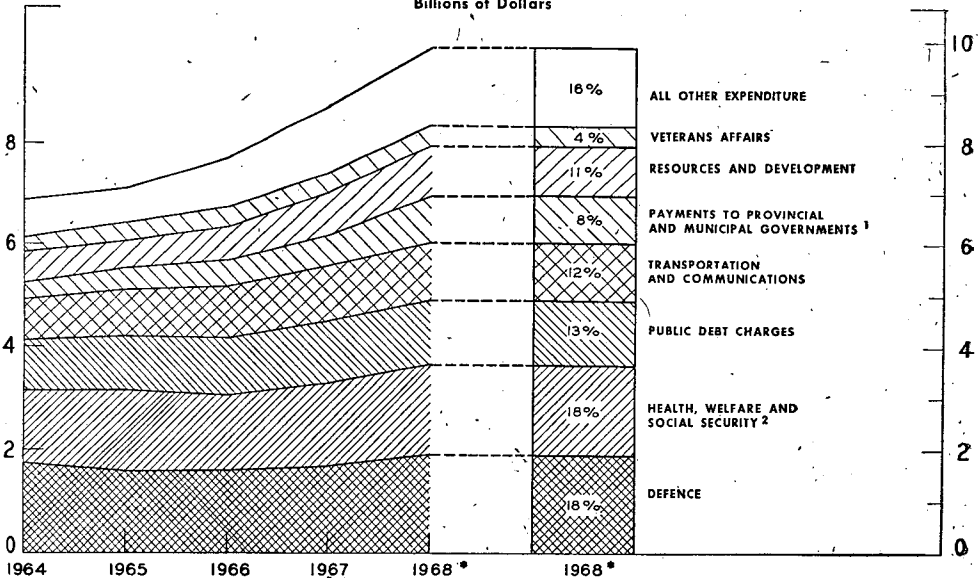
Other non-tax revenue of \$15 million was approximately the same amount as in 1966-67.

EXPENDITURE

Budgetary expenditure amounted to \$9,869 million for 1967-68, \$1,089 million or 12 per cent higher than in 1966-67.

BUDGETARY EXPENDITURE, CLASSIFIED BY FUNCTION

Fiscal Years Ended March 31
Billions of Dollars



1. Does not include those payments made to provincial and municipal governments for specified purposes.

2. Does not include pension payments out of the old age security fund not charged to budgetary expenditure in the year in which they were paid.

* Preliminary

TABLE 8
STATEMENT OF BUDGETARY EXPENDITURE BY DEPARTMENTS
(in millions of dollars)

	Fiscal year ended March 31				Increase or decrease (-)	
	1968 (preliminary)		1967		Amount	Per cent
	Amount	Per cent	Amount	Per cent		
Defence expenditure—						
National Defence.....	1,753.5	17.8	1,640.4	18.7	113.1	6.9
Defence Production ⁽¹⁾	26.0	0.3	24.9	0.3	1.1	4.4
Industry ⁽²⁾	33.5	0.3	30.6	0.3	2.9	9.5
	1,813.0	18.4	1,695.9	19.3	117.1	6.9
Non-defence expenditure—						
Agriculture.....	277.1	2.8	230.7	2.6	46.4	20.1
Atomic Energy.....	69.3	0.7	60.2	0.7	9.1	15.1
Canadian Broadcasting Corporation..	143.3	1.4	115.2	1.3	28.1	24.4
Central Mortgage and Housing Corporation.....	23.1	0.2	20.1	0.2	3.0	14.9
Dominion Bureau of Statistics.....	22.5	0.2	26.6	0.3	-4.1	-15.4
Energy, Mines and Resources.....	136.5	1.4	130.2	1.5	6.3	4.8
External Affairs.....	215.7	2.2	230.5	2.6	-14.8	-6.4
Finance.....	2,148.1	21.8	1,836.0	20.9	312.1	17.0
Fisheries.....	51.7	0.5	41.5	0.5	10.2	24.6
Forestry and Rural Development....	81.1	0.8	66.5	0.8	14.6	22.0
Indian Affairs and Northern Development.....	231.4	2.3	197.4	2.3	34.0	17.2
Industry.....	84.7	0.9	47.9	0.5	36.8	76.8
Justice.....	15.4	0.2	12.2	0.1	3.2	26.2
Labour.....	10.9	0.1	24.9	0.3	-14.0	-56.2
Legislation.....	18.3	0.2	17.8	0.2	0.5	2.8
Manpower and Immigration.....	421.6	4.3	320.4	3.7	101.2	31.6
National Health and Welfare.....	1,488.3	15.1	1,315.9	15.0	172.4	13.1
National Research Council including the Medical Research Council.....	121.7	1.2	94.7	1.1	27.0	28.5
National Revenue.....	115.1	1.2	105.9	1.2	9.2	8.7
Post Office.....	301.8	3.1	268.5	3.1	33.3	12.4
Public Works.....	308.6	3.1	294.4	3.4	14.2	4.8
Secretary of State.....	189.9	1.9	133.8	1.5	56.1	41.9
Solicitor General.....	153.5	1.6	144.3	1.6	9.2	6.4
Trade and Commerce.....	81.4	0.8	73.5	0.8	7.9	10.7
Transport.....	606.9	6.1	568.2	6.5	38.7	6.8
Treasury Board.....	158.6	1.6	153.4	1.7	5.2	3.4
Unemployment Insurance Commission	107.1	1.1	106.1	1.2	1.0	0.9
Veterans Affairs.....	400.8	4.1	390.8	4.5	10.0	2.6
All Other Departments.....	71.6	0.7	56.2	0.6	15.4	27.4
	8,056.0	81.6	7,083.8	80.7	972.2	13.7
Total budgetary expenditure⁽³⁾.....	9,869.0	100.0	8,779.7	100.0	1,089.3	12.4

⁽¹⁾ Does not include non-defence expenditure of \$9.5 million which is included in "All Other Departments".

⁽²⁾ Does not include \$84.7 million in non-defence expenditure.

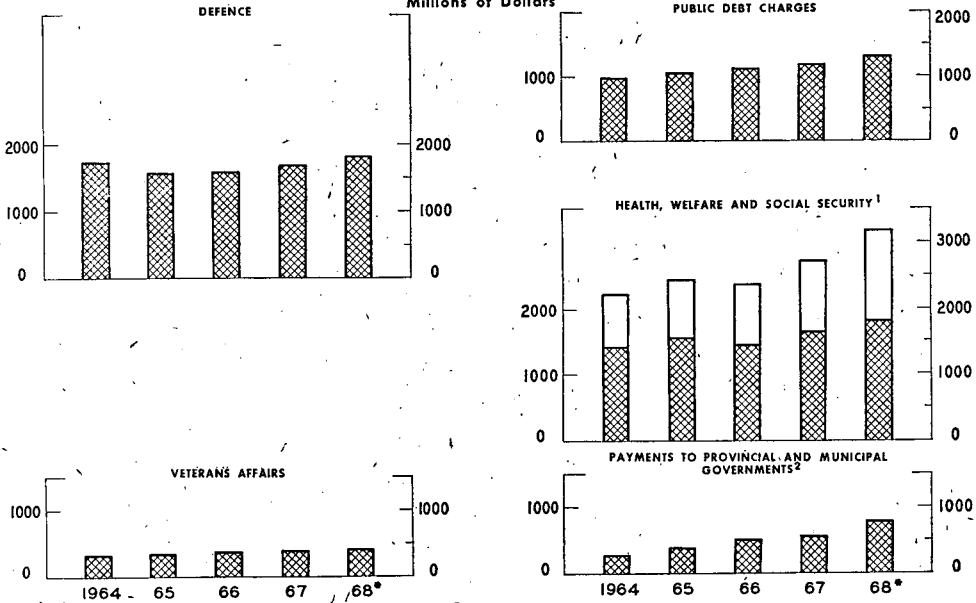
⁽³⁾ Solicitor General vote 15, Appropriation Act No. 3, 1967 gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison 1966-67 figures have been adjusted.

DEFENCE EXPENDITURE

Expenditures of the Department of National Defence and defence expenditures of the Department of Defence Production, and the Department of Industry are again the largest category of government expenditure. The total of \$1,813 million for 1967-68 was 18 per cent of the aggregate budgetary expenditure of the government for the year and was \$117 million more than the total for 1966-67 when it was 19 per cent of total expenditure.

PRINCIPAL CLASSES OF BUDGETARY EXPENDITURE

Fiscal Years Ended March 31
Millions of Dollars



*Preliminary

1. The unshaded areas of the columns in the chart for health, welfare and social security represent pension payments out of old age security fund not charged to budgetary expenditure in the year in which they were paid.

2. Does not include those payments made to provincial and municipal governments for specific purposes.

National Defence

Expenditures of the Department of National Defence were \$1,754 million compared with \$1,640 million for 1966-67, an increase of \$113 million.

Expenditures of \$1,528 million for defence services included \$1,237 million for operation and maintenance, \$278 million for construction or acquisition of buildings, works, land and major equipment and \$13 million for development. In 1966-67 expenditures of \$1,435 million for defence services included \$1,183 million for operation and maintenance, \$235 million for construction or acquisition and \$17 million for development.

Expenditures for pensions and other benefits totalled \$149 million and included \$131 million in respect of the Canadian forces superannuation account, \$8 million for the government's contribution as an employer to the Canada pension plan and the Quebec pension plan and \$9 million in payments under Parts I-IV of the Defence Services Pension Continuation Act. In 1966-67 expenditures totalled \$135 million of which \$115 million was in respect of the superannuation account, \$10 million for the government's contribution as an employer to the Canada pension plan and the Quebec pension plan and \$9 million for payments under Parts I-IV of the Defence Services Pension Continuation Act.

The government's contribution to the Canadian forces superannuation account, of an amount equal to $1\frac{2}{3}$ times the contributions of the permanent services personnel, was \$58 million compared with \$43 million in 1966-67. An amount of \$73 million, equal to one fifth of the actuarial deficiency arising out of pay increases was also charged to budgetary expenditure in 1967-68.

Defence research costs of \$50 million reflected an increase of \$6 million over the 1966-67 total.

TABLE 9
(in millions of dollars)

DEFENCE EXPENDITURE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Department of National Defence—			
Defence services—			
Operation and maintenance.....	1,237.4	1,182.5	54.9
Construction or acquisition of buildings, works, land and major equipment.....	277.5	235.1	42.4
Development.....	13.0	17.5	-4.5
Other.....	0.3	0.2	0.1
	<i>1,528.2</i>	<i>1,455.3</i>	<i>92.9</i>
Pensions and other benefits—			
Canadian forces superannuation account—			
Government's contribution.....	58.4	42.6	15.8
Amortization of deferred charges.....	72.6	72.6	
Government's contribution as an employer to the Canada pension plan and the Quebec pension plan.....	8.1	9.9	-1.8
Payments under Parts I-IV of the Defence Services Pension Continuation Act.....	9.3	9.1	0.2
Other.....	0.3	0.3	
	<i>148.7</i>	<i>134.5</i>	<i>14.2</i>
Defence research.....	50.4	44.2	6.2
Mutual aid to NATO countries including contributions towards military costs of NATO.....	18.0	18.7	-0.7
Defence Construction (1951) Limited.....	2.2	2.2	
Administration and general.....	6.0	5.5	0.5
	<i>1,753.5</i>	<i>1,640.4</i>	<i>113.1</i>
Department of Defence Production⁽¹⁾—			
Canada Emergency Measures Organization.....	8.0	9.2	-1.2
Canadian Commercial Corporation.....	2.0		2.0
Canadian Arsenals Limited.....	0.4	1.3	-0.9
Administration and general.....	15.6	14.4	1.2
	<i>26.0</i>	<i>24.9</i>	<i>1.1</i>
Department of Industry⁽²⁾—			
Technological capability.....	22.9	22.6	0.3
Payments to assist defence manufacturers with defence plant modernization and establishment of production capacity and qualified sources.....	10.6	8.0	2.6
	<i>33.5</i>	<i>30.6</i>	<i>2.9</i>
	<i>1,813.0</i>	<i>1,695.9</i>	<i>117.1</i>

⁽¹⁾ Does not include non-defence expenditure of \$9.5 million which is included in "All Other Departments".

⁽²⁾ Does not include \$84.7 million in non-defence expenditure.

Mutual aid to NATO countries including contributions towards military costs of NATO at \$18 million were \$1 million less than in 1966-67.

Defence Production

Defence expenditures of the Department of Defence Production including those for the Canada Emergency Measures Organization, the Canadian Commercial Corporation and the Canadian Arsenals Limited totalled \$26 million compared with \$25 million in 1966-67.

Payments to assist defence contractors with defence plant modernization and in connection with the establishment of production capacity and qualified

sources for production of component parts and materials, which in previous years were included under expenditures of this department, are now included in defence expenditures of the Department of Industry. Previous year's figures have been adjusted for purposes of comparison.

Canada Emergency Measures Organization

Expenditures of the Canada Emergency Measures Organization at \$8 million were \$1 million less than in the previous fiscal year.

Canadian Commercial Corporation

Payments to the Department of Defence Production for administrative services in respect of this corporation totalled \$2 million in 1967-68. There were no expenditures in the previous year.

Industry

Defence expenditures of the Department of Industry totalled \$34 million in 1967-68, an increase of \$3 million over the previous year's total.

Outlays of \$23 million in connection with the government program instituted in 1959-60 of supporting selected defence development programs in order to sustain technological capability in Canadian industry were the same as the previous year's total and payments of \$11 million to assist defence manufacturers with defence plant modernization and establishment of production capacity and qualified sources, which in previous years were included under defence expenditures of the Department of Defence Production, reflected an increase of \$3 million during 1967-68. Previous year's figures have been amended for purposes of comparison.

Cash outlays for defence

In addition to these budgetary expenditures for defence, there are other cash outlays which must be considered in arriving at the cost of Canada's defence program.

Under authority of the Department of National Defence vote 48, Appropriation Act No. 2, 1966, as amended, an account which has been named "surplus Crown assets" is to be credited with: (a) all revenues received during the current and subsequent fiscal years from the sale of surplus materials, supplies and equipment; and (b) revenues received during the current and subsequent fiscal years from the sale during the current year of surplus buildings, works and land not exceeding an aggregate amount of \$10 million. Expenditures are subject to the approval of Treasury Board for any purposes of the Department of National Defence. During 1967-68 proceeds from sales amounted to \$9 million and expenditures were \$2 million, resulting in a balance in the account of \$31 million.

The Department of Defence Production also makes cash disbursements for the procurement of materials for use in the manufacture of defence equipment which are not recorded as budgetary expenditures. For purposes of accounting and control, these amounts are charged to the defence production revolving fund and are treated as assets on the books of the government until they are charged to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment. During 1967-68 purchases of \$35 million exceeded proceeds from sales of \$30 million resulting in a balance of \$39 million as at March 31, 1968.

TABLE 10

(in millions of dollars)

CASH OUTLAYS FOR DEFENCE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Budgetary expenditures—			
Department of National Defence.....	1,753.5	1,640.4	113.1
Department of Defence Production ⁽¹⁾	26.0	24.9	1.1
Department of Industry ⁽²⁾	33.5	30.6	2.9
	1,813.0	1,695.9	117.1
Disbursements for—			
Surplus Crown assets.....	-6.8	-15.2	8.4
Defence production revolving fund (net).....	5.0	11.4	-6.4
	-1.8	-3.8	2.0
Net cash outlays for defence.....	1,811.2	1,692.1	119.1

⁽¹⁾ Does not include \$9.5 million in non-defence expenditure which is included in "All Other Departments".

⁽²⁾ Does not include \$34.7 million in non-defence expenditure.

NON-DEFENCE EXPENDITURE

Agriculture

Expenditures of the Department of Agriculture amounted to \$277 million, an increase of \$46 million over the total for 1966-67.

Outlays for production and marketing were \$177 million compared with \$139 million in 1966-67. The 1967-68 net operating loss of the agricultural stabilization board at \$140 million was \$51 million higher than the 1966-67 operating loss of \$89 million, due mainly to payments for stabilization of prices in respect of milk and milk products; the 1967-68 net operating loss of the agricultural products board at \$1 million was \$4 million lower than the 1966-67 net operating loss of \$5 million; and outlays of \$8 million in respect of plant and plant products were \$12 million lower than 1966-67 outlays of \$20 million.

TABLE 11

(in millions of dollars)

AGRICULTURE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Production and marketing—			
Agricultural stabilization board—net operating loss.....	139.7	88.7	51.0
Animal and animal products.....	21.6	19.8	1.8
Agricultural products board—net operating loss.....	1.4	5.7	-4.3
Plant and plant products.....	8.5	20.3	-11.8
Contributions to provinces under the Crop Insurance Act	2.6	1.4	1.2
Administration and general.....	3.2	2.9	0.3
	177.0	138.8	38.2
Research.....	39.7	35.4	4.3
Land rehabilitation, irrigation and water storage projects.....	21.5	25.0	-3.5
Health of animals.....	18.6	16.1	2.5
Board of grain commissioners.....	9.7	7.8	1.9
Farm Credit Corporation—net operating loss.....	3.8	2.6	1.2
Canadian Dairy Commission.....	0.3	⁽¹⁾	0.3
Administration and general.....	6.5	5.0	1.5
	277.1	230.7	46.4

⁽¹⁾ Less than \$50,000.

Expenditures for research were \$40 million compared with \$35 million in 1966-67, for land rehabilitation, irrigation and water storage projects \$22 million compared with \$25 million, for health of animals \$19 million compared with \$16 million and for the Board of Grain Commissioners \$10 million compared with \$8 million.

Atomic Energy

Expenditures by the government in respect of Atomic Energy of Canada Limited and the Atomic Energy Control Board amounted to \$69 million compared with \$60 million in 1966-67.

Atomic Energy of Canada Limited received \$66 million in respect of its research program, of which \$57 million was for operation and maintenance and \$9 million for construction or acquisition of buildings, works, land and equipment. In 1966-67 the company received \$58 million of which \$48 million was for operation and maintenance and \$10 million for construction or acquisition.

The Atomic Energy Control Board received \$3 million, approximately \$1 million more than in the previous fiscal year, mainly for grants for researches and investigations.

In addition, loans in the amount of \$33 million were made to Atomic Energy of Canada Limited.

TABLE 12
(in millions of dollars)

ATOMIC ENERGY	Fiscal year ended March 31 ¹		Increase or decrease (-)
	1968 (preliminary)	1967	
Atomic Energy of Canada Limited—			
Research program—			
Current operation and maintenance.....	56.9	47.7	9.2
Construction or acquisition of buildings, works, land and equipment.....	9.6	10.3	-0.7
	66.5	58.0	8.5
Atomic Energy Control Board—			
Grants for researches and investigations with respect to atomic energy.....	2.5	2.0	0.5
Administration.....	0.3	0.2	0.1
	2.8	2.2	0.6
	69.3	60.2	9.1

Canadian Broadcasting Corporation

Payments of \$143 million by the government to the Canadian Broadcasting Corporation and charged to budgetary expenditure were \$28 million more than the total of \$115 million in 1966-67 due in part to special Centennial and EXPO 67 activities which totalled \$11 million in 1967-68 compared with \$5 million in 1966-67.

Grants for net operating requirements in respect of the national broadcasting service were \$140 million, \$27 million more than in the previous fiscal year.

In addition, loans to the corporation for capital expenditure amounted to \$21 million in 1967-68 and repayments of loans were \$3 million.

TABLE 13
(in millions of dollars)

CANADIAN BROADCASTING CORPORATION	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Grants in respect of the national broadcasting service— Net operating requirements.....	139.5	112.4	27.1
International broadcasting service.....	3.8	2.8	1.0
	143.3	115.2	28.1

Central Mortgage and Housing Corporation

Budgetary expenditure of the government in respect of the Central Mortgage and Housing Corporation at \$23 million was \$3 million more than in 1966-67.

Payments of \$10 million to provinces or municipalities for urban renewal were \$2 million more than in 1966-67.

Loans in the amount of \$8 million, originally made to municipalities and municipal sewerage corporations, were forgiven by Central Mortgage and Housing Corporation pursuant to section 36G of the National Housing Act, the same amount as in 1966-67.

In addition, loans in the amount of \$767 million were made to the corporation in 1967-68 and repayments by the corporation were \$133 million.

TABLE 14
(in millions of dollars)

CENTRAL MORTGAGE AND HOUSING CORPORATION	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Urban renewal	9.7	7.9	1.8
Loans forgiven by the corporation.....	7.9	7.9	
Losses sustained—federal-provincial projects.....	2.4	2.1	0.3
Housing research and community planning.....	3.1	2.2	0.9
	23.1	20.1	3.0

Dominion Bureau of Statistics

Expenditures of the Dominion Bureau of Statistics totalled \$23 million in 1967-68 compared with \$27 million in the previous fiscal year.

Administration and operation expenditures at \$23 million were \$5 million higher than in 1966-67 but this increase was more than offset by the fact that there were no expenditures in 1967-68 for the 1966 Quinquennial Census which were \$9 million in 1966-67.

TABLE 15
(in millions of dollars)

DOMINION BUREAU OF STATISTICS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Administration and operation.....	22.5	18.0	4.5
1966 Quinquennial Census of Canada.....		8.5	-8.5
1961 Decennial Census of Canada.....		0.1	-0.1
	22.5	26.6	-4.1

Energy, Mines and Resources

Expenditures of the Department of Energy, Mines and Resources including the Dominion Coal Board and the National Energy Board were \$137 million compared with \$130 million in 1966-67.

The increase was due mainly to putlays of \$20 million in respect of research and investigations on water resources compared with \$15 million in 1966-67 and \$20 million in respect of marine surveys and research compared with \$16 million in the previous fiscal year.

TABLE 16
(in millions of dollars)

ENERGY, MINES AND RESOURCES	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Dominion coal board.....	33.6	38.0	-4.4
Research and investigations on water resources.....	20.2	15.0	5.2
Marine surveys and research.....	20.3	16.1	4.2
Emergency gold mining assistance.....	15.2	15.0	0.2
Field and air surveys, mapping and aeronautical charting....	10.1	8.7	1.4
Geological research.....	9.4	9.8	-0.4
Mining and metallurgical investigations and research.....	7.6	6.8	0.8
Research in astronomy and geophysics.....	5.4	5.4	
Contributions to provinces to assist in the development of roads leading to resources.....	2.7	4.5	-1.8
Subventions pursuant to the Atlantic Provinces Power Development Act in respect of electric power generated from eastern coal.....	2.4	2.8	-0.4
Polar continental shelf.....	1.6	1.9	-0.3
National energy board.....	1.6	1.1	0.5
Geographical surveys and research.....	1.1	1.1	
Administration and general.....	5.3	4.0	1.3
	136.5	130.2	6.3

External Affairs

Expenditures of the Department of External Affairs amounted to \$216 million for 1967-68, \$15 million less than the total for the previous fiscal year.

Expenditures of the external aid office were \$135 million compared with \$160 million in 1966-67. The decrease was due mainly to a decrease of \$21 million in outlays under the international food aid program and to the fact that there was no expenditure in 1967-68 comparable to the \$9 million in 1966-67 for forgiveness of the payment of principal re the purchase of wheat and flour by India.

Assessments for membership in international commissions and organizations were \$13 million compared with \$12 million in 1966-67, costs for construction, acquisition or improvement of buildings, works, land, equipment and furnishings were \$6 million compared with \$3 million and administration, operation, maintenance and general costs were \$42 million compared with \$36 million.

