

Notices
of Ways and Means
Motions:
Budget Measures

Monday February 19, 1973





Res
H013
A296
1973

Notices
of Ways and Means
Motions:
Budget Measures

FINANCE - TREASURY BOARD
LIBRARY
BIBLIOTHÈQUE
FINANCES - CONSEIL DU TRÉSOR

Monday February 19, 1973

NOTION OF WAYS AND MEANS MOTION

TO AMEND

THE INCOME TAX ACT

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

- Basic personal exemption increased (1) That for the 1973 and subsequent taxation years, the amount of \$1,500 deductible under section 109 of the said Act in computing the taxable income of an individual for a taxation year shall be increased to \$1,600.
- Married status exemption increased (2) That for the 1973 and subsequent taxation years, the amount of \$1,350 deductible under section 109 of the of the said Act in computing the taxable income of an individual for a taxation year shall be increased to \$1,400.
- Adjustments to reflect increased exemptions (3) That for the 1973 and subsequent taxation years,
(a) the amount of \$250 referred to in section 109 of the said Act shall be increased to \$300;
(b) the amount of \$1,000 referred to in paragraphs 109(1)(d), (e) and (f) of the said Act shall be increased to \$1,100;
(c) the amount of \$1,050 referred to in section 109 of the said Act shall be increased to \$1,150; and
(d) the amount of \$1,600 referred to in paragraphs 117(7)(a) and (b) and in paragraph 118(3)(b) of the said Act shall be increased to \$1,700.
- New deduction from tax (4) That for the 1973 and subsequent taxation years, the "tax otherwise payable under this Part" (within the meaning assigned by paragraph 120(4)(c) of the said Act) by an individual shall be reduced by an amount equal to the greater of

- Annual adjustment reflecting changes in consumer price index
- (a) \$100, and
 - (b) 5% of the said tax otherwise payable under this Part, or \$500, whichever is the lesser.
- (5) That for the 1974 and each subsequent taxation year (hereinafter referred to as the "current taxation year"),
- (a) each amount deductible under section 109 of the said Act in computing taxable income,
 - (b) the amount deductible under paragraph 110(1)(e) of the said Act in computing taxable income, and
 - (c) each amount expressed in dollars referred to in paragraphs (a) to (m) of subsection 117(3), (4) or (5) of the said Act,

shall be adjusted in such manner as may be prescribed by regulation so that each such amount applicable for the current taxation year is an amount, rounded to the nearest whole dollar, or if the result is equidistant from two whole dollars to the higher thereof, equal to the product obtained by multiplying the amount that would have been applicable for the current taxation year if no adjustment had been made pursuant hereto with respect to that year by the tax index for the current taxation year, and for this purpose the tax index for a current taxation year is the ratio determined in a manner prescribed by regulation with reference to the Consumer Price Index in a period ending in the immediately preceding year over the Consumer Price Index in the corresponding period in 1973.

- Deduction for foreign income or profits tax
- (6) That for the 1973 and subsequent taxation years, the rules set out in subsections 8(9) and 20(12) of the said Act and the references to those subsections in paragraphs 126(7)(a) and (c) of the said Act shall be repealed thereby permitting a taxpayer who was eligible for a deduction in computing income under the said subsections to claim a deduction from tax for the year otherwise payable under Part I of the said Act under section 126 thereof for any income or profits tax paid to the government of a state, province or other political subdivision of any country other than Canada.

Limitation re
deduction of
interest:
debt-equity
ratio

(7) That

- (a) for the 1972 and subsequent taxation years, there shall be added to the aggregate referred to in subparagraph 18(4)(a)(ii) of the said Act the amount, if any, by which the paid-up capital limit of a corporation at the end of its taxation year exceeds its paid-up capital limit at the commencement of the year; and
- (b) for taxation years commencing after February 19, 1973, there shall be included in the computation of a corporation's outstanding debts to specified non-residents under subsection 18(5) of the said Act, an amount payable by the corporation to a person who was, at any time in the year, a non-resident or a non-resident-owned investment corporation and who was not dealing at arm's length with a shareholder of the corporation if such shareholder, whether or not he was a resident of Canada, either alone or together with persons with whom he was not dealing at arm's length owned 25% or more of the issued shares of any class of the capital stock of the corporation.