TABLE 17
(in millions of dollars)

EXTERNAL AFFAIRS	Fiscal year ended March 31,		Increase or decrease (-)
	1968 (preliminary)	1967	
External aid office—			
Economic, technical, educational and other assistance—			
International food aid program.....	76.3	97.0	-20.7
International development assistance.....	50.0	48.5	1.5
Contribution to the Indus Basin development fund..	5.0	3.0	2.0
Other.....	0.7	0.1	0.6
Forgiveness of payment of principal re purchase of wheat and flour by India.....		9.4	=9.4
Administration.....	2.8	1.7	1.1
	134.8	159.7	-24.9
Contributions, grants and payments to international com- missions and organizations—			
United nations and its agencies.....	15.3	14.0	1.3
Miscellaneous grants and payments.....	3.7	5.3	-1.6
Other international commissions and organizations.....	0.1	0.1	
Commonwealth organizations.....	(1)	0.1	-0.1
	19.1	19.5	-0.4
Assessments for membership in international commissions and organizations—			
United nations and its agencies.....	9.9	9.3	0.6
Other international commissions and organizations.....	2.7	2.1	0.6
Commonwealth organizations.....	0.3	0.3	
	12.9	11.7	1.2
Construction, acquisition or improvement of buildings, works, land, equipment and furnishings.....	6.5	3.1	3.4
International joint commission.....	0.4	0.3	0.1
Administration, operation, maintenance and general.....	42.0	36.2	5.8
	215.7	230.5	-14.8

(1) Less than \$50,000.

Finance

Expenditures of the Department of Finance were \$2,148 million, \$312 million more than the previous year's total of \$1,836 million, due mainly to increases of \$110 million in public debt charges and \$222 million in payments to provinces and a decrease of \$25 million in forgiveness of indebtedness in respect of the municipal development and loan board.

TABLE 18

(in millions of dollars)

FINANCE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Public debt charges.....	1,300.8	1,190.5	110.3
Fiscal, subsidy and other payments to provinces.....	737.5	515.5	222.0
Grants to municipalities and provinces in lieu of taxes on - federal property.....	41.5	37.6	3.9
Office of the Comptroller of the Treasury.....	32.1	29.3	2.8
Forgiveness of indebtedness—municipal development and loan board.....	16.7	41.6	-24.9
Royal Canadian Mint.....	4.0	3.2	0.8
Administration and general.....	15.5	18.3	-2.8
	2,148.1	1,836.0	312.1

Public debt charges

Public debt charges are again the third largest item of budgetary expenditure, exceeded only by those for defence and those for health, welfare and social security.

Public debt charges consist of interest on the public debt, the annual amortization of bond discounts and commissions, the cost of issuing new loans and other costs incurred in servicing the public debt. These charges were \$1,301 million for 1967-68 or 13 per cent of all budgetary expenditure compared with \$1,191 million or 14 per cent for 1966-67.

Interest on public debt totalled \$1,270 million of which \$981 million was in respect of unmaturred debt and \$289 million in respect of other liabilities. In 1966-67 total interest was \$1,156 million of which \$902 million was for unmaturred debt and \$254 million for other liabilities.

The increase of \$79 million in interest on unmaturred debt reflected higher interest rates and an increase in unmaturred debt. The increase in interest on other liabilities was due mainly to increases of \$13 million in respect of the public service superannuation account and \$13 million in respect of the Canadian forces superannuation account.

Other public debt charges at \$31 million were \$4 million less than in 1966-67.

When considering the magnitude of these public debt charges and the burden they place upon the public treasury, it must be borne in mind that a substantial portion of the debt is attributable to, or is invested in, productive or earning assets. Therefore, in calculating the *net* burden of the government's annual interest charges, the income derived from loans, investments and other productive assets must be taken into account. This income totalled \$612 million for 1967-68 as shown in the non-tax revenue section under the heading "return on investments". This amount deducted from the gross total of \$1,270 million for interest as shown in the table leaves a net amount of \$658 million compared with a net of \$637 million in 1966-67. Measured as a percentage of the net debt the burden of the net annual interest charges was 3.92 per cent in 1967-68 compared with 3.99 per cent in 1966-67.

TABLE 19
(in millions of dollars)

INTEREST AND OTHER PUBLIC DEBT CHARGES	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Interest on public debt—			
Unmatured debt including treasury bills—			
Payable in Canada.....	967.9	885.6	82.3
Payable in New York.....	12.6	15.9	-3.3
	980.5	901.5	79.0
Other liabilities—			
Annuity, insurance and pension accounts.....	273.8	246.4	27.4
Deposit and trust accounts.....	4.6	3.8	0.8
Refundable portion of corporation income tax.....	11.1	4.4	6.7
	289.5	254.6	34.9
Total interest on public debt.....	1,270.0	1,156.1	113.9
Other public debt charges—			
Annual amortization of bond discounts and commissions.....	26.3	29.8	-3.5
Cost of issuing new loans.....	2.9	2.6	0.3
Servicing of public debt.....	1.6	2.0	-0.4
	30.8	34.4	-3.6
	1,300.8	1,190.5	110.3

TABLE 20
(in millions of dollars)

NET BURDEN OF ANNUAL INTEREST CHARGES	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Total interest on public debt.....	1,270.0	1,156.1	113.9
Less return on investments.....	-612.3	-519.1	-93.2
Net interest cost.....	657.7	637.0	20.7
Net interest cost as a percentage of net debt.....	3.92	3.99	

Fiscal, subsidy and other payments to provinces

Payments to provinces in the amount of \$737 million were \$222 million more than in 1966-67.

However, in addition to the above payments, \$1,128 million in provincial income taxes collected by the federal government on behalf of the provinces has been allocated to the provincial tax collection agreements account under the terms of the Federal-Provincial Fiscal Arrangements Act. A more detailed explanation of these arrangements is given in the tax revenue section of this Part.

TABLE 21
(in millions of dollars)

FISCAL, SUBSIDY AND OTHER PAYMENTS TO PROVINCES	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Payments under the Federal-Provincial Fiscal Arrangements Act ⁽¹⁾	563.6	423.2	140.4
Payments under the Established Programs (Interim Arrangements) Act ⁽²⁾	153.0	57.7	95.3
Statutory subsidies.....	31.7	23.6	8.1
Payments under the Federal-Provincial Tax-Sharing Arrangements Act.....	1.3	9.1	-7.8
Transfer of certain public utility tax receipts.....	6.7	6.0	0.7
Federal-Provincial Fiscal Revision Act (youth allowances) ⁽³⁾	18.8 Cr.	4.1 Cr.	-14.7
	737.5	515.5	222.0

⁽¹⁾Gross prior to recovery of an excess abatement under the Federal-Provincial Fiscal Revision Act (youth allowances) to the Province of Quebec.

⁽²⁾Payments made to the Province of Quebec in respect of opting out agreements.

⁽³⁾Recovered from payments to the Province of Quebec under the Federal-Provincial Fiscal Arrangements Act.

A summary of payments, by provinces, during 1967-68 is given in the following table:

TABLE 22
(in millions of dollars)

FISCAL, SUBSIDY AND OTHER PAYMENTS TO PROVINCES	Fiscal year ended March 31, 1968 (preliminary)						
	Payments under fiscal arrange- ments	Payments under Interim Arrange- ments Act	Statutory subsidies	Payments under the Federal- Provincial Fiscal Revision Act (youth allow- ances)	Transfer of certain public utility tax receipts	Payments under Federal- Provincial Tax- Sharing Arrange- ments Act	Total
Newfoundland.....	66.1		9.7		0.4	0.1	76.3
Nova Scotia.....	77.6		2.1		0.6	0.2	80.5
Prince Edward Island...	13.8		0.7		0.1	⁽¹⁾	14.6
New Brunswick.....	63.5		1.7		⁽¹⁾	0.2	65.4
Quebec.....	⁽²⁾ 243.8	153.0	4.0	⁽³⁾ 18.8 Cr.	0.7	0.3	383.0
Ontario.....	20.6		4.6		1.6		26.8
Manitoba.....	44.9		2.1		0.3	0.2	47.5
Saskatchewan.....	24.9		2.1		⁽¹⁾	0.3	27.3
Alberta.....	8.4		3.0		2.9		14.3
British Columbia.....			1.7		0.1		1.8
	563.6	153.0	31.7	18.8 Cr.	6.7	1.3	737.5

⁽¹⁾Less than \$50,000.

⁽²⁾Gross prior to recovery of the excess tax abatement of \$18.8 million under the Federal-Provincial Fiscal Revision Act (youth allowances).

⁽³⁾Recovered from payments under the Federal-Provincial Fiscal Arrangements Act.

Grants to municipalities

Payments to municipalities and provinces in lieu of taxes on federal property amounted to \$42 million compared with \$38 million in 1966-67.

Forgiveness of indebtedness, the municipal development and loan board

Under the Municipal Development and Loan Act, advances are made to the municipal development and loan board to provide financial assistance by way of loans to municipalities to augment or accelerate capital works programs. The act also provides that the board shall, under certain conditions, forgive payment by the municipality of 25 per cent of the principal amount of the loan. During 1967-68 payments forgiven amounted to \$17 million compared with \$42 million in the previous year.

Fisheries

Expenditures of the Department of Fisheries totalled \$52 million, an increase of \$10 million over the 1966-67 total, due to increases of \$7 million in respect of fisheries management and development and \$3 million in respect of the fisheries research board.

TABLE 23
(in millions of dollars)

FISHERIES	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Fisheries management and development—			
Conservation and protection services.....	9.4	9.0	0.4
Grants, contributions and subsidies.....	8.5	3.7	4.8
Resource development service.....	6.3	5.3	1.0
Industrial development service.....	3.6	3.5	0.1
Inspection service.....	3.1	2.7	0.4
Canadian share of the expenses of international commis- sions.....	1.3	1.2	0.1
Other.....	2.8	2.7	0.1
	35.0	28.1	6.9
Fisheries Research Board of Canada.....	14.6	11.5	3.1
Administration and general.....	2.1	1.9	0.2
	51.7	41.5	10.2

Forestry and Rural Development

Expenditures of the Department of Forestry and Rural Development totalled \$81 million compared with \$67 million in the previous fiscal year.

The increase was due mainly to payments of \$27 million to provinces in respect of projects and programs under the Agricultural and Rural Development Act which were \$9 million more than comparable payments of \$18 million in 1966-67 in respect of the Agricultural Rehabilitation and Development Act and \$6 million in respect of progress payments for rural economic development for which there were no comparable expenditures in 1966-67.

Outlays for freight assistance and grain storage costs on western feed grains amounted to \$21 million, the same as in the previous fiscal year.

TABLE 24
(in millions of dollars)

FORESTRY AND RURAL DEVELOPMENT	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Rural development—			
Payments in respect of projects and programs under the Agricultural and Rural Development Act.....	27.0	17.9	9.1
Fund for rural economic development—project payments Agricultural Rehabilitation and Development Act and the Maritime Marshland Rehabilitation Act.....	6.1		6.1
	3.6	2.1	1.5
	36.7	20.0	16.7
Forestry—			
Regional research and services.....	10.7	8.7	2.0
Research institutes.....	7.3	4.7	2.6
Contributions to the provinces.....	1.1	8.7	-7.6
Administration.....	1.9	1.3	0.6
	21.0	23.4	-2.4
Canadian livestock feed board—			
Freight assistance and grain storage costs on western feed grains.....	21.4	21.0	0.4
Administration and operation.....	0.2		0.2
	21.6	21.0	0.6
Administration and general.....	1.8	2.1	-0.3
	81.1	66.5	14.6

Indian Affairs and Northern Development

Expenditures of the Department of Indian Affairs and Northern Development amounted to \$231 million compared with \$197 million in 1966-67.

Outlays in respect of Indian affairs were \$123 million compared with \$103 million in 1966-67. There were increases of \$11 million in outlays for development and maintenance of Indian communities and \$7 million in education costs.

Outlays in respect of the northern program were \$70 million compared with \$57 million in 1966-67. There were increases of \$4 million in outlays for regional development, \$3 million in payments to governments of the Yukon Territory and the Northwest Territories and \$3 million in respect of northern mineral assistance grants for which there was no comparative expenditure in 1966-67.

Conservation expenditures totalled \$37 million compared with \$36 million in 1966-67. Administration, operation and maintenance costs were \$3 million compared with \$2 million in 1966-67.

TABLE 25
(in millions of dollars)

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Indian affairs—			
Education	58.9	52.3	6.6
Development and maintenance of Indian communities	57.0	45.2	11.8
Administration and general	6.6	5.6	1.0
	122.5	103.1	19.4
Northern program—			
Regional development	25.8	22.2	3.6
Education	12.3	11.5	0.8
Payments to the Governments of the Yukon Territory and the Northwest Territories	9.4	6.3	3.1
Northern mineral assistance grants	2.8		2.8
Administration and general	19.3	16.8	2.5
	69.6	66.8	12.8
Conservation—			
National parks and historic sites	29.0	30.6	-1.6
Canadian wildlife service	3.8	2.9	0.9
Administration and general	3.9	2.1	1.8
	36.7	35.6	1.1
Administration and general	2.6	1.9	0.7
	231.4	197.4	34.0

Industry

Non-defence expenditures of the Department of Industry were \$85 million compared with \$48 million in 1966-67.

The increase was due mainly to expenditures of \$26 million to provide incentives for the development of industrial employment opportunities in designated areas in Canada compared with \$1 million in 1966-67.

TABLE 26
(in millions of dollars)

INDUSTRY ⁽¹⁾	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Capital subsidies for the construction of commercial and fishing vessels	39.3	35.8	3.5
Incentives for the development of industrial employment opportunities in designated areas in Canada	26.4	1.2	25.2
To advance the technological capability of Canadian manu- facturing industry by supporting selected civil (non- defence) development projects	6.4	4.6	1.8
General incentives to industry for the expansion of scientific research and development in Canada	2.1		2.1
Administration and general	10.5	6.3	4.2
	84.7	47.9	36.8

⁽¹⁾Additional expenditures of \$33.5 million are included under "defence expenditure".

Capital subsidies for the construction of commercial and fishing vessels, which in previous years were included in expenditures of the Canadian Maritime Commission under the Department of Transport, are now included under expenditures of the Department of Industry. Previous year's figures have been adjusted for purposes of comparison. Expenditures amounted to \$39 million compared with \$36 million in the previous fiscal year.

Justice

Expenditures of the Department of Justice were \$15 million compared with \$12 million in 1966-67.

Judges salaries, allowances and pensions totalled \$12 million compared with \$9 million in 1966-67 and administration and general costs were \$4 million compared with \$3 million.

TABLE 27
(in millions of dollars)

JUSTICE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Judges salaries, allowances and pensions.....	11.8	9.4	2.4
Administration and general.....	3.6	2.8	0.8
	15.4	12.2	3.2

Labour

Expenditures of the Department of Labour totalled \$11 million, \$14 million less than in the previous fiscal year. The decrease was due mainly to outlays in respect of the winter house building incentive program which amounted to \$50 thousand compared with \$15 million in 1966-67.

TABLE 28
(in millions of dollars)

LABOUR	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Labour standards and benefits.....	5.5	4.9	0.6
Research and development.....	2.2	1.8	0.4
Winter house building incentive program.....	0.1	15.3	-15.2
Labour relations.....	1.3	1.1	0.2
Administration and general.....	1.8	1.8	
	10.9	24.9	-14.0

Legislation

Costs of Legislation were \$18 million in 1967-68, \$1 million more than in 1966-67.

TABLE 29
(in millions of dollars)

LEGISLATION	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
House of Commons.....	14.3	13.9	0.4
The Senate.....	3.4	3.3	0.1
Library of Parliament.....	0.6	0.6	
	18.3	17.8	0.5

Manpower and Immigration

Expenditures of the Department of Manpower and Immigration were \$422 million compared with \$321 million in 1966-67.

Expenditures in respect of development and utilization of manpower totalled \$389 million compared with \$295 million in the previous fiscal year. These expenditures included payments of \$86 million to provinces under the Technical and Vocational Training Assistance Act compared with \$85 million in the previous fiscal year, payments of \$119 million for capital assistance in the provision of training facilities and for assistance in manpower training research compared with \$136 million, payments of \$106 million to and in respect of persons who are being afforded occupational training under the adult occupational training program, for which there was no comparable expenditures in 1966-67, payments of \$31 million to provinces and in respect of Indian bands under the municipal winter works incentive program, \$8 million less than in 1966-67, and outlays of \$32 million for employment services compared with \$33 million in the previous fiscal year.

Outlays of \$21 million in respect of immigration were \$1 million more than in 1966-67 and outlays in respect of program development totalled \$7 million compared with \$1 million in the previous fiscal year.

TABLE 30
(in millions of dollars)

MANPOWER AND IMMIGRATION	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Development and utilization of manpower—			
Capital assistance in the provision of training facilities and for assistance in manpower training research.....	119.3	136.2	-16.9
Adult occupational training program.....	106.2		106.2
Payments to provinces under the Technical and Vocational Training Assistance Act.....	85.6	85.2	0.4
Municipal winter works incentive program.....	30.5	37.8	-7.3
Employment services.....	32.3	32.8	-0.5
Other.....	15.1	2.9	12.2
	389.0	294.9	94.1
Immigration.....	21.6	20.5	1.1
Program development.....	6.6	1.4	5.2
Immigration appeal board.....	0.3		0.3
Administration and general.....	4.1	3.6	0.5
	421.6	320.4	101.2

National Health and Welfare

Expenditures of the Department of National Health and Welfare at \$1,488 million were \$172 million more than the previous year's total of \$1,316 million, due mainly to increases of \$65 million for welfare services and \$101 million in respect of health insurance and resources.

Outlays for welfare services amounted to \$877 million compared with \$812 million in 1966-67; outlays for health insurance and resources were \$549 million compared with \$447 million; and outlays for medical services were \$43 million compared with \$39 million in the previous fiscal year.

TABLE 31
(in millions of dollars)

NATIONAL HEALTH AND WELFARE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Welfare services—			
Family allowances.....	558.8	555.8	3.0
Canada assistance plan—payments to provinces.....	225.6	10.5	215.1
Unemployment assistance.....	6.1	143.3	-137.2
Youth allowances.....	49.4	47.4	2.0
Disabled persons allowances.....	7.1	15.0	-7.9
Old age assistance.....	8.9	19.7	-10.8
Fitness and amateur sport.....	3.6	4.7	-1.1
Family assistance.....	4.2	3.7	0.5
Blind persons allowances.....	2.3	3.4	-1.1
National welfare grants.....	1.9	1.3	0.6
Other.....	8.6	7.0	1.6
	876.5	811.8	64.7
Health insurance and resources—			
Government's contributions under the Hospital Insurance and Diagnostic Services Act.....	468.6	397.4	71.2
Grants to provinces—			
General health.....	29.6	28.6	1.0
Hospital construction.....	16.4	16.5	-0.1
Health resources fund.....	32.7	4.7	28.0
Other.....	1.3	0.2	1.1
	548.6	447.4	101.2
Medical services.....	42.5	38.5	4.0
Health services.....	8.6	8.4	0.2
Food and drug services.....	8.2	6.8	1.4
Administration and general.....	3.9	3.0	0.9
	1,488.3	1,315.9	172.4

Family allowances

Family allowances are payable in respect of all children under sixteen years of age, resident in Canada, with minor exceptions such as in the case of children of immigrants who must reside in Canada one year before an allowance is payable. The monthly allowance is \$6 if the child is under 10 years of age and \$8 in the age group 10 to 15. Children of immigrants receive family assistance at the same rates during their first year of residence in Canada.

In 1967-68 payments of \$559 million accounted for 6 per cent of all budgetary expenditure compared with \$556 million and 7 per cent in 1966-67.

TABLE 32
(in millions of dollars)

FAMILY ALLOWANCES PAYMENTS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Newfoundland.....	17.0	17.0	
Nova Scotia.....	21.4	21.5	-0.1
Prince Edward Island.....	3.2	3.2	
New Brunswick.....	18.6	18.7	-0.1
Quebec.....	164.7	165.1	-0.4
Ontario.....	187.6	185.3	2.3
Manitoba.....	25.4	25.6	-0.2
Saskatchewan.....	26.7	26.9	-0.2
Alberta.....	43.0	42.6	0.4
British Columbia.....	49.8	48.5	1.3
Northwest and Yukon Territories.....	1.4	1.4	
	558.8	555.8	3.0

Youth allowances

Under provision of the Youth Allowances Act allowances of \$10 per month are payable in respect of persons resident in Canada who have attained the age of 16 years and have not attained the age of 18 years who are in full time attendance at a school or university or are by reason of mental or physical infirmity precluded from attending school or university. In 1967-68 payments totalled \$49 million, \$2 million more than in 1966-67.

No payments were made under this act in respect of persons resident in the Province of Quebec. However, under authority of the Federal-Provincial Fiscal Revision Act, 1964 abatements in federal income taxes otherwise payable by individuals resident in the Province of Quebec were allowed in compensation of the fact that the payment of youth allowances had been assumed by the province and to allow for the imposition of the required provincial income taxes.

TABLE 33
(in millions of dollars)

YOUTH ALLOWANCES PAYMENTS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Newfoundland.....	1.7	1.7	
Nova Scotia.....	2.7	2.7	
Prince Edward Island.....	0.4	0.4	
New Brunswick.....	2.3	2.3	
Ontario.....	23.8	22.4	1.4
Manitoba.....	3.3	3.3	
Saskatchewan.....	3.5	3.4	0.1
Alberta.....	5.1	4.9	0.2
British Columbia.....	6.5	6.1	0.4
Northwest and Yukon Territories.....	0.1	0.2	-0.1
	49.4	47.4	2.0

Canada assistance plan

The Canada assistance plan was enacted in 1966 authorizing the making of contributions to provinces by Canada towards the cost of programs for the provision of assistance and welfare services to and in respect of persons in need.

The act authorizes the federal government to enter into agreements with the provinces for sharing the costs of assistance and welfare services provided by provinces, territories and municipalities to persons in need, including care of such persons in welfare institutions, health care services, care of children in foster homes and costs of extending and improving welfare services.

Payments to provinces under the Canada assistance plan amounted to \$226 million compared with \$11 million in the previous fiscal year. The substantial increase of \$215 million was partially offset by decreases in payments in respect of unemployment assistance (\$137 million), old age assistance (\$11 million), disabled persons allowances (\$8 million) and blind persons allowances (\$1 million).

TABLE 34
(in millions of dollars)

CANADA ASSISTANCE PLAN	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Newfoundland.....	17.9		17.9
Nova Scotia.....	10.3	0.5	9.8
Prince Edward Island.....	1.7		1.7
New Brunswick.....	7.2		7.2
Ontario.....	100.3	6.9	93.4
Manitoba.....	15.6		15.6
Saskatchewan.....	13.4	3.1	10.3
Alberta.....	26.5		26.5
British Columbia.....	32.7		32.7
	225.6	10.5	215.1

Old age assistance, blind persons allowances, disabled persons allowances and unemployment assistance

Under the Old Age Assistance Act, the federal government reimburses the provinces by paying 50 per cent of the lesser of \$75 monthly or the amount of assistance given by the provinces in the form of monthly pensions to eligible persons in need who have attained the age of 65 years. (Under the Old Age Security Act, as amended, all persons who satisfy the residence requirements of the act may receive a pension of \$76.50 (\$75 up to January 1, 1968) per month from the federal government out of the old age security fund provided that no pension is paid in any month before January 1966 in which the person had not attained 70 years of age, the age limit being reduced by one in each subsequent year until 1970. An amendment to the Old Age Security Act authorized, effective January 1, 1967, the payment of a monthly guaranteed income supplement to eligible pensioners. The amount of the supplement that may be paid to a pensioner for a month is (a) in the year 1967, \$30, and (b) in any year after 1967, 40 per cent of the amount of the pension that may be paid to him for that month, dependent upon the amount of his income for the preceding year.)

Similarly, the federal government reimburses the provinces under the Blind Persons Act for allowances of not more than \$75 per month to blind persons in need 18 years of age or over by paying 75 per cent of the total payments, and under the Disabled Persons Act by paying 50 per cent of not more than \$75 per month for allowances to disabled persons in need 18 years of age or over.

In 1967-68 payments for old age assistance amounted to \$9 million, for disabled persons allowances \$7 million and for blind persons allowances \$2 million. In 1966-67 payments were \$20 million for old age assistance, \$15 million for disabled persons allowances and \$3 million for blind persons allowances. The Province of Quebec has opted out of these programs under federal-provincial agreement.

Under the Unemployment Assistance Act, the Minister may, with the approval of the Governor in Council, enter into an agreement with any province for the payment by Canada to the province of contributions not exceeding 50 per cent of unemployment assistance costs in the province. Contributions in 1967-68 were \$6 million compared with \$143 million in 1966-67. Under federal-provincial agreement the Province of Quebec has opted out of a portion of this program.

The decreases noted above were due mainly to the fact that certain contributions to the provinces which in prior years were made under the Old Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the Unemployment Assistance Act are now being made under the Canada Assistance Plan. The decrease in old age assistance payments was also due to the lowering of the age limit for old age security benefits.

The following table presents a distribution of these payments to provinces for 1967-68:

TABLE 35
(in millions of dollars)

FEDERAL SHARE OF OLD AGE ASSISTANCE, DISABLED PERSONS ALLOWANCES, BLIND PERSONS ALLOWANCES AND UNEMPLOYMENT ASSISTANCE	Fiscal year ended March 31, 1968 (preliminary)			
	Old age assistance	Disabled persons allowances	Blind persons allowances	Unemploy- ment assistance
Newfoundland.....	1.0	0.5	0.3	
Nova Scotia.....	1.1	1.6	0.4	(1)
Prince Edward Island.....	0.2	0.2	(1)	0.7
New Brunswick.....	1.1	1.0	0.4	0.1
Quebec.....	0.1 Cr.			0.3 Cr.
Ontario.....	1.4	1.1	0.3	1.7
Manitoba.....	1.0	0.7	0.2	0.3
Saskatchewan.....	0.3	0.1	0.1	
Alberta.....	1.3	0.8	0.3	1.6
British Columbia.....	1.5	1.1	0.3	1.8
Northwest and Yukon Territories.....	0.1	(1)	(1)	0.2
	8.9	7.1	2.3	6.1

(1) Less than \$50,000.

Government's contributions under the Hospital Insurance and Diagnostic Services Act

Contributions of \$468 million to the provinces under the Hospital Insurance and Diagnostic Services Act were \$71 million more than the 1966-67 total. Under federal-provincial agreement, the Province of Quebec has opted out of this program.

TABLE 36
(in millions of dollars)

GOVERNMENT'S CONTRIBUTIONS UNDER THE HOSPITAL INSURANCE AND DIAGNOSTIC SERVICES ACT	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Newfoundland.....	15.5	13.1	2.4
Nova Scotia.....	24.0	20.5	3.5
Prince Edward Island.....	3.4	2.7	0.7
New Brunswick.....	19.5	16.7	2.8
Quebec.....		(1)4.0	-4.0
Ontario.....	234.8	194.7	40.1
Manitoba.....	30.6	26.4	4.2
Saskatchewan.....	32.3	28.4	3.9
Alberta.....	49.8	42.0	7.8
British Columbia.....	57.4	47.8	9.6
Northwest and Yukon Territories.....	1.3	1.1	0.2
	468.6	397.4	71.2

(1) Adjustment for 1964.

General health grants and hospital construction grants to provinces

Grants to provinces for general health services totalled \$30 million and for hospital construction \$16 million compared with \$29 million and \$17 million respectively in 1966-67. Under federal-provincial agreement the Province of Quebec has opted out of a portion of this program.

TABLE 37
(in millions of dollars)

GENERAL HEALTH GRANTS AND HOSPITAL CONSTRUCTION GRANTS	Fiscal year ended March 31, 1968 (preliminary)		
	General health grants	Hospital construction grants	Total
Newfoundland.....	1.1	0.5	1.6
Nova Scotia.....	1.6	0.7	2.3
Prince Edward Island.....	0.4	(1)	0.4
New Brunswick.....	1.3	0.3	1.6
Quebec.....	1.5	2.4	3.9
Ontario.....	12.9	6.9	19.8
Manitoba.....	2.3	0.7	3.0
Saskatchewan.....	1.9	1.0	2.9
Alberta.....	2.7	1.5	4.2
British Columbia.....	3.7	2.4	6.1
Northwest and Yukon Territories.....	0.2	(1)	0.2
	29.6	16.4	46.0

(1) Less than \$50,000.

Health resources fund

The Health Resources Fund Act provides for the establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutions.

Expenditures amounted to \$33 million during 1967-68 compared with \$5 million in the previous fiscal year.

National Research Council, including the Medical Research Council

Expenditures of the National Research Council, including the Medical Research Council, were \$122 million compared with \$95 million in the previous fiscal year.

Outlays for scholarships and grants in aid of research at \$66 million were \$20 million higher than in 1966-67 and costs of administration, operation and maintenance at \$41 million were \$4 million higher.

TABLE 38
(in millions of dollars)

NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Scholarships and grants in aid of research.....	66.0	46.5	19.5
Construction or acquisition of buildings, works, land and equipment.....	9.3	7.1	2.2
Assistance towards research in industry.....	5.0	4.2	0.8
Administration, operation and maintenance.....	41.4	36.9	4.5
	121.7	94.7	27.0

National Revenue

Expenditures of the Department of National Revenue totalled \$115 million compared with \$106 million in 1966-67.

Outlays of \$57 million in respect of customs and excise were \$3 million higher and included \$35 million for the operation and maintenance of ports (\$35 million in 1966-67), \$13 million in connection with excise tax, excise duty, investigations and drawbacks (\$11 million in the previous year) and \$9 million for general administration (\$8 million in 1966-67).

Outlays of \$58 million in respect of taxation were \$6 million higher than in 1966-67 due mainly to outlays for district offices which totalled \$52 million compared with \$46 million in 1966-67.

TABLE 39
(in millions of dollars)

NATIONAL REVENUE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Customs and excise.....	56.7	53.8	2.9
Taxation.....	58.1	51.8	6.3
Income tax appeal board.....	0.3	0.3	
	115.1	105.9	9.2

Post Office

Costs of the Post Office Department charged to budgetary expenditure at \$302 million were \$33 million more than in 1966-67 due mainly to normal staff growth and to salary increases.

Costs of operations at \$206 million were \$24 million more than in the previous fiscal year and costs of movement of mail at \$87 million were \$8 million more.

Remuneration of postmasters and staffs at revenue and semi-staff offices and certain other authorized disbursements are paid from revenue. These payments at \$45 million (\$3 million more than in 1966-67) brought gross post office expenditures to \$347 million in 1967-68.

TABLE 40
(in millions of dollars)

POST OFFICE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Charged to budgetary expenditure—			
Operations—salaries and other expenses of staff post offices, district offices and railway mail services; and supplies and equipment and other items for revenue post offices.....	205.6	181.8	23.8
Transportation—movement of mail by land, air and water.....	87.1	78.9	8.2
Financial services.....	4.6	4.1	0.5
Administration and general.....	4.5	3.7	0.8
	301.8	268.5	33.3
Charged to revenue—			
Operations—salaries of postmasters and staffs at revenue and semi-staff offices, commissions paid at sub-offices and other disbursements.....	45.5	42.1	3.4
	347.3	310.6	36.7

Public Works

Expenditures of the Department of Public Works totalled \$309 million, \$14 million more than in 1966-67.

Accommodation services

Expenditures for these services were \$134 million, \$25 million higher than the 1966-67 total.

Costs of maintenance and operation of public buildings and grounds were \$85 million compared with \$76 million in 1966-67, costs of construction or acquisition of buildings, etc. were \$48 million compared with \$32 million and costs of acquisition of equipment and furnishings other than office furnishings were \$1 million compared with \$1 million in 1966-67.

Roads, bridges and other engineering services

Expenditures for these services totalled \$84 million, \$12 million less than in 1966-67. Contributions of \$65 million to provinces in respect of the Trans-Canada highway were \$16 million less than in 1966-67.

Harbours and rivers engineering services

Expenditures for these services totalled \$44 million, \$6 million higher than in 1966-67 due mainly to an increase of \$6 million in outlays for construction or acquisition, etc. of harbour and river works which amounted to \$35 million in 1967-68.

National Capital Commission

Expenditures of the National Capital Commission were \$23 million compared with \$33 million in the previous fiscal year.

Payments into the national capital fund were \$15 million, \$10 million less than in 1966-67. Outlays for the operation and maintenance of parks, parkways, etc. at \$5 million and interest charges of \$3 million were slightly higher than in the previous year.

TABLE 41
(in millions of dollars)

PUBLIC WORKS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Accommodation services—			
Maintenance and operation of public buildings and grounds—			
National capital region.....	35.1	28.4	6.7
Other than national capital region.....	49.6	41.8	7.8
Office furniture and furnishings.....		5.3	-5.3
Acquisition of equipment and furnishings other than office furnishings.....	1.4	0.8	0.6
Construction, acquisition, major repairs, etc. of public buildings—			
Ottawa.....	24.8	13.8	11.0
Other than Ottawa.....	22.9	18.4	4.5
	133.8	108.5	25.3
Roads, bridges and other engineering services—			
Operation and maintenance.....	6.7	6.0	0.7
Construction, acquisition, major repairs and improvements of, and plans and sites for, roads, bridges and other engineering works.....	10.4	8.0	2.4
Trans-Canada highway—			
Contributions to provinces under terms of the Trans-Canada Highway Act.....	64.7	81.0	-16.3
Construction through national parks.....	2.0	0.6	1.4
	83.8	95.6	-11.8
Harbours and rivers engineering services—			
Operation and maintenance.....	7.6	7.5	0.1
Construction or acquisition of equipment.....	0.9	1.0	-0.1
Construction, acquisition, major repairs, etc. of harbour and river works.....	35.2	29.4	5.8
Dry dock subsidies.....	0.2	0.2	
	43.9	38.1	5.8
National Capital Commission—			
Operation and maintenance.....	5.3	4.7	0.6
Interest charges (net).....	3.3	3.3	
Payment to the national capital fund.....	14.6	25.0	-10.4
	23.2	33.0	-9.8
Testing laboratories.....	1.2	1.2	
Administration and general.....	22.7	18.0	4.7
	308.6	294.4	14.2

Secretary of State

Expenditures of the Department of the Secretary of State were \$190 million compared with \$134 million in 1966-67.

Payments to provinces for post-secondary education, pursuant to Part II of the Federal-Provincial Fiscal Arrangements Act, 1967, totalled \$108 million. In prior years the government made comparable payments to the association of universities and colleges of Canada for the purpose of making grants to universities of higher learning. These payments amounted to \$87 million in 1966-67.

Centennial Commission expenditures of \$31 million were \$1 million higher than in 1966-67 due mainly to an increase in outlays for programs and projects of national significance.

The Canada Council received a grant of \$17 million in 1967-68 for the purposes of the arts, humanities and social sciences, for which there was no comparable expenditure in the previous year.

Expenditures of the National Arts Centre for construction or acquisition of buildings, works, land and equipment were \$20 million, \$13 million higher than in 1966-67.

Outlays of \$4 million in respect of the translation bureau, \$4 million in respect of the National Museum of Canada and \$3 million in respect of citizenship were in each case \$1 million more than in the previous fiscal year.

TABLE 42
(in millions of dollars)

SECRETARY OF STATE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Post-secondary education payments—			
Payments to provinces pursuant to Part II of the Federal-Provincial Fiscal Arrangements Act, 1967.....	108.0		108.0
University grants.....	0.2	87.1	-86.9
Centennial Commission—			
Programs and projects of national significance.....	13.4	12.5	0.9
Payment to the centennial of confederation fund.....	13.2	13.0	0.2
General administration.....	4.6	4.7	-0.1
	31.2	30.2	1.0
Grant to the Canada Council.....	16.9		16.9
National Arts Centre—			
Construction or acquisition of buildings, works, land and equipment.....	19.5	6.4	13.1
Administration.....		0.2	-0.2
	19.5	6.6	12.9
Translation bureau.....	4.1	3.5	0.6
National Museum of Canada.....	3.7	2.6	1.1
Citizenship.....	3.3	2.6	0.7
Payments to the National Arts Centre Corporation.....	1.0	(1)	1.0
Office of the Representation Commissioner.....	0.1	0.2	-0.1
Administration and general.....	1.9	1.0	0.9
	189.9	133.8	56.1

(1) Less than \$50,000..

Solicitor General

Expenditures of the Department of the Solicitor General totalled \$154 million, \$9 million more than the previous year's total. The main changes were increases of \$5 million in respect of correctional services and \$4 million in respect of the Royal Canadian Mounted Police.

TABLE 43
(in millions of dollars)

SOLICITOR GENERAL	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Royal Canadian Mounted Police—			
National police services, federal law enforcement duties and provincial and municipal policing under contract—			
Administration, operation and maintenance.....	61.9	64.4	-2.5
Construction or acquisition of buildings, works, land and equipment.....	10.0	6.0	4.0
Pensions and other benefits—			
Pensions.....	5.4	4.9	0.5
Royal Canadian Mounted Police superannuation account—			
Government's contribution.....	4.2	4.5	-0.3
Amortization of deferred charges.....	5.3	3.3	2.0
Other.....	0.9	1.0	-0.1
	87.7	84.1	3.6
Correctional services—			
Administration of the Canadian penitentiary service....	1.0	1.0	
Operation and maintenance of penitentiaries.....	39.1	37.1	2.0
Parole Act administration.....	1.6	1.3	0.3
Construction or acquisition of buildings, works, land and equipment.....	23.1	20.2	2.9
	64.8	59.6	5.2
Office of the Solicitor General.....	1.0	0.6	0.4
	153.5	144.3	9.2

Royal Canadian Mounted Police

Net expenditures of the Royal Canadian Mounted Police were \$88 million, \$4 million more than in 1966-67.

However, in 1967-68 authority was granted by Vote 15, Appropriation Act No. 3, 1967, which covers expenditures for administration, operation and maintenance, to credit thereto revenue arising from expenditures under that vote. This revenue amounted to \$31 million and included \$30 million for policing certain provinces, territories and municipalities. In 1966-67 revenue amounted to \$18 million of which \$17 million was for policing services. The increase in revenue from policing services was due to an increase in the rates, and in the number of employees required for these services and due to payments of \$4 million collected in 1967-68 which were applicable to the previous year.

Correctional services

Expenditures of \$65 million in respect of correctional services were \$5 million more than in 1966-67 and included outlays of \$39 million for operation and maintenance of penitentiaries compared with \$37 million in 1966-67 and outlays of \$23 million for construction or acquisition of buildings, works, land and equipment compared with \$20 million in the previous fiscal year.

Trade and Commerce

Expenditures of the Department of Trade and Commerce including the Canadian Wheat Board were \$81 million compared with \$73 million in 1966-67.

The main changes were increases of \$4 million in outlays in respect of the Canadian Wheat Board and \$2 million in administration and general costs.

TABLE 44
(in millions of dollars)

TRADE AND COMMERCE	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Canadian Wheat Board--			
Carrying costs of temporary wheat reserves.....	31.4	29.8	1.6
Prairie Grain Advance Payments Act.....	0.7	0.6	0.1
Payment to the board.....	2.7		2.7
	34.8	30.4	4.4
Trade commissioner service.....	10.3	9.0	1.3
Canadian government travel bureau.....	10.0	10.0	
Canadian corporation for the 1967 world exhibition--Cana- dian government participation.....	7.0	8.4	-1.4
Standards branch.....	4.2	3.9	0.3
Canadian government exhibition commission.....	5.4	4.3	1.1
Administration and general.....	9.7	7.5	2.2
	81.4	73.5	7.9

Transport

Expenditures of the Department of Transport including the Atlantic Development Board, the Canadian Transport Commission and the National Harbours Board totalled \$607 million compared with \$568 million in 1966-67.

Expenditures in respect of the Air Transport Board, the Board of Transport Commissioners for Canada and the Canadian Maritime Commission were transferred to the control of the Canadian Transport Commission under this department and capital subsidies for the construction of commercial and fishing vessels, which were previously included under expenditures of the Canadian Maritime Commission, are now included under non-defence expenditure of the Department of Industry. Previous year's figures have been adjusted for purposes of comparison.

TABLE 45
(in millions of dollars)

TRANSPORT	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Air services—			
Administration, operation and maintenance.....	125.8	110.8	15.0
Construction, acquisition of buildings, works, land and equipment.....	45.9	52.0	-6.1
Grants, contributions, subsidies and other payments....	3.3	2.2	1.1
	175.0	165.0	10.0
Canadian Transport Commission ⁽¹⁾ —			
Payments under the National Transportation Act.....	126.2	120.9	5.3
Contributions to the railway grade crossing fund.....	15.0	15.0	
Steamship subventions.....	11.1	10.8	0.3
Subsidies to air carriers.....	1.2	0.4	0.8
Administration and general.....	3.4	3.0	0.4
	156.9	150.1	6.8
Railways and steamships—			
Construction or acquisition.....	24.5	27.3	-2.8
Maritimes Freight Rates Act—Difference between tariffs and normal tolls.....	14.2	14.4	-0.2
Railway to Great Slave Lake.....	4.4	1.3	3.1
Victoria Bridge.....	0.9	0.8	0.1
Deficits—			
Canadian National Railways.....	35.8	24.6	11.2
Newfoundland ferry and terminals.....	16.5	13.0	3.5
Prince Edward Island car ferry and terminals.....	4.8	4.6	0.2
Yarmouth, N.S.—Bar Harbour, Maine, U.S.A. ferry service.....	0.4	(2)	0.4
Railway employees provident fund.....	6.6		6.6
Other.....	0.6	0.9	-0.3
	108.7	86.9	21.8
Marine services—			
Administration, operation and maintenance.....	55.1	50.7	4.4
Construction or acquisition of buildings, works, land, vessels and equipment.....	46.3	49.3	-3.0
	101.4	100.0	1.4
Atlantic Development Board—			
Payments to the Atlantic development fund.....	18.6	29.6	-11.0
Federal share of the cost of a trunk highway program..	19.3	8.6	10.7
Administration and general.....	4.5	1.8	2.7
	42.4	40.0	2.4
Canals and works entrusted to The St. Lawrence Seaway Authority—			
Welland Canal deficit.....	8.2	10.1	-1.9
Other operating deficits and capital requirements.....	2.4	2.8	-0.4
	10.6	12.9	-2.3
National Harbours Board.....	4.8	7.0	-2.2
Administration and general.....	7.1	6.3	0.8
	606.9	568.2	38.7

⁽¹⁾Expenditures of the Air Transport Board, the Board of Transport Commissioners and the Canadian Maritime Commission are included under this heading.

⁽²⁾Less than \$50,000.

Air services

Outlays of \$175 million for air services were \$10 million higher than in 1966-67. There was an increase of \$15 million in respect of administration, operation and maintenance and a decrease of \$6 million in respect of construction or acquisition of buildings, works, land and equipment.

Canadian Transport Commission

Expenditures of \$157 million in respect of the Canadian Transport Commission included \$126 million for payments under the National Transportation Act, \$15 million for contributions to the railway grade crossing fund, \$11 million for steamship subventions, \$1 million for subsidies to air carriers and \$4 million for administration and general. In 1966-67 total expenditures were \$150 million which included \$116 million for payments to the railways for the maintenance of the rates of freight traffic, \$15 million for contributions to the railway grade crossing fund, \$11 million for steamship subventions, \$5 million for maintenance of trackage, \$3 million for administration and general and \$355 thousand for subsidies to air carriers.

Railways and steamships

Expenditures for these services totalled \$109 million compared with \$87 million in the previous fiscal year.

Costs of construction or acquisition of buildings, works, land, dock and terminal facilities at \$25 million were \$3 million less than in 1966-67; payments under the Maritime Freight Rates Act at \$14 million were the same as in 1966-67; and the subsidy of \$5 million in respect of a railway to Great Slave Lake was \$3 million higher than in the previous year.

The charge of \$36 million to budgetary expenditure in 1967-68 to cover the 1967 operating deficit of the Canadian National Railways was \$11 million more than the charge of \$25 million in 1966-67 to cover the railway's 1966 operating deficit.

Marine services

Outlays of \$101 million for marine services were \$1 million more than in 1966-67. Included in these expenditures were \$55 million for administration, operation and maintenance compared with \$51 million in 1966-67 and \$46 million for construction or acquisition of buildings, works, land, vessels and equipment compared with \$49 million in the previous year.

Atlantic Development Board

Outlays of \$42 million in respect of the Atlantic Development Board were \$2 million higher than in 1966-67. Outlays for the federal share of the cost of a trunk highway program for the Atlantic provinces totalled \$19 million compared with \$9 million in 1966-67 and payments to the Atlantic Development Fund were \$19 million compared with \$30 million in 1966-67.

Canals and works entrusted to The St. Lawrence Seaway Authority

Expenditures of \$11 million were \$2 million less than in 1966-67. The 1967 operating deficit of the Welland Canal, in the amount of \$8 million, charged to budgetary expenditure was \$2 million less than the 1966 deficit of \$10 million which was charged to 1966-67 expenditures.

National Harbours Board

Non-active advances to the board which were charged to budgetary expenditure totalled \$5 million, \$2 million less than in 1966-67. The net decrease reflects decreases in respect of reconstruction and capital expenditures of the Halifax harbour and \$1 million in the operating deficit of the Jacques Cartier Bridge, Montreal, offset by an increase of \$1 million in respect of reconstruction and capital expenditure of the Quebec harbour.

Treasury Board

Expenditures of the Treasury Board amounted to \$159 million, an increase of \$5 million over the total for 1966-67.

Public service superannuation account

The government's contribution to the public service superannuation account, in an amount equal to the estimated current and prior service payments of individuals in 1966-67, was \$60 million, the same as in 1966-67.

A further amount of \$61 million, equal to one fifth of the actuarial deficiencies arising out of pay increases, was also charged to budgetary expenditure, compared with \$56 million in 1966-67.

Canada's contributions as an employer

These contributions totalled \$21 million compared with \$20 million in 1966-67. The main item was \$17 million to the Canada and Quebec pension plans compared with \$17 million in 1966-67.

TABLE 46

(in millions of dollars)

TREASURY BOARD	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Public service superannuation account—			
Government's contribution.....	59.6	59.3	0.3
Amortization of deferred charges.....	60.6	56.3	4.3
	120.2	115.6	4.6
Government's contributions as an employer—			
Canada pension plan and the Quebec pension plan.....	17.3	16.8	0.5
Unemployment insurance fund.....	1.4	1.2	0.2
Death benefit account.....	1.7	1.4	0.3
Pension plans for employees, engaged locally outside Canada.....	0.2	0.1	0.1
Hospital insurance (outside Canada) plan.....	0.3	0.2	0.1
	20.9	19.7	1.2
Government's share of surgical-medical insurance premiums.....	11.2	13.6	-2.4
Payments under Public Service Pension Adjustment Act....	1.9	2.0	-0.1
Administration and general.....	4.4	2.5	1.9
	158.6	153.4	5.2

Unemployment Insurance Commission

Expenditures for the commission amounted to \$107 million including the government's contribution of \$70 million to the unemployment insurance fund. In 1966-67 expenditures were \$106 million of which \$69 million was the government's contribution to the fund.

Unemployment benefit payments are not charged to budgetary expenditure but are paid from the fund which is financed by equal contributions from employees and employers, by interest earned on investments and by the govern-

ment's contribution of an amount equal to one fifth of the combined employee-employer contributions. Further information is given under the liability category "annuity, insurance and pension accounts".