Income from
farming
business:
inclusion of
livestock at any
amount up to
fair market
value

- (8) That for the 1973 and subsequent taxation years, where a taxpayer elects under subsection 28(1) of the said Act to compute his income from a farming business for a taxation year on the cash basis, he may nevertheless include in computing his income such amount as he may specify not exceeding the fair market value of livestock (other than animals included in a basic herd) that he owns at the end of the year, and that amount shall be deducted in computing his income for the following taxation year.

Scientific
research
in farming

- (9) That for the 1972 and subsequent taxation years, where a taxpayer's chief source of income for a taxation year is neither farming nor a combination of farming and some other source of income, his loss for the year from all farming businesses shall be computed as if expenditures on scientific research with respect to the farming businesses are deductible in full and are not subject to the limitation on farming losses as set out in section 31 of the said Act.

- Professional income: reserve for future services
- (10) That for the 1972 and subsequent taxation years, a taxpayer, in computing his income from a business that is a profession, shall be allowed to deduct a reasonable reserve for services that it is reasonably anticipated will have to be rendered after the end of the year.
- Cost of taxable Canadian property to non-resident:
- (11) That for the 1972 and subsequent taxation years,
- (a) where a non-resident person has acquired property after 1971 that is taxable Canadian property of that person, there shall be added to the cost to him of that property any amount
- (i) in respect of the value thereof that has been included, otherwise than under section 7 of the said Act, in computing his taxable income earned in Canada, or
- (ii) in respect of the value thereof that has, for the purposes of computing the tax payable by him under Part XIII of the said Act, been included in an amount that has been paid or credited to him; and
- cost to taxpayer of amount payable to him out of certain income or capital gains of unit trust
- (b) the cost to a taxpayer of a right acquired after 1971 to enforce payment of an amount that has become payable to him out of the current year's income from property or the current year's capital gains from the disposition of capital property of a unit trust shall be equal to the amount that has become so payable to that taxpayer out of that income or those capital gains minus any portion of that amount that was deductible in computing the beneficiary's income by virtue of subsection 65(1) or 104(16) of the said Act.
- Adjustments to cost base of capital property
- (12) That for the purposes of computing, at any time after 1971, the adjusted cost base to a taxpayer of any property, the part of the cost to be deducted under paragraph 53(2)(m) of the said Act shall only be so deducted to the extent that it was deductible in computing the taxpayer's income for a taxation year ending after 1971.
- Principal residence: leasehold interest included
- (13) That for the 1972 and subsequent taxation years, principal residence in paragraph 54(g) of the said Act shall include a leasehold interest in a housing unit.

Annuities from
revoked plans

- (14) That with respect to annuity payments received after February 19, 1973, a deduction may not be made by a taxpayer in computing his income for a taxation year in respect of the capital element of an annuity payment that is a payment of an annuity paid or purchased pursuant to a plan referred to in subsection 147(15) of the said Act as a "revoked plan".

Deductions in
computing
income:
succession
duties
applicable to
certain property

- (15) That for the 1972 and subsequent taxation years, a taxpayer may deduct in computing his income for a taxation year that proportion of any superannuation or pension benefit, death benefit, benefit under a registered retirement savings plan, benefit under a deferred profit sharing plan or benefit that is a payment under an income-averaging annuity contract, received by him in the year, upon or after the death of a predecessor, in payment of or on account of property to which the taxpayer is the successor, that

- (a) such part of any succession duties payable under a law of a province in respect of the death of the predecessor as may reasonably be regarded as attributable to the property in payment of or on account of which the benefit was so received,

is of

- (b) the value of the property in payment of or on account of which the benefit was so received, as computed for the purposes of the law referred to in subparagraph (a) hereof.

Income-averaging
annuity:
qualification
of certain
proceeds from
disposition
of resource
properties

- (16) That for the 1973 and subsequent taxation years, there shall be included in the amounts that an individual may use to purchase an income-averaging annuity under section 61 of the said Act the amount by which the net amount included in his income for the year from the disposition of resource properties exceeds the aggregate of amounts deducted in respect of exploration and development expenses in the year and any reserve claimed in the year under section 64 of the said Act in respect of consideration for the disposition of such properties.

Exploration and
development
expenses:
deduction of

- (17) That for the 1972 and subsequent taxation years,
- (a) a deduction for foreign exploration and development expenses under subsection 66(4) of the said

foreign expenses
before Canadian
expenses:

Act shall be made before the deduction for
Canadian exploration and development expenses
under subsection 66(1) of that Act;

income
limitations:

(b) in determining the amount of a taxpayer's
deduction for Canadian or foreign exploration
and development expenses, the income limits
referred to in clause 66(3)(b)(ii)(A) or
66(4)(b)(ii)(A) of the said Act shall be the
taxpayer's income for the taxation year from
the production of petroleum or natural gas from
wells and from the production of minerals from
mines, inside or outside Canada, respectively;

qualification of
expense for
certain shares:

(c) subparagraph 66(15)(b)(v) of the said Act shall
be amended

(i) to repeal the requirement that the taxpayer
who incurs the expenses therein referred to
pursuant to an agreement for shares be a
principal-business corporation, and

(ii) to require that the shares paid as consideration
to the taxpayer be shares of the capital stock
of the corporation with whom the taxpayer has
made the agreement; and

shareholder
corporation of
joint explora-
tion corporation

(d) for the purposes of subsection 66(10) and
paragraph 66(15)(i) of the said Act, the re-
quirement that the shareholder corporation, to
which a joint exploration corporation may
renounce its Canadian exploration and development
expenses, be a principal-business corporation
shall be repealed.

Transfer of
farmland to
child on death:
deferral of
capital gains

(18) That where land in Canada owned by a taxpayer who died
after 1971 was used in the business of farming by him,
his spouse or any of his children immediately before
the taxpayer's death, and upon his death is transferred
or distributed to his child who was a resident of
Canada immediately before the taxpayer's death, the
taxpayer shall be deemed to have disposed of the land
for proceeds of disposition equal to the adjusted cost
base of the land immediately before his death and the
child shall be deemed to have acquired the land for the
same amount.

Dividend from
tax-paid
undistributed
surplus or 1971
capital surplus:

- (19) That with respect to any dividend that became payable at any time after 1971,
- (a) where a corporation elects under subsection 83(1), the corporation shall not be required to designate the particular surplus from which the dividend is payable but instead the dividend shall be deemed
 - (i) to be payable first from tax-paid undistributed surplus to the extent of that surplus at that time, and
 - (ii) to be payable second from 1971 capital surplus to the extent of that surplus at that time minus the amount of any 1971 undistributed income at that time; and

dividend from
capital dividend
account

- (b) where the corporation elects under subsection 83(2) to make a distribution out of its capital dividend account, it shall not be required to distribute first the whole of its tax-paid undistributed surplus.

Transfer of
property to
corporation
by controlling
shareholder or
partnership:
resource property
included

- (20) That with respect to dispositions made after 1971, the rules set out in subsections 85(1) and (2) of the said Act relating to the transfer of property to a corporation by a shareholder or partnership shall also apply to a resource property referred to in subsection 59(2) of that Act if the corporation to which the resource property is transferred has not previously carried on any business.

Distribution of
property on
winding-up of
partnership

- (21) That with respect to distributions of partnership property received as consideration for dispositions made after 1971, a partnership shall be deemed to have disposed of property referred to in paragraph 85(3)(c) of the said Act that was distributed to members of the partnership upon the winding-up of the partnership for proceeds equal to the cost amount of the property immediately before its distribution.