TABLE 47
(in millions of dollars)

UNEMPLOYMENT INSURANCE COMMISSION	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Government's contribution to the unemployment insurance fund.....	69.5	68.8	0.7
Administration of the Unemployment Insurance Act.....	37.6	37.3	0.3
	107.1	106.1	1.0

Veterans Affairs

Expenditures of the Department of Veterans Affairs totalled \$401 million compared with \$391 million in the previous fiscal year.

War veterans allowances and civilian allowances at \$98 million were \$5 million less than in 1966-67, pensions for disability and death at \$206 million were \$10 million higher and costs of \$61 million for treatment services were \$4 million higher than in the previous fiscal year.

TABLE 48
(in millions of dollars)

VETERANS AFFAIRS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Pensions—			
Disability and death.....	205.6	195.9	9.7
Administration and general.....	3.1	3.1	
	208.7	199.0	9.7
Welfare services, allowances and other benefits—			
War veterans allowances and civilian allowances.....	98.4	103.6	-5.2
Assistance under provisions of the Assistance Fund (War Veterans Allowances) Regulations.....	6.4	5.9	0.5
Veterans welfare services.....	2.6	2.7	-0.1
Administration and general.....	6.8	6.5	0.3
	114.2	118.7	-4.5
Treatment services.....	61.4	57.9	3.5
Soldier settlement and veterans land act—			
Provision for reserve for conditional benefits.....	4.0	3.5	0.5
Administration and general.....	5.5	5.2	0.3
	9.5	8.7	0.8
Administration and general.....	7.0	6.5	0.5
	400.8	390.8	10.0

All Other Departments

Expenditures of the departments not dealt with individually amounted to \$72 million, an increase of \$15 million over the total for 1966-67.

Expenditures which in previous years were shown under the Department of the Registrar General are now under the new Department of Consumer and Corporate Affairs which was established by the Consumer and Corporate Affairs Act, as passed by the House of Commons on November 27, 1967.

The main changes were increases of \$5 million for the Privy Council Office due mainly to increases of \$2 million in outlays for state visits and \$2 million in respect of the Company of Young Canadians, and \$3 million for the Public Service Commission due mainly to increased expenditures in respect of the bilingual and bicultural development program.

TABLE 49
(in millions of dollars)

ALL OTHER DEPARTMENTS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Auditor General's Office.....	2.3	2.1	0.2
Board of Broadcast Governors.....	1.0	0.6	0.4
Office of the Chief Electoral Officer.....	0.7	0.9	-0.2
Consumer and Corporate Affairs.....	7.6	5.5	2.1
Defence Production ⁽¹⁾	9.5	9.3	0.2
Governor General and Lieutenant-Governors.....	1.0	0.8	0.2
Insurance.....	1.9	1.7	0.2
National Film Board.....	9.3	8.0	1.3
National Gallery of Canada.....	2.9	1.9	1.0
Privy Council.....	12.5	7.9	4.6
Public Archives and National Library.....	3.6	2.7	0.9
Public Printing and Stationery.....	4.9	4.0	0.9
Public Service Commission.....	13.4	10.8	2.6
Public Service Staff Relations Board.....	1.0	⁽²⁾	1.0
	71.6	56.2	15.4

⁽¹⁾See also under defence expenditure at the beginning of this section.

⁽²⁾Less than \$50,000.

ASSET AND LIABILITY ACCOUNTS

The assets and liabilities of the Government of Canada as at March 31, 1968, the comparable balances at March 31, 1967 and the changes in each category during 1967-68 are shown in condensed form in the following table:

TABLE 50
(in millions of dollars)

	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
LIABILITIES			
Current and demand liabilities.....	2,310.6	1,672.1	638.5
Deposit and trust accounts.....	474.7	372.2	102.5
Annuity, insurance and pension accounts.....	9,053.0	7,915.9	1,137.1
Undisbursed balances of appropriations to special accounts..	93.1	76.6	16.5
Refundable corporation tax.....	235.3	196.2	39.1
Provision for estimated premium on redemption of bonds	26.0	20.0	6.0
Deferred credits.....	149.9	142.8	7.1
Suspense accounts.....	3.8	4.1	-0.3
Unmatured debt.....	20,579.9	19,940.2	639.7
Total liabilities.....	32,926.3	30,340.1	2,586.2
ASSETS			
Current assets.....	1,530.4	1,394.0	136.4
Cash in blocked currency.....	2.1	2.1	
Advances to the exchange fund account.....	2,033.3	2,355.0	-321.7
Investments in United States dollar securities issued by other than the Government of Canada.....	122.6	180.0	-57.4
Canada pension plan investment fund.....	1,280.8	615.5	665.3
Investments held for the retirement of unmaturred debt.....	8.1	3.2	4.9
Loans to, and investments in, Crown corporations.....	7,939.4	6,728.6	1,210.8
Loans to national governments.....	1,206.1	1,201.6	4.5
Other loans and investments.....	1,945.9	1,714.0	231.9
Securities held in trust.....	59.8	50.9	8.9
Deferred charges.....	492.0	581.8	-89.8
Capital assets.....	(1)	(1)	
Inactive loans and investments.....	94.8	94.8	
Total recorded assets.....	16,715.3	14,921.5	1,793.8
<i>Less</i> reserve for losses on realization of assets.....	-546.4	-546.4	
Net recorded assets.....	16,168.9	14,375.1	1,793.8
Net debt represented by excess of liabilities over net recorded assets.....	16,757.4	15,965.0	(792.4)

(1) Shown at nominal value of \$1.

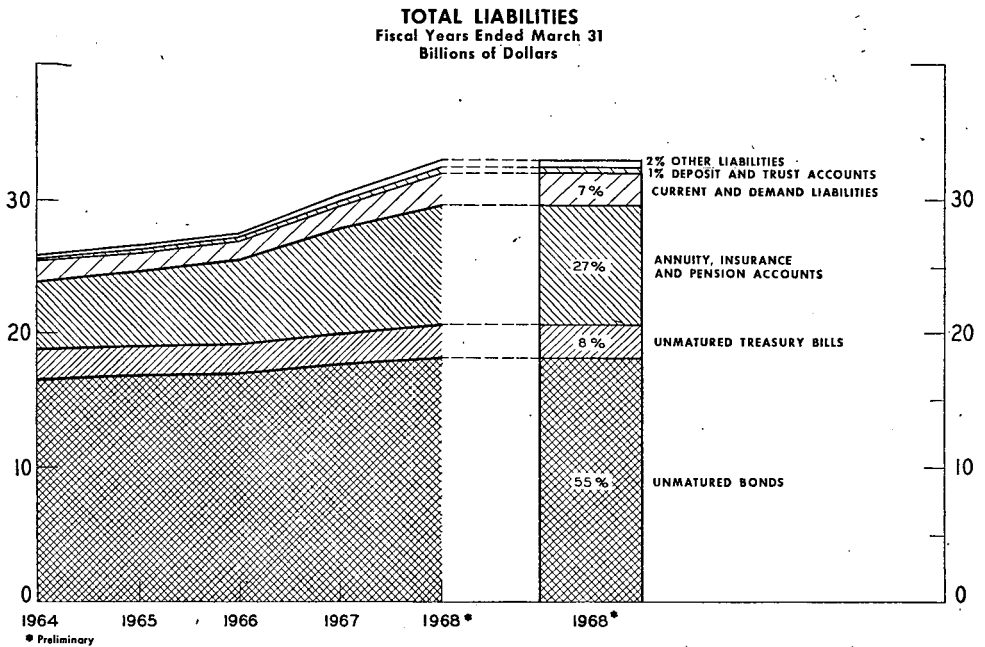
(2) Reflecting the budgetary deficit of \$792.4 million.

SUMMARY

The gross liabilities of the government totalled \$32,926 million at March 31, 1968 compared with \$30,340 million at March 31, 1967. The main changes were increases of \$1,137 million in annuity, insurance and pension accounts, \$640 million in unmatured debt, \$639 million in current and demand liabilities and \$103 million in deposit and trust accounts.

Net recorded assets totalled \$16,169 million at March 31, 1968 compared with \$14,375 million at March 31, 1967. The main changes were increases of \$1,211 million in loans to, and investments in, Crown corporations, \$665 million in the Canada pension plan investment fund, \$232 million in other loans and investments and \$136 million in current assets, and decreases of \$322 million in advances to the exchange fund account and \$90 million in deferred charges.

The net debt of Canada, or the excess of liabilities over net recorded assets, was \$16,757 million at March 31, 1968 compared with \$15,965 million at March 31, 1967.



LIABILITY ACCOUNTS

Current and demand liabilities

These liabilities, which consist of obligations of the government payable currently or on demand, in the amount of \$2,311 million were \$639 million more than the total at March 31, 1967.

The main changes were increases of \$450 million in non-interest-bearing notes, \$66 million in accounts payable, \$45 million in outstanding treasury cheques and \$50 million in interest due and outstanding.

Non-interest-bearing notes represent those portions of Canada's equities in the capital of certain international agencies which are not covered by cash or gold. Notes in respect of the international monetary fund in the amount of \$791 million were \$452 million more than at March 31, 1967 and notes in respect of the international development association were \$3 million less than at March 31, 1967.

TABLE 51
(in millions of dollars)

CURRENT AND DEMAND LIABILITIES	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Outstanding treasury cheques.....	427.4	382.6	44.8
Accounts payable.....	520.2	454.5	65.7
Non-interest-bearing notes payable to—			
The international monetary fund.....	791.0	339.0	452.0
The international development association.....	23.0	26.0	-3.0
The Asian development bank.....	2.7	1.4	1.3
	816.7	366.4	450.3
Matured debt outstanding.....	26.0	30.7	-4.7
Interest due and outstanding.....	161.6	111.3	50.3
Interest accrued.....	315.3	286.2	29.1
Post office outstanding money orders.....	34.9	29.2	5.7
Outstanding letter of credit cheques.....	6.1	7.5	-1.4
Other current liabilities.....	2.4	3.7	-1.3
	2,310.6	1,672.1	638.5

Deposit and trust accounts

Sundry funds deposited with, or held in trust by, the Receiver General of Canada for various purposes are recorded in these accounts.

There was a net increase of \$103 million during 1967-68 bringing the total to \$475 million at March 31, 1968. There were increases of \$25 million in the Canadian Dairy Commission account, \$28 million in the provincial tax collection agreements account, \$9 million in guarantee deposits and \$38 million in a new account for the Canadian Commercial Corporation.

TABLE 52
(in millions of dollars)

DEPOSIT AND TRUST ACCOUNTS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Indian trust funds.....	34.0	33.7	0.3
Guarantee deposits—			
Energy, Mines and Resources.....	15.2	9.9	5.3
Indian Affairs and Northern Development.....	28.5	25.3	3.2
National Revenue.....	5.6	5.4	0.2
	49.3	40.6	8.7
Post office savings bank.....	18.6	20.8	-2.2
Crown corporations deposits—			
Atomic Energy of Canada Limited.....	3.0	4.0	-1.0
Crown Assets Disposal Corporation.....	0.7	0.7	
Eldorado Mining and Refining Limited.....	6.0	10.0	-4.0
Export Credits Insurance Corporation.....	14.0	14.0	
Northern Ontario Pipe Line Crown Corporation.....		0.7	-0.7
	23.7	29.4	-5.7
Canadian Pension Commission—administration trust fund.....	16.6	16.0	0.6
National Harbours Board—special accounts.....	16.8	17.2	-0.4
Instalment purchase of bonds, public service.....	16.2	16.3	-0.1
Contractors holdbacks.....	14.9	14.9	
Contractors securities—sundry departments			
Bonds.....	2.7	2.5	0.2
Cash.....	1.3	1.1	0.2
Certified cheques.....	0.2	0.3	-0.1
	4.2	3.9	0.3
Army benevolent fund.....	5.0	5.2	-0.2
Canadian Arsenals Limited pension fund.....		1.0	-1.0
Canadian Commercial Corporation—special deposit.....	38.2		38.2
Canadian Dairy Commission.....	25.2	(1)	25.2
Capital cost allowances—commercial and fishing vessels.....	4.0	4.3	-0.3
Cape Breton Development Corporation.....	2.1		2.1
Common school funds—Ontario and Quebec.....	2.7	2.7	
Emergency gold mining assistance—holdbacks.....	2.3	2.4	-0.1
Federal Republic of Germany.....		0.5	-0.5
Immigration guarantee fund.....	1.6	1.9	-0.3
National Research Council—special fund.....	2.1	2.2	-0.1
Northwest Territories revenue account.....		1.4	-1.4
Permanent services deferred pay.....	2.6	3.4	-0.8
Prairie farm emergency fund.....	13.0	10.8	2.2
Provincial tax collection agreements account.....	120.2	92.5	27.7
Replacement of materiel, sec. 11, National Defence Act.....	0.6	0.6	
Royal Canadian Mint—prepayments.....	4.5	4.0	0.5
Surplus Crown assets.....	31.1	24.3	6.8
United States of America.....	0.6	0.9	-0.3
Veterans care trust fund.....	4.2	3.4	0.8
Veterans land act trust account—general.....	8.9	7.5	1.4
Other.....	11.5	10.4	1.1
	474.7	372.2	102.5

(1) Less than \$50,000.

Annuity, insurance and pension accounts

This category records the government's liability in respect of various annuity, insurance and pension accounts.

During 1967-68 a net increase of \$1,137 million brought the total to \$9,053 million. The main changes were increases of \$672 million in the Canada pension plan account, \$186 million in the public service superannuation account, \$146 million in the Canadian forces superannuation account and \$107 million in the old age security fund.

TABLE 53
(in millions of dollars)

ANNUITY, INSURANCE AND PENSION ACCOUNTS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Unemployment insurance fund.....	320.3	280.4	39.9
Less investment in bonds and accrued interest.....	-303.9	-266.6	-37.3
Uninvested funds on deposit with the government.....	16.4	13.8	2.6
Superannuation accounts—			
Public service.....	2,875.8	2,689.5	186.3
Canadian forces.....	2,723.3	2,577.0	146.3
Royal Canadian Mounted Police.....	104.7	85.1	19.6
	5,703.8	5,351.6	352.2
Canada pension plan account.....	1,352.8	680.9	671.9
Government annuities.....	1,326.1	1,324.5	1.6
Old age security fund.....	536.1	429.6	106.5
Other.....	117.8	115.5	2.3
	9,053.0	7,915.9	1,137.1

Unemployment insurance fund

The balance in the fund at March 31, 1968 was \$320 million (of which \$18 million represented a liability for unredeemed warrants and deposits from employers) consisting of \$304 million invested in special government bonds (including accrued interest) and \$16 million on deposit with the Receiver General. The balance in the fund at March 31, 1967 was \$280 million (of which \$22 million represented a liability for unredeemed warrants and deposits from employers) consisting of \$266 million invested in special government bonds (including accrued interest) and \$14 million on deposit with the government.

Receipts of \$433 million during the fiscal year included employee and employer contributions of \$347 million, the government's contribution of \$70 million and \$16 million in interest from investments. As benefit payments totalled \$389 million, receipts exceeded payments from the fund by \$44 million during 1967-68. Receipts during 1966-67 totalled \$424 million and included employee and employer contributions of \$344 million, the government's contribution of \$69 million and \$11 million in income from investments. Benefit payments during 1966-67 totalled \$307 million.

TABLE 54
(in millions of dollars)

UNEMPLOYMENT INSURANCE FUND	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Revenue—					
Contributions—					
Employee and employer ⁽¹⁾	296.6	310.8	328.3	343.8	347.4
Government ⁽²⁾	59.3	62.1	65.7	68.8	69.5
Net income from investments.....	1.1	1.8	4.7	10.9	15.9
Other income.....	0.1	0.1	0.1	0.2	0.2
	357.1	374.8	398.8	423.7	433.0
Expenditure—					
Benefit payments.....	-365.7	-335.0	-297.8	-307.0	-388.6
Interest on loan.....	-0.2	-0.2			
Excess of revenue over expenditure or expenditure over revenue(-).....	-8.8	39.6	101.0	116.7	44.4
Balance at credit of fund at fiscal year-end.....	0.9	40.5	141.5	258.2	302.7
Unredeemed benefit warrants and deposits from employers.....	15.9	17.8	20.6	22.2	17.6
	16.8	58.3	162.1	280.4	320.3
Investment in bonds and accrued interest.....		-44.0	-148.6	-266.6	-303.9
Balance on deposit with the government.....	16.8	14.3	13.5	13.8	16.4

⁽¹⁾Contributions by employees and employers are on an equal basis.

⁽²⁾Government's contribution is equal to 20 per cent of the combined employee-employer contributions.

Public service superannuation account

The balance of \$2,876 million in this account was \$186 million higher than the balance at the end of the previous fiscal year.

Receipts of \$270 million during the year included credits of \$22 million to provide for additional liabilities arising out of salary revisions made in 1967-68, contributions of \$72 million by individuals, the government's contribution of \$60 million, contributions of \$5 million by certain Crown corporations and interest of \$111 million credited to the account by the government. Contributions by the government were equal to the estimated current and prior service payments of individuals in 1966-67. Contributions by Crown corporations were equal to the estimated current and prior service payments of individuals in 1967-68. Interest at 4 per cent per annum is credited to the account quarterly and is computed quarterly on the outstanding balance at the end of the previous quarter.

The credit of \$22 million to provide for additional liabilities arising out of salary increases was charged to the asset account "unamortized portions of actuarial deficiencies".

Disbursements totalled \$84 million and included \$68 million in annuities and \$11 million in withdrawals of contributions.

In 1966-67 receipts totalled \$374 million and disbursements totalled \$75 million.

TABLE 55
(in millions of dollars)

PUBLIC SERVICE SUPERANNUATION ACCOUNT	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Receipts—					
Contributions—					
Employees (government and Crown corporations).....	59.2	61.1	(1)66.0	(2)58.6	72.0
Crown corporations.....	3.0	3.4	3.7	3.8	5.0
Government.....	54.0	55.6	57.8	59.3	59.6
Interest.....	71.8	78.7	89.5	98.5	110.9
Actuarial liability adjustment.....		169.5	79.6	152.2	21.5
Other.....	1.1	1.3	1.9	1.6	1.4
	189.1	369.6	298.5	374.0	270.4
Disbursements—					
Annuities.....	-47.8	-52.6	-57.7	-62.8	-68.2
Withdrawals of contributions.....	-8.4	-10.8	-11.3	-11.1	-10.8
Other.....	-0.6	-0.8	-0.9	-1.0	-5.1
	-56.8	-64.2	-69.9	-74.9	-84.1
Excess of receipts over disbursements.....	132.3	305.4	228.6	299.1	186.3
Balance in fund brought forward.....	1,724.1	1,856.4	2,161.8	2,390.4	2,689.5
Balance at credit of fund.....	1,856.4	2,161.8	2,390.4	2,689.5	2,875.8

(1)Includes \$4.1 million due to dual contributions temporarily required in respect of the Canada and Quebec pension plans.

(2)Net after deduction of \$8.7 million in respect of the Canada and Quebec pension plans.

Canadian forces superannuation account

The balance of \$2,723 million at March 31, 1968 reflected an increase of \$146 million during the fiscal year.

TABLE 56
(in millions of dollars)

CANADIAN FORCES SUPERANNUATION ACCOUNT	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Receipts—					
Contributions—					
Personnel.....	36.0	35.2	34.1	(1)25.1	34.2
Government.....	136.2	58.8	58.8	42.6	58.4
Interest.....	66.3	75.0	83.2	91.7	105.2
Actuarial liability.....		67.2	16.6	279.2	
Other.....	0.2	0.2	0.3	0.3	0.3
	238.7	236.4	193.0	438.9	198.1
Disbursements—					
Pensions and retiring allowances.....	-13.4	-18.6	-26.7	-36.8	-45.7
Cash termination allowances and return of contributions.....	-9.5	-11.0	-10.1	-9.2	-6.0
Other.....	-0.1	-0.2	-0.1	-0.1	-0.1
	-23.0	-29.8	-36.9	-46.1	-51.8
Excess of receipts over disbursements.....	215.7	206.6	156.1	392.8	146.3
Balance in fund brought forward.....	1,605.8	1,821.5	2,028.1	2,184.2	2,577.0
Balance at credit of fund.....	1,821.5	2,028.1	2,184.2	2,577.0	2,723.3

(1)Net after deduction of \$5.1 million transferred to the Canada and Quebec pension plans.

Receipts of \$198 million included \$34 million in contributions by personnel, \$58 million in regular government contributions and \$105 million in interest credited by the government. Regular government contributions are made at the rate of one and two-thirds times the current and prior service contributions by personnel. Interest at 4 per cent per annum is credited to the account quarterly and is computed quarterly on the outstanding balance at the end of the previous quarter.

Disbursements of \$52 million included \$46 million in pensions and retiring allowances and \$6 million in cash termination allowances and return of contributions.

In 1966-67 receipts were \$439 million and disbursements were \$46 million.

Royal Canadian Mounted Police superannuation account

The balance of \$105 million in this account as at March 31, 1968 was \$20 million more than the previous fiscal year-end balance of \$85 million.

Receipts during the year of \$21 million consisted of \$3 million in contributions by personnel, \$3 million in interest credited to the account, \$4 million in contributions by the government and \$10 million as a result of actuarial evaluations.

The credit of \$10 million for actuarial evaluation, which consisted of \$8 million as a result of the quinquennial actuarial valuation made as at December 31, 1964 and \$2 million arising from salary increases, was charged to the asset account "unamortized portions of actuarial deficiencies".

Disbursements of \$1 million consisted of annuities and allowances, cash termination allowances and return of contributions.

In 1966-67 receipts were \$21 million and disbursements were \$1 million.

TABLE 57
(in millions of dollars)

ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACCOUNT	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Receipts—					
Contributions—					
Personnel.....	1.8	2.1	2.2	(1)2.2	2.8
Government.....	3.1	3.2	3.9	4.5	4.2
Interest.....	1.6	1.9	2.4	2.9	3.5
Actuarial liability.....	2.8	5.2		11.1	10.1
	9.3	12.4	8.5	20.7	20.6
Disbursements—					
Annuities and allowances.....	-0.4	-0.4	-0.5	-0.7	-0.8
Cash termination allowances and return of contributions.....	-0.2	-0.3	-0.3	-0.3	-0.2
	-0.6	-0.7	-0.8	-1.0	-1.0
Excess of receipts over disbursements.....	8.7	11.7	7.7	19.7	19.6
Balance in fund brought forward.....	37.3	46.0	57.7	65.4	85.1
Balance at credit of fund.....	46.0	57.7	65.4	85.1	104.7

(1) Net after deduction of \$0.4 million transferred to the Canada and Quebec pension plans.

Canada pension plan account

The balance of \$1,353 million at March 31, 1968 was \$672 million higher than the balance at March 31, 1967.

Credits to the account of \$685 million consisted of \$640 million in contributions under the act, \$42 million in interest from investments and \$1 million in interest on the operating balance in the account on deposit with the Receiver General. Charges to the account were \$13 million and consisted mainly of administrative costs.

During the year, securities totalling \$665 million were purchased bringing the balance at March 31, 1968 to \$1,281 million. These securities which consist of \$1,275 million in provincial bonds and \$6 million in federal bonds are recorded in the asset account "Canada pension plan investment fund".

TABLE 58
(in millions of dollars)

CANADA PENSION PLAN ACCOUNT	Fiscal year ended March 31		
	1966	1967	1968 (preliminary)
Receipts—			
Contributions.....	94.9	587.2	640.2
Interest on investments.....		11.0	42.2
Interest on operating balance.....	(1)	1.1	1.4
Other.....		0.6	0.9
	94.9	599.9	684.7
Payments—			
Administrative expenses.....	-5.5	-8.3	-11.5
Benefit payments.....		-0.1	-1.3
	-5.5	-8.4	-12.8
Excess of receipts over payments.....	89.4	591.5	671.9
Balance in fund brought forward.....		89.4	680.9
Balance at credit of fund.....	89.4	680.9	1,352.8
Less investment in securities held in the Canada pension plan investment fund.....	-34.8	-615.5	-1,280.8
Operating balance on deposit with the government.....	54.6	65.4	72.0

Government annuities account

The balance in this account of \$1,326 million was \$2 million higher than the balance at March 31, 1967. Receipts of \$70 million included \$19 million from premiums and \$51 million in interest from the government. Disbursements of \$68 million consisted mainly of vested annuity and commuted value payments and refunds of premiums. In 1966-67 receipts amounted to \$72 million and disbursements were \$65 million.