Amalgamations:
cumulative
deduction
account:

- (22) That
- (a) a new corporation that was formed after 1971 as the result of an amalgamation (within the meaning of section 87 of the said Act) shall be deemed to have a cumulative deduction account at the end of a taxation year immediately preceding its first

taxation year equal to the aggregate of amounts each of which was the cumulative deduction account of a predecessor corporation at the end of its last taxation year; and

refundable
dividend tax
on hand

- (b) the refundable dividend tax on hand at the end of any taxation year of a new corporation referred to in subparagraph (a) hereof shall be increased by the amount by which the refundable dividend tax on hand of a predecessor corporation at the end of its last taxation year exceeds its dividend refund for its last taxation year.

Treatment of
special surpluses
on winding-up of
a corporation

- (23) That where a Canadian corporation (including a non-resident-owned investment corporation) has been wound up after 1971 and at a particular time in the course of the winding-up all or substantially all of its remaining property was distributed to its shareholders,

- (a) for the purposes of computing its 1971 capital surplus on hand, its paid-up capital deficiency and either its capital dividend account or its capital gains dividend account (within the meaning assigned by section 133 of the said Act),

(i) the corporation's taxation year shall be deemed to have ended immediately before the particular time, and

(ii) the corporation shall be deemed to have disposed of the property at the end of its taxation year referred to in clause (i) hereof for proceeds equal to the fair market value thereof; and

- (b) with regard to any dividend deemed under subsection 84(2) of the said Act to have been paid at that time, the corporation may elect in accordance with any of subsections 83(1), 83(2) or 133(7.1) of the said Act in respect of a certain portion thereof and that portion shall be deemed to be the full amount of a separate dividend.

Tax equity:
inclusion of
cost of certain
rights or
licences
granted under
governmental
authority:

- (24) That there shall be included in the tax equity of a corporation at the end of its 1971 taxation year (as computed under paragraph 89(1)(h) of the said Act),
- (a) in respect of a right or a licence held by the corporation at that time to carry on a business activity that was issued to it by a federal, provincial or municipal authority in Canada or a body constituted thereunder, an amount equal to the aggregate of outlays or expenses that were incurred in acquiring that right or licence as a result of a transaction occurring before 1972 and that would have been eligible capital expenditures if they had been incurred as a result of a transaction occurring after 1971; and

inclusion of
actual cost of
certain property

- (b) in respect of capital property owned by the corporation at that time that was a share of the capital stock of a corporation that had been received
 - (i) as a dividend in kind (other than a stock dividend), an amount equal to the fair market value thereof at the time it was received,
 - (ii) as a stock dividend, an amount equal to such portion of the amount deemed by subsection 81(3) of the said Act as it read in its application to the 1971 taxation year to have been received by the corporation as a dividend as is attributable to the share, or
 - (iii) as a result of an amalgamation of two or more corporations before 1972, an amount equal to the actual cost of the corporation's share which was given up in exchange therefor.

Definition
of foreign
affiliate

- (25) That for the 1972 and subsequent taxation years, subparagraph 95(1)(b)(iv) of the said Act shall be repealed and rules substituted therefor to provide that the definition of foreign affiliate, at any time, of a taxpayer resident in Canada shall include a corporation that, at that time, would be a corporation referred to in subparagraph 95(1)(b)(ii) of that Act if the reference therein to "25%" were read as a reference to "5%", and in respect of which the taxpayer has elected in prescribed manner if such election

is made on or before the day on or before which the taxpayer is required under the said Act to file a return of income for the taxation year that includes the end of the taxation year of the corporation that includes that time.

- Trusts: (26) That for the 1972 and subsequent taxation years,
deduction from
income of trust: (a) there may be deducted in computing the income
of a trust any amount that was included in the
income of a beneficiary for the year by virtue
of subsection 105(2) of the said Act;
- distribution of (b) where part of the accumulating income of a trust
income to
beneficiary
previously taxed
in hands of
preferred
beneficiary: (b) where part of the accumulating income of a trust
is designated as being included in computing the
income of a preferred beneficiary by virtue of an
election made under subsection 104(14) of the said
Act, the amount thereof shall not be included in
computing the income of any beneficiary of the
trust for a subsequent year;
- election by (c) where each beneficiary under a trust referred to
certain preferred
beneficiaries: (c) where each beneficiary under a trust referred to
in paragraph 104(15)(c) of the said Act would be
a preferred beneficiary except that one or more
beneficiaries are not residents of Canada, the
beneficiaries who are residents of Canada may
nevertheless make a valid election provided for
in subsection 104(14) of the said Act; and
- return of certain (d) it shall not be mandatory that a separate return
income of
beneficiary in
year of death
made optional (d) it shall not be mandatory that a separate return
of the income from a trust contemplated by para-
graph 104(23)(d) of the said Act be filed.
- Trusts: (27) That subsection 107(1) and paragraphs 107(2)(b) and
disposition
of part of
capital interest (27) That subsection 107(1) and paragraphs 107(2)(b) and
108(1)(d) of the said Act shall be amended to include
references to the disposition after 1971 of any part
of a capital interest in a trust, and to the adjusted
cost base and cost amount of that part of the capital
interest.
- Trust income: (28) That for the 1972 and subsequent taxation years, for
exclusion of
certain dividends (28) That for the 1972 and subsequent taxation years, for
the purposes of subparagraph 70(6)(b)(i), paragraph
73(1)(a) and subparagraph 104(4)(a)(i) of the said
Act, income of a trust shall be computed without
taking into account dividends referred to in section
83 of that Act.

Individual
resident in
Canada during
part only of
year: non-
resident's
taxable income
earned in
Canada

(29) That

- (a) rules shall be provided,
 - (i) for the 1973 and subsequent taxation years of an individual who ceased to be resident in Canada after February 19, 1973, and
 - (ii) for the 1974 and subsequent taxation years of an individual who ceased to be resident in Canada on or before February 19, 1973,

so that subsection 115(2) of the said Act shall apply, for the purposes of section 114 thereof, to an individual who ceased to be resident in Canada during a taxation year;

- (b) paragraphs 115(2)(b) and (b.1) of the said Act shall not apply for the 1972 and 1973 taxation years of an individual, except in the case of an individual described in clause (a)(i) hereof in which case the said paragraphs shall apply for his 1973 and subsequent taxation years;
- (c) for the 1972 and subsequent taxation years, paragraph 115(2)(c) of the said Act shall be repealed;
- (d) the rules set out in subsection 115(2) of the said Act, shall apply,
 - (i) for the 1973 and subsequent taxation years of an individual described in clause (a)(i) hereof, and
 - (ii) for the 1974 and subsequent taxation years of an individual described in clause (a)(ii) hereof,

to an individual who was in receipt of remuneration in respect of an office or employment that was paid to him directly or indirectly by a person resident in Canada;

- (e) for the 1972 and subsequent taxation years, subparagraph 115(2)(e)(i) of the said Act shall be repealed; and
- (f) rules shall be introduced in subsection 115(2) of the said Act,

- (i) for the 1973 and subsequent taxation years of an individual described in clause (a)(i) hereof, and
- (ii) for the 1974 and subsequent taxation years of an individual described in clause (a)(ii) hereof,

to provide that the remuneration in respect of an office or employment paid by a person resident in Canada to a non-resident person who had, in a previous year, ceased to be resident in Canada shall be included in the non-resident's taxable income earned in Canada except to the extent that such remuneration is attributable to employment abroad and either is taxable in the other country or is paid in respect of a business carried on in the other country by the payer or a foreign affiliate of the payer.