Old age security fund

Under the Old Age Security Act, as amended, all persons who satisfy the residence requirements of the act may receive a pension of \$76.50 (\$75 up to January 1, 1968) per month from the federal government out of the old age security fund provided that no pension is paid in any month before January 1966 in which the person had not attained 70 years of age, the age limit being reduced

by one in each subsequent year until 1970. A further amendment to the act in 1966-67 authorized the payment of a monthly guaranteed supplement to eligible pensioners of \$30 per month in 1967 and, in any year thereafter, 40 per cent of the amount of the pension that may be paid to him dependent upon the amount of his income for the preceding year.

Receipts of \$1,495 million exceeded pension payments of \$1,388 million by \$107 million bringing the balance in the fund to \$536 million at March 31, 1968.

In 1966-67 receipts of \$1,286 million exceeded pension payments of \$1,073 million by \$213 million, bringing the balance in the fund to \$430 million at March 31, 1967.

TABLE 59
(in millions of dollars)

OLD AGE SECURITY FUND	Fiscal year ended March 31				
	1964	1965	1966	1967	1968 (preliminary)
Tax receipts—					
Sales tax.....	331.8	383.2	522.1	559.5	544.5
Personal income tax.....	302.6	431.9	494.9	576.6	800.1
Corporation income tax.....	115.7	145.2	152.3	149.5	150.0
Total tax receipts.....	750.1	960.3	1,169.3	1,285.6	1,494.6
Pension payments.....	-808.4	-885.3	-927.3	-1,073.0	-1,388.1
Excess of receipts over payments.....	-58.3	75.0	242.0	212.6	106.5
Temporary loans brought forward.....	-41.7	-100.0	-25.0		
Balance in fund brought forward.....				217.0	429.6
Temporary loans by the Minister of Finance to cover deficit in fund.....	100.0	25.0			
Balance in fund.....			217.0	429.6	536.1

A distribution by provinces of pension payments from the old age security fund is shown in the following table:

TABLE 60
(in millions of dollars)

OLD AGE SECURITY PAYMENTS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Newfoundland.....	28.8	21.2	7.6
Nova Scotia.....	63.5	49.0	14.5
Prince Edward Island.....	11.5	8.7	2.8
New Brunswick.....	47.4	36.2	11.2
Quebec.....	321.9	239.8	82.1
Ontario.....	496.9	387.4	109.5
Manitoba.....	80.4	63.5	16.9
Saskatchewan.....	79.6	64.0	15.6
Alberta.....	93.4	72.4	21.0
British Columbia.....	163.5	130.1	33.4
Northwest and Yukon Territories.....	1.2	0.7	0.5
	1,388.1	1,073.0	315.1

Undisbursed balances of appropriations to special accounts

These special accounts record the undisbursed balances of appropriations for which moneys have been appropriated by parliament and from which disbursements may be made for authorized purposes in periods subsequent to that in which the appropriation was made. The balance of \$93 million was \$17 million more than the balance at March 31, 1967.

The balance of \$65 million in the international assistance account was \$3 million more than the balance at March 31, 1967. Disbursements of \$47 million from the fund were more than offset by a credit of \$50 million which amount was charged to budgetary expenditure of the Department of External Affairs.

The balance of \$10 million in the railway grade crossing fund was \$1 million less than the balance at the previous year-end. There was a credit of \$15 million to the fund (charged to budgetary expenditure of the Department of Transport) and disbursements from the fund were \$16 million.

The balance of \$7 million in the centennial of confederation fund was \$3 million more than the balance at March 31, 1967. The credit of \$13 million to the fund (charged to budgetary expenditure of the Department of the Secretary of State) was partly offset by disbursements of \$10 million.

The balance of \$11 million in the area development account resulted from credits to the account of \$26 million (charged to the budgetary expenditures of the Department of Industry) being partly offset by disbursements of \$15 million. There was a nil balance in the account at March 31, 1967.

TABLE 61
(in millions of dollars)

UNDISBURSED BALANCES OF APPROPRIATIONS TO SPECIAL ACCOUNTS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
International assistance account.....	64.8	61.5	3.3
Railway grade crossing fund.....	9.5	10.3	-0.8
Centennial of confederation fund.....	7.3	4.7	2.9
Area development account.....	11.0		11.0
Other.....	0.5	0.1	0.4
	93.1	76.6	16.5

Refundable corporation tax

This account records the refundable corporation tax on cash profits of businesses, and is payable by all corporations not exempt from tax under section 62 of the Income Tax Act and by certain types of trusts on specified types of income. During the year, \$39 million was collected, bringing the balance at March 31, 1968 to \$235 million.

Provision for estimated premium on redemption of bonds

This records the estimated amount of the prorated provision to March 31, 1968 for the premium due at maturity on the then outstanding 1959 series of Canada savings bonds and the estimated amount of the prorated provision to March 31, 1968 for the special compound interest feature applicable to the centennial series of Canada savings bonds.

Deferred credits

Recorded in these accounts are amounts due the government in respect of which payment is deferred. These are contra accounts to corresponding items under the following asset categories: "loans to, and investments in, Crown corporations", "loans to national governments" and "other loans and investments". The balance of \$150 million was \$7 million more than the balance at March 31, 1967.

Also included in this category are premiums, received on the issue of Government of Canada bonds, which are being credited to interest on public debt on a monthly amortization basis.

Deferred interest in respect of The St. Lawrence Seaway Authority, which is a contra account to a corresponding item in "loans to, and investments in, Crown corporations", increased by \$7 million during the year bringing the balance at March 31, 1968 to \$55 million.

The government equity in the agency account of Crown Assets Disposal Corporation is a contra account to a corresponding asset account under "other loans and investments". The balance in the account of \$7 million was the same as at the end of the previous fiscal year.

TABLE 62
(in millions of dollars)

DEFERRED CREDITS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Deferred interest—			
Atomic Energy of Canada Limited.....	0.1	0.1	
Northern Canada Power Commission.....	3.9	3.2	0.7
The St. Lawrence Seaway Authority.....	54.5	47.7	6.8
United Kingdom Financial Agreement Act, 1946.....	83.0	83.0	
	141.5	134.0	7.5
Balances receivable under agreements of sale of Crown assets	0.3	0.3	
Crown Assets Disposal Corporation—government equity....	7.3	7.3	
Unamortized premium on loans.....	0.8	1.2	-0.4
	149.9	142.8	7.1

Suspense accounts

These consist of balances where some uncertainty as to disposition exists.

The balance at March 31, 1968 was \$4 million, approximately the same as at March 31, 1967.

Unmatured debt

The unmaturred debt of Canada in the amount of \$20,580 million was \$640 million more than the previous fiscal year-end total. Obligations payable in Canada were \$20,420 million and those payable in New York were \$160 million compared with \$19,575 million and \$365 million respectively at March 31, 1967.

TABLE 64
(in millions of dollars)

UNMATURED DEBT	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Payable in Canada—			
Marketable bonds.....	11,541.3	10,986.3	555.0
Non-marketable bonds—			
Canada savings bonds.....	6,096.5	6,016.4	80.1
Canada pension plan.....	5.7	1.9	3.8
Unemployment Insurance Commission.....	296.0	260.0	36.0
	17,939.5	17,264.6	674.9
Treasury bills.....	2,480.0	2,310.0	170.0
	20,419.5	19,574.6	844.9
Payable in New York ⁽¹⁾⁽²⁾	160.4	365.6	-205.2
	20,579.9	19,940.2	639.7

⁽¹⁾Marketable bonds.

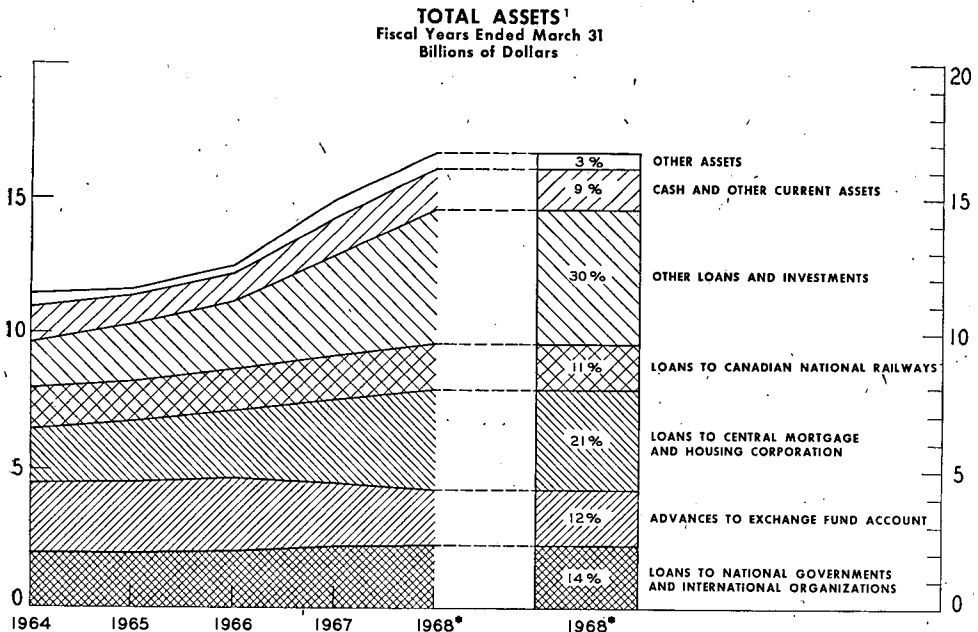
⁽²⁾Converted at the official parity rate of \$1 U.S.=\$1.08108 Canadian.

Details of the various loan issues, maturities and redemptions resulting in the net increase are described more fully in the section "The Public Debt".

Current assets

ASSET ACCOUNTS

These accounts consist of various cash accounts, working capital advances and the securities investment account.



1. As shown on table "Summary of assets and liabilities". This chart does not reflect the reserve for losses on realization of assets.

* Preliminary

Total current assets at \$1,530 million were \$136 million more than at March 31, 1967. The main changes were an increase of \$261 million in the cash accounts and a decrease of \$153 million in the securities investment account.

The defence production revolving fund records the cost of materials procured for use in the manufacture of defence equipment until such time as they are billed to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment, as well as working capital loans and advances for their production. During 1967-68 purchases exceeded sales by \$5 million bringing the balance in the account to \$39 million at March 31, 1968.

TABLE 65
(in millions of dollars)

CURRENT ASSETS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Cash accounts—			
Cash in current deposits ⁽¹⁾	1,014.8	813.9	200.9
Cash in special deposits.....	1.3	1.0	0.3
Cash in hands of collectors and in transit.....	244.3	194.3	50.0
Moneys received after March 31 but applicable to the current year.....	20.4	15.3	5.1
Post office—cash on hand and in transit.....	18.7	14.0	4.7
	1,299.5	1,038.5	261.0
Departmental working capital advances—			
Agricultural commodities stabilization account.....	1.4	2.0	-0.6
Defence production revolving fund.....	39.0	34.0	5.0
Miscellaneous departmental imprest and standing ad- vances.....	12.9	10.1	2.8
Miscellaneous departmental accountable advances.....	14.2	13.1	1.1
Royal Canadian Mint.....	15.6	18.0	-2.4
Stockpiling of uranium concentrates.....	74.9	57.2	17.7
Transport stores account.....	11.4	10.1	1.3
Other.....	17.1	13.3	3.8
	186.5	157.8	28.7
Securities investment account.....	44.4	197.7	-153.3
	1,530.4	1,394.0	-136.4

⁽¹⁾Receiver General year-end balances in New York, London, Paris, Brussels and Bonn are at the Canadian dollar equivalent of exchange rates at March 31.

The stockpiling of uranium concentrates account records, the acquisition of uranium concentrates in accordance with contracts entered into with the approval of the Governor in Council by the Eldorado Mining and Refining Limited on behalf of Her Majesty in right of Canada with certain mining companies. The balance at March 31, 1968 was \$75 million, \$18 million higher than the balance at the previous year-end.

Cash in blocked currency

The balance in this account was \$2 million, the same as at March 31, 1967.

Notes of Industrias Forestales, S.A. and Compania Manufacturera de Papeles y Cartones, S.A., held by the Export Credits Insurance Corporation, and which were due in 1965 and 1966, could not be paid in accordance with their terms because the Chilean Government was unable to make available the necessary Canadian currency. An alternative scheme was devised whereby the debtors could make their payments on the notes.

The Export Credits Insurance Corporation received the payments in Chile in Canadian dollars and the amount upon receipt was paid to the Receiver General of Canada into a blocked account established by the Receiver General with the Central Bank of Chile, the Government of Chile to pay interest of 6 per cent per annum on the sums held in this account in dollars directly to the Receiver General of Canada in Ottawa.

The Government of Chile agreed to the withdrawal of these funds from this account of 20 per cent of the deposits made to the account in 1965 in each of the years 1968 to 1972 and 20 per cent of the deposits made to the account in 1966 in each of the years 1969 to 1973.

Advances to the exchange fund account

Advances during the year to finance the purchase of gold and foreign exchange amounted to \$1,508 million and repayments were \$1,830 million, resulting in a net decrease of \$322 million bringing the outstanding advances to \$2,033 million at March 31, 1968.

During 1966-67 advances of \$1,098 million and repayments of \$1,439 million resulted in a balance of \$2,355 million at March 31, 1967.

Investments in United States dollar securities issued by other than the Government of Canada

This account includes the special securities issued by the Government of the United States of America and purchased by Canada pursuant to agreements made to carry out the Columbia River Treaty between the Government of the United States and the Government of Canada. During 1967-68 securities in the amount of \$32 million were redeemed leaving a balance of \$123 million.

Also included at March 31, 1967 was an investment in bonds of the international bank for reconstruction and development, which amounted to \$25 million. During 1967-68 these bonds were liquidated leaving a nil balance at March 31, 1968.

Canada pension plan investment fund

The Canada pension plan investment fund records securities purchased under the Canada Pension Plan Act and the sale of these securities. The amount by which the operating balance of the Canada pension plan account in any month exceeds the estimated amount required to meet all payments in the following three-month period is available for the purchase of securities of participating provinces. Securities of Canada shall be purchased with the excess remaining after purchasing securities of each province as required. The holdings in the account at March 31, 1968 totalled \$1,281 million of which \$6 million was in federal government securities.

TABLE 66
(in millions of dollars)

CANADA PENSION PLAN INVESTMENT FUND	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Securities of—			
Newfoundland.....	23.7	11.7	12.0
Nova Scotia.....	47.9	22.6	25.3
Prince Edward Island.....	4.3	2.0	2.3
New Brunswick.....	37.0	17.7	19.3
Quebec.....	2.2	0.4	1.8
Ontario.....	728.6	352.7	375.9
Manitoba.....	76.4	37.0	39.4
Saskatchewan.....	55.6	25.9	29.7
Alberta.....	113.3	54.1	59.2
British Columbia.....	186.1	89.5	96.6
Government of Canada.....	5.7	1.9	3.8
	1,280.8	615.5	665.3

Investments held for retirement of unmatured debt

Recorded herein is \$7 million of the 5½ per cent loan issued August 1, 1962 and maturing August 1, 1980 and \$1 million of the 5½ per cent loan issued February 1, 1966 and maturing August 1, 1980.

Loans to, and investment in, Crown corporations

Loans and investments in this category totalled \$7,939 million, an increase of \$1,211 million over the total at March 31, 1967.

TABLE 67
(in millions of dollars)

LOANS TO, AND INVESTMENTS IN, CROWN CORPORATIONS	Balance at March 31		Increase or decrease (—)
	1968 (preliminary)	1967	
Atomic Energy of Canada Limited.....	138.9	106.0	32.9
Bank of Canada.....	5.9	5.9	
Canada Deposit Insurance Corporation.....	29.4		29.4
Canadian Arsenal Limited.....	5.0	5.0	
Canadian Broadcasting Corporation.....	9.0	9.0	
Canadian Commercial Corporation.....	16.5	10.0	6.5
Canadian Dairy Commission.....	22.2	0.1	22.1
Canadian National Railways.....	1,777.1	1,613.9	163.2
Air Canada.....	8.0	7.4	0.6
	<i>1,785.1</i>	<i>1,621.3</i>	<i>163.8</i>
Canadian Overseas Telecommunication Corporation.....	52.4	49.8	2.6
Cape Breton Development Corporation.....	9.1		9.1
Central Mortgage and Housing Corporation.....	3,575.4	2,941.5	633.9
Eldorado Mining and Refining Limited.....	8.2	8.2	
Export Credits Insurance Corporation.....	199.1	164.4	34.7
Farm Credit Corporation.....	921.7	752.5	169.2
National Capital Commission—excluding Greenbelt.....	37.4	37.1	0.3
National Harbours Board.....	250.0	222.3	27.7
Northern Canada Power Commission.....	33.6	30.7	2.9
Polymer Corporation Limited.....	30.0	30.0	
The St. Lawrence Seaway Authority—			
Loans.....	362.9	345.4	17.5
Deferred interest.....	54.5	47.8	6.7
Interest-free loans.....	75.0	72.5	2.5
	<i>492.4</i>	<i>465.7</i>	<i>26.7</i>
Recovery likely to require parliamentary appropriations—			
Canadian Broadcasting Corporation.....	74.1	55.7	18.4
Canadian Corporation for the 1967 World Exhibition.....	205.0	175.0	30.0
National Capital Commission—Greenbelt.....	37.7	37.2	0.5
	<i>316.8</i>	<i>267.9</i>	<i>48.9</i>
Other Crown Corporations.....	1.3	1.2	0.1
	<i>7,939.4</i>	<i>6,728.6</i>	<i>1,210.8</i>

Atomic Energy of Canada Limited

There was a balance of \$139 million in this account at March 31, 1968 consisting of an investment of \$15 million by the government in capital stock and loans of \$124 million of which \$70 million was in respect of the Douglas Point generating station. Comparable amounts at March 31, 1967 were \$106 million consisting of \$15 million in capital stock and loans of \$91 million of which \$67 million was for the Douglas Point generating station.

Canadian Broadcasting Corporation

There was no change in the advances for working capital during 1967-68, the balance remaining at \$9 million at March 31, 1968. During the year advances to the corporation for the purpose of capital expenditures were \$18 million, bringing the total of advances to \$74 million at the fiscal year-end. Recovery of these advances is likely to require parliamentary appropriations in subsequent fiscal years.

Canadian Corporation for the 1967 World Exhibition

This account records the acquisition of securities issued by the corporation in accordance with the Canadian Corporation for the 1967 World Exhibition Act. The balance in the account at March 31, 1968 was \$205 million compared with \$175 million at March 31, 1967. Recovery of these advances is likely to require parliamentary appropriations in subsequent fiscal years.

Canadian National Railways (including Air Canada)

Outstanding advances to the Canadian National Railways at March 31, 1968 of \$1,785 million were \$164 million more than the balance of \$1,621 million at the previous fiscal year-end.

TABLE 68
(in millions of dollars)

ADVANCES TO THE CANADIAN NATIONAL RAILWAYS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Capital Revision Act, 1952—			
Preferred stock	1,105.2	1,075.2	30.0
Twenty-year obligation	100.0	100.0	
Financing and Guarantee Act, 1960	27.0	27.0	
Financing and Guarantee Act, 1961	28.4	28.4	
Financing and Guarantee Act, 1965 and 1966	50.0	40.0	10.0
Financing and Guarantee Act, 1967	27.0		27.0
Interim financing of income deficit 1968	13.0		13.0
Refunding Act, 1955	395.3	323.0	72.3
Loans for maintenance, repair and acquisition of passenger equipment	2.9	3.3	-0.4
Temporary loans—acquisition of bonds	11.3		11.3
Canadian Government Railways	17.0	17.0	
Air Canada	8.0	7.4	0.6
	1,785.1	1,621.3	163.8

During 1967-68 the government made available \$211 million to the company and received repayments of \$47 million, resulting in a net increase of \$164 million in outstanding advances. In 1966-67 advances were \$149 million and repayments were \$21 million.

TABLE 69
(in millions of dollars)

ADVANCES TO, AND REPAYMENTS BY, THE CANADIAN NATIONAL RAILWAYS	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Advances—			
For the refunding of debt.....	72.3	50.0	22.3
Financing and Guarantee Act, 1965 and 1966.....	10.0	40.0	-30.0
Financing and Guarantee Act, 1967.....	27.0		27.0
Maintenance, repair and acquisition of passenger equip- ment.....		3.3	-3.3
Temporary loans—acquisition of bonds.....	11.3		11.3
For interim financing of income deficits—			
Canadian National Railways.....	48.9	16.0	32.9
Air Canada.....	11.6	8.4	3.2
Total advances.....	181.1	117.7	63.4
Purchase of 4 per cent preferred stock (C.N.R. Capital Revision Act, 1952).....	30.0	30.9	-0.9
	211.1	148.6	62.5
Repayments—			
Maintenance, repair and acquisition of passenger equip- ment.....	-0.4		-0.4
Advances for interim financing of income deficits—			
Canadian National Railways.....	-35.9	-16.0	-19.9
Air Canada.....	-11.0	-5.3	-5.7
	-47.3	-21.3	-26.0
Net increase or decrease (-) during the fiscal year.....	163.8	127.3	36.5

In 1967-68 the government advanced to the company \$121 million for capital purposes and the refunding of debt in the hands of the public.

To assist the company to finance further capital expenditure during the year, the government purchased \$30 million of the 4 per cent preferred stock of the company. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952, in an amount equal to 3 per cent of the gross revenue of the company.

The government provided the company with temporary loans of \$36 million in respect of its 1967 deficit which were repaid when the company's income deficit of \$36 million was charged to the 1967-68 budgetary expenditures and \$13 million in respect of its 1968 operations.

At March 31, 1967 temporary loans of \$7 million were outstanding to Air Canada in respect of its 1967 operations. An additional \$4 million was advanced during the year for its 1967 operations. These were repaid by the company during 1967-68. However, additional loans of \$8 million were made in 1967-68 in respect of the company's 1968 operations.

Central Mortgage and Housing Corporation

The balance of \$3,575 million in this account at March 31, 1968 was \$634 million higher than at March 31, 1967, and comprised the Crown's investment of \$25 million in the capital of the corporation and \$3,550 million in loans and advances.

Loans and advances to the corporation during 1967-68 were \$767 million and repayments were \$133 million. In 1966-67 advances were \$615 million and repayments were \$126 million.

Advances comprised \$680 million for direct lending and limited dividend housing, \$14 million for federal-provincial projects, \$29 million in respect of municipal sewage treatment, \$43 million for university housing and \$1 million for urban renewal.

Repayments of \$133 million included \$100 million for direct lending and limited dividend housing, \$3 million for federal-provincial projects, \$15 million for the loan and mortgage purchase fund, \$12 million for sewage treatment and \$2 million in respect of acquisition or construction of real estate.

TABLE 70
(in millions of dollars)

ADVANCES TO, AND REPAYMENTS BY, CENTRAL MORTGAGE AND HOUSING CORPORATION	Fiscal year ended March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Advances—			
Direct lending, limited dividend and public housing.....	680.5	499.0	181.5
Sewage treatment projects.....	29.1	46.3	-17.2
University housing projects.....	42.5	31.0	11.5
Federal-provincial projects.....	14.0	21.5	-7.5
Loan and mortgage purchase fund.....		16.8	-16.8
Urban renewal.....	0.5		0.5
	766.6	614.6	152.0
Repayments—			
Direct lending, limited dividend and public housing.....	-99.6	-86.5	-13.1
Sewage treatment projects.....	-12.4	-17.5	5.1
University housing projects.....	-0.6	-0.5	-0.1
Federal-provincial projects.....	-2.9	-4.0	1.1
Loan and mortgage purchase fund.....	-14.9	-14.5	-0.4
Acquisition or construction of real estate.....	-2.3	-3.0	0.7
	-132.7	-126.0	-6.7
	633.9	488.6	145.3

Export Credits Insurance Corporation

The outstanding balance of \$199 million in this account at March 31, 1968 consisted of \$5 million for capital stock, \$5 million for working capital and \$189 million for loans under section 21A of the Export Credits Insurance Act. This section of the act authorizes the making of loans, on security of a guaranteed instrument, to the corporation by the Minister of Finance. Comparable amounts in 1966-67 were \$5 million for capital stock, \$5 million for working capital and \$154 million for loans.

Farm Credit Corporation

The government provides loans to the corporation which makes loans on farm property. The balance of \$922 million in the account at March 31, 1968 consisted of the Crown's investment of \$36 million in the capital of the corporation and \$886 million in loans and advances. At March 31, 1967 the balance was \$753 million consisting of capital investment of \$29 million and loans and advances of \$724 million.

The 1967-68 transactions in the account consisted of additional subscriptions by the government of \$7 million to the capital of the corporation, loans and advances of \$195 million and repayments by the corporation of \$33 million. In 1966-67 additional subscriptions were \$6 million, loans and advances were \$183 million and repayments were \$25 million.

National Capital Commission

Loans to acquire property in the "Greenbelt" area increased by \$1 million during the year, bringing the balance to \$38 million. Recovery of these loans is likely to require parliamentary appropriations in subsequent fiscal years.

Loans to acquire property excluding the "Greenbelt" area totalled \$37 million at March 31, 1968, the same as at March 31, 1967.

The St. Lawrence Seaway Authority

Outstanding obligations in this account at March 31, 1968 amounted to \$492 million and comprised \$363 million in interest-bearing loans, \$75 million in interest-free loans and \$54 million in deferred interest. At March 31, 1967 outstanding obligations were \$465 million consisting of \$345 million in interest-bearing loans, \$72 million in interest-free loans and \$48 million in deferred interest.

Other Crown Corporations

Advances to the Canadian Commercial Corporation increased by \$7 million during 1967-68 and advances to the National Harbours Board increased by \$28 million.

Loans to national governments

There was an increase of \$4 million in this category bringing the total balance to \$1,206 million at March 31, 1968.

The United Kingdom repaid \$19 million of the \$1,185 million loan made under the \$1,250 million credit authorized by the United Kingdom Financial Agreement Act, 1946, reducing the principal to \$957 million at March 31, 1968.

Advances under Part II of the Export Credits Insurance Act to Belgium, France and The Netherlands to assist them in the purchasing of goods in Canada were reduced by a repayment of \$2 million, bringing the balance at March 31, 1968 to \$120 million. The decrease of \$2 million is the regular annual payment by the Government of Belgium. There were no repayments by the Governments of France and The Netherlands as each of these countries had made advance payments in 1962-63 covering instalments up to and including the 1969 instalment.

Loans to India for the purchase in Canada of aircraft and associated spare parts at \$1 million were \$3 million less than at March 31, 1967.

The special loan assistance—developing countries account is an account which records loans which are subject to terms and conditions as the Governor in Council may approve, for the purpose of undertaking agreed-upon economic, educational and technical projects. The balance in the account at March 31, 1968 was \$44 million, an increase of \$29 million over the balance at the previous year-end.

TABLE 71
(in millions of dollars)

LOANS TO NATIONAL GOVERNMENTS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Loans to United Kingdom—			
The United Kingdom Financial Agreement Act, 1946...	957.0	976.2	-19.2
Deferred interest.....	83.0	83.0	
	1,040.0	1,059.2	-19.2
Loans under the Export Credits Insurance Act, Part II—			
Belgium.....	20.8	23.1	-2.3
France.....	67.0	67.0	
The Netherlands.....	32.1	32.1	
	119.9	122.2	-2.3
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada—			
Ceylon.....		0.3	-0.3
Miscellaneous loans and advances—			
India—loan for purchase of aircraft and associated spare parts.....	1.3	4.0	-2.7
France—interim credits—consolidated interest.....	0.7	0.7	
Special loan assistance—developing countries.....	44.1	15.0	29.1
Other.....	0.1	0.2	-0.1
	46.2	19.9	26.3
	1,206.1	1,201.6	4.5

Other loans and investments

Balances in these accounts totalled \$1,946 million at March 31, 1968, \$232 million more than at the end of the previous fiscal year.

TABLE 72
(in millions of dollars)

OTHER LOANS AND INVESTMENTS	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Subscriptions to capital of, and working capital advances and loans to, international organizations—			
Canada's subscriptions to capital of—			
Asian development bank.....	5.4	2.7	2.7
International bank for reconstruction and development.....	85.0	85.0	
International development association.....	85.7	70.7	15.0
International finance corporation.....	3.5	3.5	
International monetary fund.....	782.7	782.7	
Working capital advances and loans to international organizations.....	7.3	7.6	-0.3
	969.6	952.2	17.4
Loans to provincial governments—			
Alberta.....	4.9	5.4	-0.5
British Columbia.....	9.4	10.3	-0.9
Manitoba.....	10.8	9.5	1.3
New Brunswick.....	45.2	31.8	13.4
Newfoundland.....	30.4	17.7	12.7
Nova Scotia.....	38.4	22.4	16.0
Prince Edward Island.....	0.5		0.5
Quebec.....	18.9		18.9
Saskatchewan.....	29.2	26.4	2.8
	187.7	123.5	64.2
Veterans land act fund.....	406.2	333.8	72.4
Less reserve for conditional benefits.....	-23.3	-22.4	-0.9
	382.9	311.4	71.5
Municipal development and loan board advances.....	280.6	236.3	44.3
Less reserve for forgiveness of indebtedness.....	-0.2	-5.1	4.9
	280.4	231.2	49.2
Miscellaneous—			
Assisted passage scheme.....	13.2	11.1	2.1
Balances receivable under agreements of sale of Crown assets.....	1.3	1.2	0.1
City of Montreal—			
Atwater tunnel.....	1.7	1.8	-0.1
St. Remi tunnel.....	0.9	1.0	-0.1
City of Whitehorse.....	1.8	1.9	-0.1
Construction of dock and rail facilities for Steep Rock Iron Mines Limited.....	0.5	0.7	-0.2
Crown Assets Disposal Corporation—			
Government equity in agency account.....	7.3	7.3	
Defence plant modernization.....	10.2		10.2
Dominion Coal Company Limited.....	4.5	4.5	
Fraser River Harbour Commission.....	1.1	1.2	-0.1
Hamilton Harbour Commissioners.....	3.6	1.7	1.9
Housing projects for Canadian forces.....	21.6	20.5	1.1
Loans to manufacturers of automotive products in Canada.....	20.5	12.6	7.9
Municipal Improvements Assistance Act, 1938.....	0.6	0.7	-0.1
Northwest Territories.....	12.8	8.9	3.9
Ottawa civil service recreational association re W. Clifford Clark Memorial Recreational Centre.....	1.0	1.0	
Toronto Harbour Commissioners.....	1.4	1.5	-0.1
Town of Oromocto Development Corporation.....	1.1	1.1	
Yukon Territory.....	9.7	7.2	2.5
Other.....	6.6	5.7	0.9
	121.4	91.6	29.8
Recovery likely to require parliamentary appropriations—			
Town of Oromocto, New Brunswick.....	3.9	4.1	-0.2
	1,945.9	1,714.0	231.9

Canada's subscriptions to the capital of international organizations were \$17 million higher due mainly to additional subscriptions of \$15 million to the international development association. Working capital advances and loans to international organizations at \$7 million were approximately the same as at the previous fiscal year-end.

Loans to provincial governments totalled \$188 million at March 31, 1968, an increase of \$64 million over the total at the previous fiscal year-end due mainly to increases of \$10 million in loans to Newfoundland, \$11 million to Nova Scotia and \$8 million to New Brunswick pursuant to the Atlantic Provinces Power Development Act and to the setting up as loans overpayments of \$38 million arising out of payments made under the Federal-Provincial Tax-Sharing Arrangements Act.

The veterans land act fund was established by An Act to amend the Veterans' Land Act, assented to June 30, 1965, to record advances made under the Veterans' Land Act, for the acquisition, by the Director, of properties, buildings, materials, livestock, farm equipment and commercial fishing equipment for purposes of the act, for sale to qualified veterans of world war 2 and Korea under sales agreements which carry specified conditional benefits if the terms of such agreements are adhered to by the veterans, and for progress payments to veterans during construction of housing. Advances during the year of \$103 million and repayments of \$30 million brought outstanding advances at March 31, 1968 to \$406 million. This was partly offset by a reserve for conditional benefits amounting to \$23 million, resulting in a net balance of \$383 million at the fiscal year-end.

Under the Municipal Development and Loan Act advances are made to the Municipal Development and Loan Board to provide financial assistance by way of loans to municipalities to augment or accelerate municipal capital works programs. Where the municipal project in respect of which a loan is made is completed on or before September 30, 1966, the board shall forgive payment by the municipality of 25 per cent of the principal amount of the loan. If a project is not completed as at September 30, 1966, the board shall forgive 25 per cent of that portion of the loan that has been advanced to the municipality as of September 30, 1966. At March 31, 1968, advances totalled \$281 million, an increase of \$44 million over the total at March 31, 1967. These advances were partly offset by a reserve for forgiveness of indebtedness consisting of amounts charged to budgetary expenditure to cover 25 per cent of the amounts of the advances. At March 31, 1968, there was a reserve of \$200 thousand compared with \$5 million at March 31, 1967.

Miscellaneous loans and investments totalled \$121 million at March 31, 1968, an increase of \$30 million over the balance at March 31, 1967, due mainly to loans of \$10 million for defence plant modernization and an increase of \$8 million in loans to manufacturers of automotive products in Canada.

Loans to manufacturers of automotive products in Canada were made in accordance with terms and conditions prescribed by the Governor in Council, to assist manufacturers of automotive products in Canada affected by the Canada-United States Agreement on Automotive Products to adjust and expand their production; such loans to be made for the purpose of acquisition, construction, installation, modernization, development, conversion or expansion of land, buildings, equipment, facilities or machinery and for working capital. Loans to these manufacturers amounted to \$21 million compared with \$13 million at March 31, 1967.

Loans for defence plant modernization, which is a new account, records advances made subject to the approval of the Treasury Board to assist defence manufacturers with defence plant modernization. During 1967-68 net advances totalling \$10 million were made.

Securities held in trust

Recorded herein are the security holdings in connection with various deposit and trust accounts and annuity, insurance and pension accounts. Bonds and certified cheques held in connection with contractors' securities included in the deposit and trust category are also recorded under this heading. The balance at March 31, 1968 was \$60 million, an increase of \$9 million over the previous fiscal year-end balance.

Deferred charges

These consist of the unamortized balances of actuarial deficiencies in the Canadian forces superannuation account, the public service superannuation account and the Royal Canadian Mounted Police superannuation account and the outstanding unamortized loan flotation costs.

The balances in these accounts totalled \$492 million at March 31, 1968 compared with \$582 million at March 31, 1967.

TABLE 73
(in millions of dollars)

DEFERRED CHARGES	Balance at March 31		Increase or decrease (-)
	1968 (preliminary)	1967	
Unamortized portions of actuarial deficiencies—			
Canadian forces superannuation account.....	187.6	260.2	-72.6
Public service superannuation account.....	150.4	189.4	-39.0
Royal Canadian Mounted Police superannuation account	15.8	11.0	4.8
	353.8	460.6	-106.8
Unamortized loan flotation costs.....	138.2	121.2	17.0
	492.0	581.8	-89.8

Unamortized portions of actuarial deficiencies

At March 31, 1968 these totalled \$354 million compared with \$461 million at March 31, 1967, a decrease of \$107 million.

Any actuarial deficiencies revealed by quinquennial valuations are credited to the superannuation accounts and charged to this account and amortized to budgetary expenditure in five equal annual instalments commencing in the fiscal year in which the report is laid before parliament. Also, the cost of benefits payable under the superannuation acts as a result of the authorization of salary increases are credited to the superannuation accounts and charged to this account and amortized to budgetary expenditure over a period of five years commencing in the year in which the increase is authorized.

The unamortized portion of the actuarial deficiency in the Canadian forces superannuation account was \$188 million compared with \$260 million at March 31, 1967. During the year \$73 million was amortized as a charge to budgetary expenditure.

The unamortized portion of the actuarial deficiency in the public service superannuation account was \$150 million compared with \$189 million at March 31, 1967. During the year \$22 million was charged thereto as a result of salary increases and \$61 million was amortized as a charge to budgetary expenditure.

The unamortized portion of the actuarial deficiency in the Royal Canadian Mounted Police superannuation account was \$16 million compared with \$11 million at March 31, 1967. During the year \$8 million was charged thereto as a result of the quinquennial actuarial valuation made as at December 31, 1964 and \$2 million due to salary revisions and \$5 million was amortized as a charge to budgetary expenditure.

Unamortized loan flotation costs

This account records the residual balances of discounts, commissions, redemption bonuses and conversion premiums on loan flotations that have not been charged to budgetary expenditures. The balance of \$138 million was \$17 million more than the previous fiscal year-end balance.

TABLE 74
(in millions of dollars)

UNAMORTIZED LOAN FLOTATION COSTS	Fiscal year ended March 31	
	1968 (preliminary)	1967
Balance of account at beginning of fiscal year.....	121.2	106.2
New loan flotation costs to be amortized—		
4½% loan April 1, 1967—April 1, 1968.....	0.4	
5% loan April 1, 1967—October 1, 1973.....	2.8	
5½% loan April 1, 1967—May 1, 1990.....	4.4	
4½% loan June 1, 1967—June 15, 1968.....	0.3	
5½% loan June 1, 1967—December 1, 1974.....	1.1	
5% loan August 1, 1967—October 1, 1968.....	0.1	
5½% loan August 1, 1967—April 1, 1969.....	0.1	
6% loan August 1, 1967—December 15, 1971.....	4.0	
4½% loan October 1, 1967—December 15, 1968.....	1.3	
5½% loan October 1, 1967—December 15, 1969.....	1.5	
6% loan October 1, 1967—April 1, 1971.....	0.8	
6½% loan December 1, 1967—December 1, 1973.....	1.9	
6% loan January 15, 1968—February 15, 1970.....	1.5	
Adjustments ⁽¹⁾	0.2	
Treasury bills discounts.....	30.1	20.5
Canada savings bonds—adjustment previous issues.....	0.7	0.4
Canada savings bonds—new issue.....	12.6	20.5
4½% loan May 1, 1966—April 1, 1967.....		1.8
5% loan May 1, 1966—July 1, 1970.....		0.9
5½% loan May 1, 1966—August 1, 1980.....		4.2
4½% loan September 1, 1966—October 1, 1967.....		2.6
5½% loan September 1, 1966—October 1, 1969.....		1.3
5½% loan September 1, 1966—September 1, 1992.....		5.4
5½% loan December 15, 1966—January 15, 1968.....		0.6
5½% loan December 15, 1966—December 15, 1970.....		1.9
5½% loan February 1, 1967—October 1, 1975.....		1.2
	68.8	61.8
Less—		
Amortization applicable to fiscal year—		
Canada savings bonds and general loans.....	-26.3	-29.8
Discounts on treasury bills charged to interest on public debt.....	-20.5	-16.5
	-46.8	-46.3
Increase or decrease (-) during the year.....	17.0	15.0
Balance of account at end of fiscal year.....	138.2	121.2

⁽¹⁾ Adjustments due to cancellations and additional issues of existing loans.

Cost of new loans issued during 1967-68 and charged to the account amounted to \$64 million, of which \$30 million was in respect of treasury bills discounts which will be charged to interest on public debt in 1968-69. Credits to the account were \$47 million, of which \$26 million was a charge to the budgetary item "annual amortization costs" and \$21 million (representing discount applicable to 1967-68 on treasury bills sold in 1966-67) was a charge to the budgetary item "interest on public debt".

Treasury bills discounts applicable to the current fiscal year are charged to interest on public debt at time of sale. That portion of the discounts applicable to the subsequent fiscal year is charged to this account and transferred to interest on public debt in the following year.

Capital assets

Assets of the government such as land, buildings, works and equipment, etc., that are charged to budgetary expenditure at the time of acquisition or construction, are included in this category and are shown on the statement of assets and liabilities at a nominal value of \$1.

Inactive loans and investments

Loans and investments which are not currently revenue-producing or realizable are recorded herein. Included are the loan of \$49 million to China under the Export Credits Insurance Act, loans totalling \$24 million and \$7 million made to Roumania and Greece, respectively, in 1919-20 and 1920-21 and advances of \$15 million in respect of the implementation of guarantees (Ming Sung Industrial Company Limited).

Reserve for losses on realization of assets

There has been no change in this reserve since the fiscal year 1956-57. The balance at March 31, 1968 was \$546 million.

NET DEBT

The net debt of Canada, or the excess of liabilities over net recorded assets, was \$16,757 million at March 31, 1968 compared with \$15,965 million at March 31, 1967. The increase of \$792 million reflects the 1967-68 budgetary deficit.

THE CASH POSITION

The government's bank balances represent current deposits to the credit of the Receiver General of Canada in the Bank of Canada, chartered banks in Canada and certain banks in London, New York, Paris, Brussels and Bonn. These balances totalled \$1,015 million at March 31, 1968, an increase of \$201 million over the balance of \$814 million at March 31, 1967.

The cash position of the government is affected not only by budgetary transactions but also by changes in the government's unmatured debt and other non-budgetary transactions. Non-budgetary transactions are those which affect the government's asset and liability accounts and must be taken into account when considering the full scope of the government's financial operations and their effect on the economy of the country.

On the asset side, the non-budgetary transactions consist, for the most part, of loans and advances to, and repayments by, Crown corporations and other government agencies and funds (including the old age security fund), national, provincial and municipal governments, international organizations, veterans and other borrowers. On the liability side they relate mainly to receipts and payments in connection with the many deposit and trust accounts, and annuity, insurance and pension funds held or administered by the government.

The following statement summarizes both the budgetary and non-budgetary transactions for 1967-68 and indicates how they affected the government's cash position. For purposes of comparison the corresponding figures for 1966-67 are also shown.

TABLE 75
(in millions of dollars)

CHANGES IN CASH POSITION	Fiscal year ended March 31	
	1968 (preliminary)	1967
Budgetary transactions—		
Revenue.....	9,076.6	8,358.2
Expenditure.....	-9,869.0	-8,779.7
Deficit.....	-792.4	-421.5
Non-budgetary transactions (excluding unmatured debt transactions)—		
Receipts and credits (net).....	2,415.1	2,043.1
Disbursements and charges (net).....	-2,209.9	-2,152.7
Net amount available from or required for (-) non-budgetary transactions.....	205.2	-109.6
Overall cash requirement to be financed by increase in unmatured debt or decrease in cash balances..	-587.2	-531.1
Net increase in unmatured debt outstanding in the hands of the public—		
Unmatured debt—		
Canada savings bonds.....	80.1	283.2
Marketable issues.....	349.8	269.4
Treasury bills.....	170.0	160.0
Special issues—		
Unemployment Insurance Commission.....	36.0	116.0
Canada pension plan.....	3.8	1.8
	639.7	830.4
Securities investment account.....	153.3	-116.2
Investments held for retirement of unmatured debt.....	-4.9	-3.2
	788.1	711.0
Net increase in Receiver General Bank balances.....	200.9	179.9

NOTE: In 1967-68 a change in practice was introduced whereby revenues arising from Royal Canadian Mounted Police expenditures were credited thereto. For purposes of comparison 1966-67 figures have been adjusted.

In 1967-68 a deficit of \$792 million in budgetary transactions and net receipts of \$205 million for non-budgetary transactions (excluding unmatured debt transactions) resulted in a net cash requirement of \$587 million for the fiscal year. As transactions in unmatured debt during the year resulted in an increase of \$788 million in outstanding unmatured debt as at March 31, 1968, Receiver General bank balances were increased by \$201 million. In 1966-67

the budgetary deficit of \$422 million and net disbursements of \$109 million from non-budgetary transactions resulted in a cash requirement of \$531 million. As outstanding unmatured debt increased by \$711 million, Receiver General bank balances were increased by \$180 million.

Non-budgetary receipts and credits (excluding unmatured debt transactions)

Non-budgetary receipts and credits of \$2,415 million in 1967-68 included \$1,137 million in respect of annuity, insurance and pension accounts, \$379 million in repayments of loans, investments and advances and \$899 million in sundry other accounts.

Further details are given in the following table:

TABLE 76
(in millions of dollars)

NON-BUDGETARY RECEIPTS AND CREDITS (NET)	Fiscal year ended March 31	
	1968 (preliminary)	1967
Repayments of loans, investments and advances—		
Investments in United States dollar securities issued by other than the Government of Canada.....	57.4	7.2
Exchange fund account.....	321.7	341.0
	379.1	348.2
Annuity, insurance and pension accounts—		
Superannuation accounts—		
Public service.....	186.3	299.1
Canadian forces.....	146.3	392.8
Royal Canadian Mounted Police.....	19.6	19.7
Canada pension plan account.....	671.9	591.5
Old age security fund.....	106.5	212.6
Other.....	6.5	7.3
	1,137.1	1,523.0
Other receipts and credits—		
Non-interest-bearing notes.....	450.3	111.0
Outstanding treasury cheques.....	44.8	49.7
Accounts payable.....	65.7	74.2
Interest accrued.....	29.1	31.9
Interest due and outstanding.....	50.3	0.4
Canadian Commercial Corporation—special/deposit.....	38.2	
Canadian Dairy Commission.....	25.2	
Provincial tax collection agreements account.....	27.7	26.2
Undisbursed balances of appropriations to special accounts.....	16.5	-25.4
Refundable corporation tax.....	39.1	196.2
Deferred credits.....	7.1	4.7
Surplus Crown assets (National Defence).....	6.8	15.2
Deferred charges.....	89.8	-325.3
Miscellaneous.....	8.3	13.1
	898.9	171.9
	2,415.1	2,043.1

Non-budgetary disbursements and charges (excluding unmatured debt transactions)

Non-budgetary disbursements and charges of \$2,210 million in 1967-68 included \$1,476 million for loans, investments and advances and \$734 million in other charges.

Further details are given in the following table:

TABLE 77
(in millions of dollars)

NON-BUDGETARY DISBURSEMENTS AND CHARGES, (NET)	Fiscal year ended March 31	
	1968 (preliminary)	1967
Loans, investments and advances—		
Defence production revolving fund.....	5.0	11.4
Stockpiling of uranium concentrates.....	17.7	20.1
Atomic Energy of Canada Limited.....	32.9	28.4
Canada Deposit Insurance Corporation.....	29.4	
Canadian Broadcasting Corporation.....	18.4	35.0
Canadian Corporation for the 1967 World Exhibition.....	30.0	131.0
Canadian Commercial Corporation.....	6.5	4.5
Canadian Dairy Commission.....	22.2	
Canadian National Railways (including Air Canada).....	163.8	127.3
Canadian Overseas Telecommunication Corporation.....	2.6	-2.7
Cape Breton Development Corporation.....	9.1	
Central Mortgage and Housing Corporation.....	633.9	488.6
Export Credits Insurance Corporation.....	34.7	36.2
Farm Credit Corporation.....	169.2	164.1
National Capital Commission.....	0.8	7.0
National Harbours Board.....	27.7	19.5
Northern Canada Power Commission.....	2.9	0.8
The St. Lawrence Seaway Authority.....	26.7	29.8
National governments.....	4.5	-23.6
Subscriptions to capital of international organizations.....	17.7	227.5
Municipal development and loan board advances.....	49.2	122.3
Veterans land act fund.....	71.5	55.2
Provincial governments.....	64.2	26.8
Defence plant modernization.....	10.2	
Loans to manufacturers of automotive products.....	7.9	12.5
Miscellaneous.....	17.2	12.3
	1,475.9	1,534.0
Other disbursements and charges—		
Canada pension plan investment fund.....	665.3	580.6
Matured debt outstanding.....	4.7	-3.4
Cash in hands of collectors and in transit.....	50.0	70.2
Moneys received after March 31, but applicable to current year.....	5.1	-27.6
Securities held in trust.....	8.9	-1.1
	734.0	618.7
	2,209.9	2,152.7

THE PUBLIC DEBT

Gross and net debt

The gross debt of Canada, or the total of liabilities as recorded on the statement of assets and liabilities, was \$32,926 million at March 31, 1968, an increase of \$2,586 million over the total at March 31, 1967. The main changes were increases of \$1,137 million in annuity, insurance and pension accounts, \$640 million in unmatured debt and \$639 million in current and demand liabilities. Unmatured debt at \$20,580 million represented 63 per cent of the total and annuity, insurance and pension accounts at \$9,053 million represented 27 per cent. At March 31, 1967 unmatured debt was \$19,940 million or 66 per cent and annuity, insurance and pension accounts totalled \$7,916 million or 26 per cent.

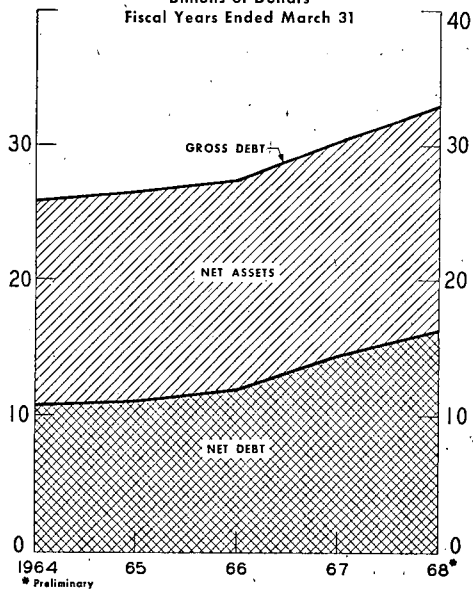
The government's net recorded assets were \$16,169 million at March 31, 1968 an increase of \$1,794 million over the total at March 31, 1967. The main changes were increases of \$1,211 million in loans to, and investments in, Crown corporations, \$665 million in the Canada pension plan investment fund and \$232 million in other loans and investments and a decrease of \$322 million in advances to the exchange fund account. Loans to, and investments in, Crown corporations represented 49 per cent of the total and advances to the exchange fund represented 12 per cent. At March 31, 1967 loans to, and investments in, Crown corporations were \$6,729 million or 47 per cent and advances to the exchange fund were \$2,355 million or 16 per cent.

The net debt of Canada was \$16,757 million at March 31, 1968 reflecting an increase of \$792 million, equivalent to the 1967-68 budgetary deficit.

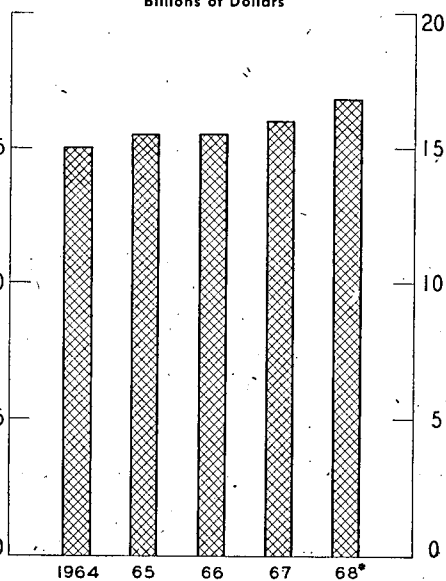
TABLE 78
STATEMENT OF PUBLIC DEBT, UNMATURED DEBT, NET RECORDED
ASSETS AND NET DEBT OF CANADA
(in millions of dollars)

As at March 31	Gross Public Debt			Less net recorded assets	Net debt	Increase in net debt during fiscal year
	Unmatured debt	Other liabilities	Total			
1964.....	18,740.1	7,183.3	25,923.4	10,853.3	15,070.1	1,150.4
1965.....	18,978.2	7,585.7	26,563.9	11,059.5	15,504.4	434.0
1966.....	19,109.8	8,373.1	27,482.9	11,939.5	15,543.4	39.0
1967.....	19,940.2	10,399.9	30,340.1	14,375.2	15,964.9	421.5
1968 (preliminary).....	20,579.9	12,346.4	32,926.3	16,168.9	16,757.4	792.4

GROSS AND NET DEBT
Billions of Dollars
Fiscal Years Ended March 31



NET DEBT AS AT MARCH 31
Billions of Dollars



Unmatured debt

Total unmaturred debt of \$20,580 million was \$640 million more than the balance at March 31, 1967.

The government's holdings of its own securities as at March 31, 1968 was comprised of \$44 million in the securities investment account (of which \$41 million was Canada savings bonds held in respect of the employees instalment purchase plan) and \$8 million in investments held for retirement of unmaturred debt. This was a decrease of \$149 million from the previous fiscal year-end total when holdings were \$198 million in the securities investment account (of which \$36 million was in respect of the employees instalment purchase plan) and \$3 million in investments held for retirement of unmaturred debt.

Of the total unmaturred debt, \$20,420 million is payable in Canada and \$160 million in New York. Securities payable in New York have been valued at the official parity rate of \$1 U.S. = \$1.08108 Canadian.

TABLE 79
(in millions of dollars)

UNMATURED DEBT TRANSACTIONS	Fiscal year ended March 31	
	1968 (preliminary)	1967
Balance at beginning of year.....	19,940	19,110
New issues—		
Canada savings bonds series 20.....		48
Canada savings bonds series 21.....	79	2,271
Canada savings bonds series 22.....	1,404	
Marketable bonds.....	2,235	1,500
Non-marketable bonds (Unemployment Insurance Commission)....	122	157
Non-marketable bonds (Canada pension plan).....	4	2
Treasury bills (net).....	170	160
	<u>4,014</u>	<u>4,138</u>
Maturities and redemptions—		
Matured marketable bonds.....	-1,680	-1,226
Redeemed marketable bonds.....	-205	-5
Redeemed non-marketable bonds (Unemployment Insurance Commission).....	-86	-41
Canada savings bonds redeemed or matured.....	-1,403	-2,036
	<u>-3,374</u>	<u>-3,308</u>
Increase in unmaturred debt.....	640	830
Balance at end of year.....	20,580	19,940

Summary of security issues, maturities and redemptions

Excluding the refunding of treasury bills which mature weekly, the government issued securities of \$4,014 million and redemptions and maturities totalled \$3,374 million.

Net sales of Canada savings bonds series 22 were \$1,404 million and additional sales of series 21 (Centennial Series) were \$79 million. Redemptions and maturities of series 10 to 21 totalled \$1,403 million. The net increase for all series was \$80 million bringing the total of outstanding Canada savings bonds to \$6,096 million.

Treasury bills increased by \$170 million to \$2,480 million and consisted of \$1,575 million in three-month bills, \$780 million in six-month bills and \$125 million in a 364-day bill.

TABLE 80

DEBT MATURED OR REDEEMED DURING THE FISCAL YEAR ENDED MARCH 31, 1968
(in millions of dollars)

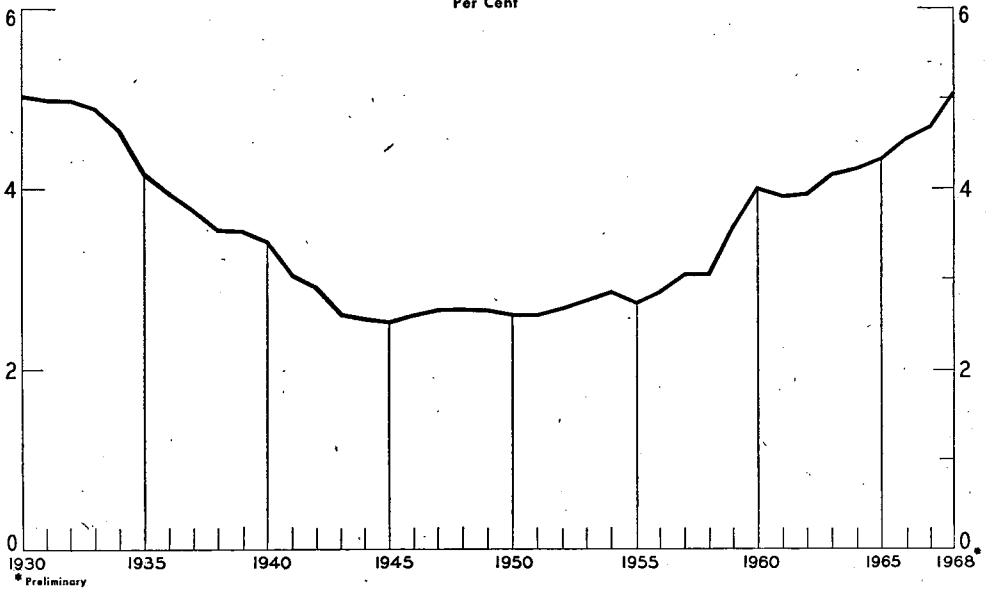
	Matured	Redeemed	Total
Marketable bonds—			
4½% 1961/63-67..... AT 9	275.0		275.0
3½% 1962-67..... AT 12	100.0		100.0
4½% 1962-68..... AT 11	250.0		250.0
3½% 1964/65-67..... CT 14	250.0		250.0
4½% 1964-68..... CT 8	130.0		130.0
4½% 1965-67..... CT 18	50.0		50.0
4% 1966-67..... CT 25	170.0		170.0
4½% 1966-67..... F 1	155.0		155.0
4½% 1966-67..... F 4	175.0		175.0
5½% 1966-68..... F 7	125.0		125.0
2½% 1949-74 (N. Y. loan).....		16.3	16.3
2½% 1950-75 (N. Y. loan).....		10.7	10.7
5% 1962-87 (N. Y. loan).....		178.2	178.2
	1,680.0	205.2	1,885.2
Non-marketable bonds—			
Canada savings bonds S10.....	16.5		16.5
Canada savings bonds S10-21.....		1,386.7	1,386.7
Unemployment Insurance Commission, 4½%.....		39.5	39.5
Unemployment Insurance Commission, 4½%.....		46.5	46.5
	1,696.5	1,677.9	3,374.4

TABLE 81

NEW SECURITIES ISSUED DURING FISCAL YEAR ENDED MARCH 31, 1968
(in millions of dollars)

	Total amount issued
Marketable bonds—	
4½% 1967-68..... F 10	175.0
5% 1967-73..... F 11	200.0
5½% 1967-90..... F 12	125.0
4½% 1967-68..... F 13	160.0
5½% 1967-74..... F 14	100.0
5% 1967-68..... F 15	20.0
5½% 1967-69..... F 16	70.0
6% 1967-71..... F 17	285.0
4½% 1967-68..... F 18	125.0
5½% 1967-69..... F 19	175.0
5% 1967-70..... F 2	100.0
6% 1967-71..... F 20	225.0
6½% 1967-73..... F 22	225.0
6% 1968-70..... F 24	250.0
	2,235.0
Non-marketable bonds—	
Unemployment Insurance Commission—	
5%.....	68.0
5½%.....	54.0
Canada savings bonds—	
Nov. 1, 1966—Nov. 1, 1979..... CS	79.6
Nov. 1, 1967—Nov. 1, 1980..... S 22	1,403.7
Canada pension plan—	
5.29%—6.44%.....	3.8
Weekly treasury bills (net).....	170.0
	4,014.1

AVERAGE INTEREST RATE ON UNMATURED DEBT
As At March 31
Per Cent



Interest rates

The average interest rate on the government's unmatured debt rose to 5.06 per cent during the fiscal year from 4.71 per cent at March 31, 1967.

The yield on three-month treasury bills which was 4.13 per cent at tender on March 30, 1967 was 6.98 per cent at tender on March 28, 1968.

The yield on six-month treasury bills which was 4.11 per cent at tender on March 30, 1967 was 6.98 per cent at tender on March 28, 1968.

The following table shows the average high and low yields together with the average yield on the latest issues for the fiscal years 1963-64 to 1967-68 inclusive:

TABLE 82
TREASURY BILLS AVERAGE YIELDS AT TENDER

FISCAL YEAR ENDED MARCH 31	High	Low	Last issue
Three-month bills—			
1964.....	3.90	3.19	3.88
1965.....	3.87	3.53	3.62
1966.....	5.06	3.61	5.06
1967.....	5.20	4.10	4.13
1968.....	7.01	3.96	6.98
Six-month bills—			
1964.....	4.06	3.30	4.04
1965.....	4.06	3.69	3.73
1966.....	5.30	3.71	5.30
1967.....	5.33	4.04	4.11
1968.....	7.02	3.97	6.98
364-day bill—			
1968.....	5.65	5.65	5.65

Indirect debt or contingent liabilities

In addition to the direct debt as set out in the statement of assets and liabilities, the government has assumed certain indirect or contingent liabilities. These consist of securities of the Canadian National Railways, guaranteed as to principal and interest, the guarantees of insured loans made by chartered banks and other approved lending institutions under the National Housing Act, deposits maintained by the chartered banks in the Bank of Canada, advances under the Export Credits Insurance Act and bank loans under a number of Federal Statutes.

TABLE 83
SUMMARY OF INDIRECT DEBT OR CONTINGENT LIABILITIES

	Amount Authorized	Amount Outstanding
	\$	\$
Railway securities guaranteed as to principal and interest—		
Canadian National 5% due May 15, 1968.....	55,800,000	55,800,000
Canadian National 2½% due September 15, 1969.....	70,000,000	70,000,000
Canadian National 2½% due January 16, 1971.....	40,000,000	40,000,000
Canadian National 5½% due December 15, 1971.....	187,683,500	187,683,500
Canadian National 3½% due February 1, 1974.....	200,000,000	200,000,000
Canadian National 2½% due June 15, 1975, U.S. \$6,000,000 ⁽¹⁾	6,486,486	6,486,486
Canadian National 5% due May 15, 1977.....	83,475,000	83,475,000
Canadian National 4% due February 1, 1981.....	300,000,000	300,000,000
Canadian National 5½% due January 1, 1985.....	97,225,000	97,225,000
Canadian National 5% due October 1, 1987.....	156,511,000	156,511,000
	<u>1,197,180,986</u>	<u>1,197,180,986</u>
Other outstanding guarantees and contingent liabilities—		
Deposits maintained by the chartered banks in the Bank of Canada.....	Unstated	935,782,098
Loans made by lenders under Part IV of the National Housing Act, 1954, for home extensions and improvements ⁽²⁾	25,000,000	20,209,000
Insured loans made by approved lenders under the National Housing Act, 1954 ⁽²⁾⁽³⁾	9,500,000,000	6,311,000,000
Liability for insurance and guarantees and other commitments with respect to long-term financing under sections 21 and 21A of the Export Credits Insurance Act ⁽²⁾	1,100,000,000	369,387,071
Loans made by chartered banks under the Farm Improvement Loans Act ⁽²⁾	117,348,000	99,657,000
Loans made by chartered banks and credit unions under the Fisheries Improvement Loans Act ⁽²⁾	2,700,000	612,000
Loans made by chartered banks under the Small Businesses Loans Act ⁽²⁾	44,268,000	16,336,000
Loans made by chartered banks and credit unions under the Canada Student Loans Act ⁽²⁾⁽⁴⁾	188,084,000	180,084,000
Notes issued by the Canadian Corporation for the 1967 World Exhibition.....	240,000,000	228,250,000
Loans made by chartered banks to the Canadian Wheat Board.....	505,000,000	141,414,000
		<u>8,302,731,169</u>
Loans maintained by approved lending institutions under National Housing Acts prior to 1954 Act.....	Unstated	Indeterminate
Guarantees to owners of returns from moderate rental housing projects ⁽⁵⁾	Unstated	Indeterminate

⁽¹⁾Converted at \$1.08108 Canadian official parity rate.

⁽²⁾As of December 31, 1967.

⁽³⁾As reported (in accordance with section 45, National Housing Regulations) by approved lenders as of December 31, 1967.

⁽⁴⁾Includes contingent liability in respect of alternative payments to non-participating province.

⁽⁵⁾As of December 31, 1967, funds totalling \$4,059,134 were held by the Central Mortgage and Housing Corporation for the purpose of settling claims. In 1967 rental contracts totalled \$12,909,000.

SUPPLEMENTARY DETAILED TABLES

REVENUE

EXPENDITURE

ANNUAL CHANGES IN LOANS AND INVESTMENTS

UNMATURED DEBT

STATEMENT OF REVENUE FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
Tax Revenue—					
Income tax—					
Personal ⁽¹⁾	1,865.1	2,103.3	2,142.5	2,473.8	2,849.6
Corporation ⁽²⁾	1,259.0	1,523.8	1,606.6	1,593.2	1,670.6
On dividends, interest, etc., going abroad.....	124.5	143.7	170.0	203.6	220.5
	<i>3,248.6</i>	<i>3,770.8</i>	<i>3,919.1</i>	<i>4,270.6</i>	<i>4,740.7</i>
Excise taxes—					
Sales tax ⁽¹⁾⁽²⁾	946.1	1,204.6	1,395.1	1,513.6	1,601.1
Other taxes—					
Cigarettes, tobacco and cigars.....	226.9	218.3	238.1	251.4	266.7
Electric power export.....	0.1	(⁽³⁾)			
Jewellery, watches, ornaments, etc.....	6.4	6.9	7.9	8.9	10.2
Matches and lighters.....	1.3	1.2	1.2	1.2	1.2
Television sets, radios and phonographs.....	22.0	23.5	27.0	31.2	32.6
Toilet preparations.....	11.1	12.8	14.1	15.5	17.9
Wines.....	3.8	4.1	4.4	4.8	5.3
Sundry commodities.....	1.3	1.4	2.2	1.2	1.5
Interest and penalties.....	0.8	1.2	1.6	1.9	2.2
Less refunds.....	-0.3	-0.3	-0.3	-0.5	-0.6
	<i>273.4</i>	<i>269.1</i>	<i>296.2</i>	<i>315.6</i>	<i>337.0</i>
Customs import duties.....	581.4	622.1	635.5	777.6	746.4
Excise duties—					
Spirits.....	129.4	134.7	157.0	158.2	180.5
Beer.....	102.9	105.4	107.9	113.3	120.2
Cigarettes, tobacco and cigars.....	165.7	177.2	187.1	196.4	194.6
Less refunds.....	-4.7	-5.9	-6.1	-6.9	-6.7
	<i>393.3</i>	<i>411.4</i>	<i>445.9</i>	<i>461.0</i>	<i>488.6</i>
Estate tax.....	90.6	88.6	108.3	101.1	102.2
Miscellaneous tax revenue.....	0.1	0.2	0.2	0.2	0.3
Total tax revenue.....	5,533.5	6,366.8	6,850.3	7,439.7	8,016.3
Non-Tax Revenue—					
Return on investments.....	366.4	422.7	438.3	519.1	612.3
Post office—net postal revenue.....	200.7	230.4	237.5	253.3	281.6
Other.....	136.6	143.2	152.1	146.1	166.4
Total non-tax revenue.....	703.7	796.3	827.9	918.5	1,060.3
Total revenue⁽⁴⁾.....	6,237.2	7,163.1	7,678.2	8,358.2	9,076.6

⁽¹⁾ Excluding credits to:

	1963-64	1964-65	1965-66	1966-67	1967-68 (estimated)
Old age security fund—					
Personal income tax.....	302.6	431.9	494.9	576.6	800.1
Corporation income tax.....	115.7	145.2	152.3	149.5	150.0
Sales tax.....	331.8	383.2	522.1	559.5	544.5

⁽²⁾ Net after deduction of refunds and drawbacks as well as transfers to the old age security fund.

⁽³⁾ Less than \$50,000.

⁽⁴⁾ Solicitor General vote 15, Appropriation Act No. 3, 1967, gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison, prior years' figures have been adjusted accordingly.

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
AGRICULTURE—					
Administration and general.....	3.6	4.1	4.7	5.0	6.5
Board of Grain Commissioners.....	6.7	6.6	7.2	7.8	9.7
Canadian Dairy Commission.....				(1)	0.3
Farm Credit Corporation—net operating loss.....	1.1	0.5	1.0	2.6	3.8
Health of animals.....	13.2	13.5	15.0	16.1	18.6
Land rehabilitation, irrigation and water storage projects.....	23.7	26.4	28.4	25.0	21.5
Production and marketing, including grants and other assistance—					
Administration and general.....	3.2	3.0	21.7	4.3	5.8
Agricultural commodities stabilization account—net operating loss.....	122.2	57.1	39.4	88.7	139.7
Agricultural products board account—net operating loss.....	1.0	0.3	1.6	5.7	1.4
Animal and animal products.....	16.3	17.7	18.3	19.8	21.6
Plant and plant products.....	7.1	7.7	16.4	20.3	8.5
Research.....	27.6	28.8	32.6	35.4	39.7
	<i>225.7</i>	<i>165.7</i>	<i>186.3</i>	<i>230.7</i>	<i>277.1</i>
ATOMIC ENERGY.....	45.9	46.5	54.4	60.2	69.3
AUDITOR GENERAL'S OFFICE.....	1.3	1.6	1.7	2.1	2.3
BOARD OF BROADCAST GOVERNORS.....	0.3	0.4	0.4	0.6	1.0
CANADIAN BROADCASTING CORPORATION—					
Grants in respect of the net operating requirements of the national broadcasting service.....	85.7	85.9	95.1	112.4	139.5
International broadcasting service..	1.9	2.1	2.4	2.8	3.8
	<i>87.6</i>	<i>88.0</i>	<i>97.5</i>	<i>115.2</i>	<i>143.3</i>
CENTRAL MORTGAGE AND HOUSING CORPORATION.....	13.5	15.0	21.6	20.1	23.1
OFFICE OF THE CHIEF ELECTORAL OFFICER.....	11.9	0.6	13.0	0.9	0.7
CONSUMER AND CORPORATE AFFAIRS(2).....	3.5	3.9	4.7	5.5	7.6
DEFENCE PRODUCTION—					
Defence expenditure.....	23.5	26.4	20.3	24.9	26.0
Non-defence expenditure.....	1.9	3.1	8.2	9.3	9.5
	<i>25.4</i>	<i>29.5</i>	<i>28.5</i>	<i>34.2</i>	<i>35.5</i>
DOMINION BUREAU OF STATISTICS.....	12.3	13.5	15.6	26.6	22.5
ENERGY, MINES AND RESOURCES—					
Administration and general.....	40.7	42.5	54.6	61.3	65.9
Dominion Coal Board.....	20.6	23.2	23.4	38.0	33.6
Emergency gold mining assistance..	15.0	15.7	14.8	15.0	15.2
National Energy Board.....	0.6	0.7	0.9	1.1	1.6
Research and investigations on water resources.....	10.3	12.2	13.6	14.8	20.2
	<i>87.2</i>	<i>94.3</i>	<i>107.3</i>	<i>130.2</i>	<i>136.5</i>
EXTERNAL AFFAIRS—					
Administration and general.....	26.2	29.8	34.5	39.6	48.9
Assessments, contributions and other payments to international organizations and international multilateral economic and special aid programs.	22.4	20.0	32.0	31.2	32.0
External aid.....	48.4	81.4	86.0	159.7	134.8
	<i>97.0</i>	<i>131.2</i>	<i>152.5</i>	<i>230.5</i>	<i>215.7</i>

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS—*Continued*
(in millions of dollars)

	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
FINANCE—					
Administration and general.....	7.7	7.2	9.8	21.3	19.5
Office of the Comptroller of the Treasury.....	23.8	24.9	25.4	29.3	32.1
Grants to municipalities and prov- inces in lieu of taxes.....	31.5	35.7	36.8	37.6	41.5
Municipal Development and Loan Board.....	0.1	2.7	33.9	41.8	16.7
Public debt charges including in- terest and amortization.....	993.7	1,051.3	1,110.9	1,190.5	1,300.8
Subsidies and fiscal arrangements payments to provinces.....	254.3 1,311.1	358.4 1,480.2	466.0 1,682.8	515.5 1,836.0	737.5 2,148.1
FISHERIES.....	23.7	25.6	34.5	41.5	51.7
FORESTRY AND RURAL DEVELOPMENT—					
Administration and general.....	18.5	20.6	22.0	25.5	22.8
Canadian Livestock Feed Board....					0.2
Freight assistance and grain stor- age costs.....	18.7	19.1	21.0	21.0	21.4
Rural development.....	4.6 41.8	10.0 49.7	14.1 57.1	20.0 66.5	36.7 81.1
GOVERNOR GENERAL AND LIEUTENANT- GOVERNORS.....	0.5	0.7	0.7	0.8	1.0
INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—					
Administration and general.....	1.4	1.5	1.4	1.9	2.6
Conservation.....	22.9	25.1	29.0	35.6	36.7
Indian Affairs.....	55.6	64.8	81.7	103.1	122.5
Northern program.....	34.3 114.2	35.9 127.3	44.3 166.4	56.8 197.4	69.6 231.4
INDUSTRY—					
Defence expenditure.....	20.5	21.5	26.6	30.6	33.5
Non-defence expenditure.....	40.7 61.2	35.3 56.8	45.9 72.5	47.9 78.5	84.7 118.2
INSURANCE.....	1.4	1.4	1.5	1.7	1.9
JUSTICE.....	9.9	10.7	11.4	12.2	15.4
LABOUR.....	7.9	23.4	24.0	24.9	10.9
LEGISLATION—					
House of Commons.....	10.1	11.1	11.5	13.9	14.3
Senate.....	2.5	2.7	2.7	3.3	3.4
Library of Parliament.....	0.3 12.9	0.4 14.2	0.5 14.7	0.6 17.8	0.6 18.3
MANPOWER AND IMMIGRATION—					
Administration and general.....	2.4	5.3	5.6	7.9	19.5
Capital assistance re training faci- ties and manpower training re- search.....	102.0	52.8	104.1	136.2	119.3
Adult occupational training program.					106.2
Employment services.....	19.0	21.7	22.7	32.8	32.3
Municipal winter works incentive program.....	26.7	42.8	41.1	37.8	30.5
Technical and vocational training assistance payments to provinces..	34.4	44.4	48.7	85.2	85.6
Immigration.....	11.4	12.2	14.3	20.5	21.6
Program development.....					6.6
	195.9	179.2	236.5	320.4	421.6

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS—Continued
(in millions of dollars)

	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
NATIONAL DEFENCE—					
Administration and general.....	14.3	14.4	15.3	27.0	25.9
Canadian forces superannuation account—					
Government's contribution.....	59.6	58.8	58.8	42.6	58.4
Special government contribution.....	76.5				
Amortization of deferred charges..		13.4	16.8	72.6	72.6
Defence services including development.....	1,473.1	1,387.0	1,401.3	1,435.3	1,528.2
Defence research.....	33.6	36.7	41.6	44.2	50.4
Mutual aid to NATO countries.....	28.9	27.5	14.6	18.7	18.0
	1,686.0	1,537.8	1,548.4	1,640.4	1,753.5
NATIONAL FILM BOARD.....	5.8	6.4	6.9	8.0	9.3
NATIONAL GALLERY.....	1.1	1.3	1.8	1.9	2.9
NATIONAL HEALTH AND WELFARE—					
Administration and general.....	2.0	2.3	2.5	3.0	3.9
Food and drug services.....	3.4	4.3	5.4	6.8	8.2
Health insurance and resources—					
General health and hospital construction grants to provinces....	53.0	56.7	45.5	45.1	46.0
Government's contributions under the Hospital Insurance and Diagnostic Services Act.....	392.2	433.9	319.6	397.4	468.6
Health resources fund.....				4.7	32.7
Other.....				0.2	1.3
Health services.....	6.9	7.7	7.6	8.4	8.6
Medical services.....	30.6	32.5	37.5	38.5	42.5
Welfare services—					
Family allowances.....	538.3	545.8	551.7	555.8	558.8
Youth allowances.....		26.9	46.5	47.4	49.4
Fitness and amateur sports payments.....	1.6	2.0	2.5	4.7	3.6
Old age assistance, blind persons and disabled persons allowances.....	64.4	74.0	45.5	38.1	18.3
Unemployment assistance.....	107.4	107.5	101.7	143.3	6.1
Canada assistance plan.....				10.5	225.6
Other.....	6.9	7.0	9.1	12.0	14.7
	1,206.7	1,300.6	1,175.1	1,315.9	1,438.3
NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL.....	47.3	56.7	74.4	94.7	121.7
NATIONAL REVENUE.....	83.0	86.9	95.0	105.9	115.1
POST OFFICE.....	206.9	210.5	240.2	268.5	301.8
PRIVY COUNCIL.....	2.9	4.6	4.8	6.5	11.0
Economic Council of Canada.....	0.2	0.8	1.1	1.4	1.5
	3.1	5.4	5.9	7.9	12.5
PUBLIC ARCHIVES AND NATIONAL LIBRARY.....	1.1	1.5	2.0	2.7	3.6
PUBLIC PRINTING AND STATIONERY.....	2.2	2.7	3.0	4.0	4.9
PUBLIC SERVICE COMMISSION.....	5.2	6.2	8.0	10.8	13.4
PUBLIC SERVICE STAFF RELATIONS BOARD.....				(1)	1.0
PUBLIC WORKS—					
Administration and general.....	17.6	30.3	36.0	33.8	43.0
Accommodation services.....	74.3	87.3	101.7	108.5	133.8

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS—*Concluded*
(in millions of dollars)

—	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
TREASURY BOARD—					
Administration and general.....	14.5	15.0	19.0	37.8	38.4
Public service superannuation account—					
Government's contribution.....	54.0	55.6	57.8	59.3	59.6
Amortization of deferred charges..	10.0	10.0	25.9	56.3	60.6
	68.5	80.6	102.7	155.4	158.6
UNEMPLOYMENT INSURANCE COMMISSION—					
Administration and general.....	29.8	32.7	32.4	37.3	37.6
Government's contribution to the fund.....	59.3	62.1	65.6	68.8	69.5
	89.1	94.8	98.0	106.1	107.1
VETERANS AFFAIRS—					
Administration and general.....	10.0	10.5	10.7	9.6	10.1
Pensions for disability and death....	173.2	180.3	185.6	195.9	205.6
Provision for reserve for conditional benefits.....	3.2	3.1	3.2	3.5	4.0
Soldier settlement and veterans land act.....	4.5	4.5	4.5	5.2	5.5
Treatment services.....	45.5	46.8	49.9	57.9	61.4
Welfare services, allowances and other benefits.....	96.4	106.9	115.8	118.7	114.2
	332.8	352.1	369.7	390.8	400.8
	6,856.4	7,201.1	7,717.2	8,779.7	9,869.0

(1) Less than \$50,000.

(2) Previously the Department of the Registrar General.

(3) Solicitor General vote 15, Appropriation Act No. 3, 1967, gave authority to credit thereto revenue arising from services provided thereunder. For purposes of comparison, prior years' figures have been adjusted accordingly.

(4) Expenditures of the Air Transport Board, the Board of Transport Commissioners for Canada and the Canadian Maritime Commission are included under this heading.

STATEMENT OF EXPENDITURE BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS—*Continued*
(in millions of dollars)

	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
PUBLIC WORKS—<i>Concluded</i>					
Harbours and rivers engineering services.....	23.7	30.3	35.4	38.1	43.9
National Capital Commission.....	12.2	10.3	18.6	33.0	23.2
Trans-Canada highway—contributions to provinces.....	39.2	76.1	83.4	81.0	64.7
	<i>167.0</i>	<i>234.3</i>	<i>275.1</i>	<i>294.4</i>	<i>308.6</i>
SECRETARY OF STATE—					
Administration and general.....	5.1	6.1	11.0	16.3	33.5
Centennial Commission.....	3.9	7.3	14.6	30.2	31.2
Grant to the Canada Council.....		10.0			16.9
Post-secondary education payments to provinces pursuant to the Federal-Provincial Fiscal Arrangements Act, 1967.....					108.0
University grants.....	26.8	27.3	27.7	87.1	0.2
Office of the Representation Commissioner.....	⁽¹⁾	0.2	0.8	0.2	0.1
	<i>35.3</i>	<i>50.9</i>	<i>54.1</i>	<i>133.8</i>	<i>183.9</i>
SOLICITOR GENERAL—					
Administration and general.....		0.3	0.4	0.6	1.0
Correctional services.....	27.9	39.0	56.5	59.6	64.8
Royal Canadian Mounted Police ⁽²⁾ ..	50.9	59.0	64.4	84.1	87.7
	<i>78.3</i>	<i>98.3</i>	<i>121.3</i>	<i>144.3</i>	<i>153.5</i>
TRADE AND COMMERCE—					
Administration and general.....	14.8	16.9	19.6	24.7	29.6
Assistance re storage costs of grain..	40.5	34.6	37.5	30.4	34.8
Canadian Corporation for the 1967 World Exhibition.....	1.2	19.5	4.6	8.4	7.0
Canadian government travel bureau..	3.9	4.9	6.3	10.0	10.0
	<i>60.4</i>	<i>75.9</i>	<i>68.0</i>	<i>73.5</i>	<i>81.4</i>
TRANSPORT—					
Administration and general.....	3.9	6.4	4.6	6.3	7.1
Air services.....	121.1	131.5	143.0	165.0	175.0
Atlantic Development Board.....	0.2	4.3	23.8	40.0	42.4
Canadian Transport Commission ⁽⁴⁾ —					
Administration and general.....	2.4	2.5	2.6	3.0	3.6
Payments to railways and transportation companies under the National Transportation Act....	75.1	75.7	94.7	120.9	126.0
Contributions to the railway grade crossing fund.....	5.1	5.1	14.0	15.0	15.0
Steamship subventions.....	9.4	8.3	9.4	10.8	11.1
Subsidies to air carriers.....			0.4	0.4	1.2
Canals and works entrusted to The St. Lawrence Seaway Authority..	3.0	29.0	10.1	12.9	10.6
Marine services.....	64.1	64.5	84.5	100.0	101.4
Non-active assets—					
National Harbours Board.....	0.3	7.6	4.8	7.0	4.8
Railways and steamships—					
Maritime Freight Rates Act.....	13.4	14.7	15.1	14.4	14.2
Deficits—					
Canadian National Railways... Newfoundland ferry and terminals.....	43.0	38.7	33.4	24.6	35.8
Prince Edward Island car ferry and terminals.....	8.6	11.1	12.4	13.0	16.5
Yarmouth-Bar Harbour ferry service.....	3.4	4.0	4.2	4.6	4.8
Other.....	0.2	0.1		⁽¹⁾	0.4
	<i>30.3</i>	<i>35.3</i>	<i>35.0</i>	<i>30.3</i>	<i>37.0</i>
	<i>383.5</i>	<i>438.8</i>	<i>492.0</i>	<i>568.2</i>	<i>606.9</i>

ANNUAL CHANGES IN LOANS AND INVESTMENTS FOR THE LAST FIVE
FISCAL YEARS
(in millions of dollars)

	1963-64	1964-65	1965-66	1966-67	1967-68 (preliminary)
Loans to, and investments in, Crown corporations—					
Air Canada.....	0.4	-1.4	0.7	3.1	0.6
Atomic Energy of Canada Limited.....	0.4	12.0	11.9	28.4	32.9
Canada Deposit Insurance Corporation.....					29.4
Canadian Arsenals Limited.....			-2.5		
Canadian Broadcasting Corporation.....		14.3	12.5	35.0	18.4
Canadian Commercial Corporation.....	-4.0	-2.0	2.0	4.5	6.5
Canadian Corporation for the 1967 World Exhibition.....			44.0	131.0	30.0
Canadian Dairy Commission.....				0.1	22.1
Canadian National Railways.....	-28.8	24.7	59.1	124.2	163.2
Canadian Overseas Telecommunication Corporation.....	6.2	-0.4	-2.6	-2.7	2.6
Cape Breton Development Corporation.....					9.1
Central Mortgage and Housing Corporation..	113.3	221.7	315.1	488.6	633.9
Export Credits Insurance Corporation.....	23.4	33.4	36.4	36.2	34.7
Farm Credit Corporation.....	69.9	102.4	147.0	164.1	169.2
National Capital Commission.....	12.1	6.9	7.4	7.0	0.8
National Harbours Board.....	5.5	1.7	3.0	19.5	27.7
Northern Canada Power Commission.....	3.4	5.4	2.1	0.8	2.9
Northern Ontario Pipe Line Crown Corporation.....	-110.6				
The St. Lawrence Seaway Authority.....	⁽¹⁾ 24.9	⁽¹⁾ -6.5	⁽¹⁾ 26.7	⁽¹⁾ 29.8	⁽¹⁾ 26.7
Other.....		-0.1			0.1
	116.1	412.1	662.8	1,069.6	1,210.8
Loans to national governments—					
United Kingdom.....	-17.8	⁽²⁾ 19.6	⁽²⁾ 19.2	-18.9	-19.2
Export Credits Insurance Act.....	-2.3	-2.3	-2.3	-2.3	-2.3
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada.....	-5.0	-5.0	-1.3	-9.9	-0.3
Loans to India for the purchase in Canada of aircraft and associated spare parts and equipment.....	10.0	-1.4	-2.2	-2.4	-2.7
Special loan assistance—developing countries			5.2	9.8	29.1
Other.....				0.1	-0.1
	-15.1	10.9	18.6	-23.6	4.5
Other loans and investments—					
Subscriptions to capital of, and working capital advances and loans to, international organizations—					
Canada's subscription to capital of—					
Asian development bank.....				2.7	2.7
International monetary fund.....				205.4	
International bank for reconstruction and development.....				4.5	
International development association... ..	7.9	7.9	15.0	15.0	15.0
Working capital advances and loans to international organizations.....					
	0.2	-0.2	-0.1	-0.1	-0.3
Loans to provincial governments.....	-0.5	-4.8	-1.7	26.8	64.2
Municipal development and loan board.....		7.6	101.3	122.3	49.2
Veterans land act advances.....	21.0	14.3	24.1	55.2	71.5
Provincial tax collection agreements—advances.....	-2.7	-10.4			
Balances receivable under agreements of sale of Crown assets.....					
	-2.3	-1.8	-1.7	-1.2	0.1
Housing projects for Canadian forces.....	5.4	2.5	0.2	-0.1	1.1
Old age security fund.....	58.3	-75.0	-25.0		
Loans to manufacturers of automotive parts in Canada.....					
			0.1	12.5	7.9
Defence plant modernization.....					10.2
Other.....	-0.2	1.5	10.9	7.8	10.3
	87.1	-58.4	123.1	450.8	231.9
Net total of changes in loans and investments.	188.1	364.6	804.5	1,496.8	1,447.2

⁽¹⁾ Includes deferred interest.

⁽²⁾ Deferred interest.

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1968
AND THE ANNUAL INTEREST THEREON (preliminary)

	Date of maturity	Rate per cent	Amount of loan	Annual interest
			\$	\$
Payable in Canada—				
Loan of 1936.....	P 1 Perpetual	3	55,000,000	1,650,000
Loan of 1967.....	F 10 1968 Apr. 1	4 $\frac{1}{2}$	175,000,000	7,875,000
Refunding loan, 1950.....	P 9 June 15	2 $\frac{1}{2}$	308,581,000	8,485,977
Loan of 1967.....	F 13 June 15	4 $\frac{1}{2}$	160,000,000	7,200,000
Loan of 1963 and 1964.....	CT 3 Oct. 1	5	441,000,000	22,050,000
Loan of 1967.....	F 15 Oct. 1	5	20,000,000	1,000,000
Canada savings bonds, 1959.....	S 14 Nov. 1	5	710,305,250	35,515,263
Loan of 1967.....	F 18 Dec. 15	4 $\frac{1}{2}$	125,000,000	5,937,500
Loan of 1960.....	T 39 1969 Apr. 1	5 $\frac{1}{2}$	80,000,000	4,400,000
Loan of 1962.....	AT 16 Apr. 1	5 $\frac{1}{2}$	100,000,000	5,500,000
Loan of 1965.....	CT 23 Apr. 1	5 $\frac{1}{2}$	100,000,000	5,500,000
Loan of 1967.....	F 16 Apr. 1	5 $\frac{1}{2}$	70,000,000	3,850,000
Canada savings bonds, 1956.....	S 11 May 1	4	26,279,100	1,051,164
Loan of 1964.....	CT 11 July 1	5	325,000,000	16,250,000
Loan of 1962.....	AT 13 Oct. 1	5 $\frac{1}{2}$	80,000,000	4,400,000
Loan of 1965.....	CT 21 Oct. 1	5 $\frac{1}{2}$	145,000,000	7,975,000
Loan of 1966.....	F 5 Oct. 1	5 $\frac{1}{2}$	250,000,000	14,375,000
Loan of 1967.....	F 19 Dec. 15	5 $\frac{1}{2}$	175,000,000	9,625,000
Loan of 1968.....	F 24 1970 Feb. 15	6	250,000,000	15,000,000
Loan of 1958.....	T 24 May 1	3 $\frac{1}{2}$	200,000,000	7,000,000
Loan of 1965 and 1966.....	CT 19 July 1	5	175,000,000	8,750,000
Loan of 1966 and 1967.....	F 2 July 1	5	140,000,000	7,000,000
Canada savings bonds, 1957.....	S 12 Nov. 1	4 $\frac{1}{2}$	130,099,500	6,179,726
Canada savings bonds, 1960.....	S 15 Nov. 1	5	174,918,200	8,745,910
Loan of 1966.....	F 8 Dec. 15	5 $\frac{1}{2}$	300,000,000	17,250,000
Loan of 1967.....	F 20 1971 Apr. 1	6	225,000,000	13,500,000
Loan of 1964.....	CT 15 June 1	5	350,000,000	17,500,000
Canada savings bonds, 1961.....	S 16 Nov. 1	4 $\frac{1}{2}$	136,434,600	6,139,557
Loan of 1967.....	F 17 Dec. 15	6	285,000,000	17,100,000
Conversion loan, 1958.....	T 28 1972 Sept. 1	4 $\frac{1}{2}$	1,267,203,100	53,856,132
Loan of 1967.....	F 11 1973 Oct. 1	5	200,000,000	10,000,000
Loan of 1965.....	CT 17 Oct. 1	5	275,000,000	13,750,000
Canada savings bonds, 1958.....	S 13 Nov. 1	4 $\frac{1}{2}$	48,969,750	2,081,214
Loan of 1967.....	F 22 Dec. 1	6 $\frac{1}{2}$	225,000,000	14,062,500
Canada savings bonds, 1964.....	S 19 1974 Nov. 1	5	320,754,050	16,037,703
Loan of 1967.....	F 14 Dec. 1	5 $\frac{1}{2}$	100,000,000	5,500,000
Loan of 1959.....	T 36 1975 Oct. 1	5 $\frac{1}{2}$	310,361,000	17,069,855
Loan of 1965.....	CT 24 Oct. 1	5 $\frac{1}{2}$	50,000,000	2,750,000
Loan of 1966.....	F 9 Oct. 1	5 $\frac{1}{2}$	70,000,000	3,850,000
Canada savings bonds, 1963.....	S 18 Nov. 1	5	345,695,800	17,284,790
Loan of 1960.....	T 38 1976 Apr. 1	5 $\frac{1}{2}$	436,198,000	23,990,890
Loan of 1954.....	T 11 June 1	3 $\frac{1}{2}$	247,046,500	8,029,011
Canada savings bonds, 1962.....	S 17 Nov. 1	5	715,102,550	35,755,128
Canada savings bonds, 1965.....	S 20 1977 Nov. 1	5	270,949,950	13,547,497
Loan of 1953 and 1958.....	T 5 1978 Jan. 15	3 $\frac{1}{2}$	207,911,500	7,796,681
Loan of 1954.....	T 13 1979 Oct. 1	3 $\frac{1}{2}$	343,246,500	11,155,511
Canada savings bonds, 1966.....	S 21 Nov. 1	5	1,813,296,400	90,664,820
Loan of 1962.....	AT 14 1980 Aug. 1	5 $\frac{1}{2}$	120,000,000	6,600,000
Loan of 1966.....	CT 26 Aug. 1	5 $\frac{1}{2}$	80,000,000	4,400,000
Loan of 1966.....	F 3 Aug. 1	5 $\frac{1}{2}$	160,000,000	8,800,000
Canada savings bonds, 1967.....	S 22 Nov. 1	5 $\frac{1}{2}$	1,403,735,400	73,696,109
Conversion loan, 1958.....	T 29 1983 Sept. 1	4 $\frac{1}{2}$	1,992,679,450	89,670,575
Loan of 1963.....	AT 21 1988 June 1	5	100,000,000	5,000,000
Loan of 1964.....	CT 9 June 1	5	50,000,000	2,500,000
Loan of 1964.....	CT 12 1990 May 1	5 $\frac{1}{2}$	225,000,000	11,812,500
Loan of 1967.....	F 12 May 1	5 $\frac{1}{2}$	125,000,000	6,562,500
Loan of 1966 and 1967.....	F 6 1992 Sept. 1	5 $\frac{1}{2}$	225,000,000	12,937,500
Conversion loan, 1956.....	T 15 1998 Mar. 15	3 $\frac{1}{2}$	197,045,000	7,389,188
Three-month treasury bills.....		various	1,575,000,000	102,349,000
Six-month treasury bills.....		various	780,000,000	47,052,000
364-day treasury bills.....		5.65	125,000,000	7,062,500
Special non-marketable bonds—				
Unemployment Insurance Commission.....		4 $\frac{1}{2}$	17,000,000	823,750
		5	68,000,000	3,400,000
		5 $\frac{1}{2}$	89,000,000	4,672,500
		5 $\frac{1}{2}$	68,000,000	3,740,000
		5 $\frac{1}{2}$	54,000,000	3,105,000
Canada pension plan investment fund.....		various	5,708,000	336,814
			20,419,520,600	1,035,901,765

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1968
AND THE ANNUAL INTEREST THEREON (preliminary)—*Concluded*

	Date of maturity	Rate per cent	Amount of loan	Annual interest
			\$	\$
Payable in New York—				
Loan of 1949.....	1974 Sept. 1	2 $\frac{3}{4}$	48,755,627	1,340,780
Loan of 1950.....	1975 Sept. 15	2 $\frac{3}{4}$	30,301,591	833,294
Loan of 1962.....	1987 Oct. 15	5	81,297,216	4,064,861
			160,354,434	6,238,935
			20,579,875,034	1,042,140,700

The interest shown is a projection for one year at the annual rates on principal amounts outstanding at March 31, 1968. Where various rates of interest are applicable during the term of a loan the interest rate in effect at March 31, 1968 has been used.

Bonds payable in New York have been converted at the official parity rate of \$1 U.S. = \$1.08108 Canadian.