Taxable
Canadian
property:
interest in
a partnership

(30) That

- (a) in respect of a disposition of an interest in a partnership after February 19, 1973, subparagraph 115(1)(b)(v) of the said Act shall be repealed and a rule substituted therefor to provide that an interest in a partnership shall be taxable Canadian property if, at any time during the 12 months immediately preceding such disposition, the fair market value of the partnership property that was at that time
 - (i) a Canadian resource property or property that would have been a Canadian resource property if it had been acquired after 1971,
 - (ii) an income interest in a trust resident in Canada, or
 - (iii) any other property described in paragraph 115(1)(b) of the said Act

is not less than 50% of the aggregate of the fair market value at that time of all the partnership property and the amount of any money of the partnership on hand at that time; and

- (b) for the 1972 and subsequent taxation years, a provision shall be added to paragraph 115(1)(b) of the said Act to refer to property that is deemed by any other provision of the said Act to be taxable Canadian property.

Liability of purchaser in certain cases

- (31) That with regard to acquisitions of property after February 19, 1973, paragraph 116(5)(a) of the said Act shall be repealed and rules substituted therefor to provide that the amount of tax required by that paragraph to be paid by a purchaser of property on behalf of a non-resident vendor thereof shall be
 - (a) 15% of the cost to the purchaser of the property if no certificate was issued under subsection 116(2) of the said Act, and
 - (b) in any other case, the lesser of 15% of the said cost and 25% of the amount, if any, by which that cost exceeds the certificate limit fixed by the certificate issued under the said subsection.

Disposition by non-resident of certain property: exemption for certain property

- (32) That for the 1972 and subsequent taxation years,
 - (a) subsection 116(1), (3) and (5) of the said Act shall not apply in respect of property that is
 - (i) a property that is deemed by any provision of the said Act other than section 115 thereof to be a taxable Canadian property,
 - (ii) a share of the capital stock of a public corporation, or an interest therein,
 - (iii) a unit of a mutual fund trust,
 - (iv) a bond, debenture, bill, note, mortgage, hypothec or similar obligation, or
 - (v) any other property that is prescribed to be excluded property; and
 - (b) the word "actual" in paragraphs 116(3)(c) and (e) and 116(4)(a) of the said Act shall be deleted.

Foreign tax deduction

- (33) That for the 1972 and subsequent taxation years,
 - (a) subsection 126(2) of the said Act shall be repealed and rules substituted therefor to provide that the amount that may be deducted by

a resident of Canada who carried on business in a country other than Canada from the tax for the year otherwise payable under Part I of the said Act by him shall be an amount not in excess of the least of

- (i) the amount determined under the present rules in paragraph 126(2)(a) of the said Act,
- (ii) the aggregate of
 - (A) the amount determined under the present rules in paragraph 126(2)(b) of the said Act, and
 - (B) that proportion of the tax added under subsection 120(1) of the said Act that the amount determined under the present rules in subparagraph 126(2)(b)(i) thereof is of the taxpayer's income (excluding his income earned in a province) for the year, if section 114 of the said Act is not applicable, or if that section is applicable, for the period referred to in paragraph (a) thereof,

and

- (iii) the amount by which the tax for the year otherwise payable under Part I of the said Act exceeds the amount deducted under subsection 126(1) thereof;
- (b) subsections 126(4) and (5) of the said Act shall be repealed and rules substituted therefor extending the present references therein to an income or profits tax paid to the government of a country other than Canada to include any such taxes paid to the government of a state, province or other political subdivision of that country;
- (c) clauses 126(7)(b)(i)(B) and 126(7)(b)(ii)(B) of the said Act shall be repealed and provisions substituted therefor to refer to the amount that may be deducted under the rules proposed in subparagraph (a) hereof; and

(d) subparagraph 126(7)(d)(ii) of the said Act shall be repealed and rules substituted therefor to provide that the amount of tax for the year otherwise payable under Part I of the said Act shall be determined

(i) for the purpose of the computation in clause (a)(iii) hereof, by reference to the amount of such tax otherwise payable before making any deduction under subsection 120(2) and sections 121 and 124 to 127, inclusive, of the said Act or under section 6 of the Established Programs (Interim Arrangements) Act and,

(ii) for the purposes of the computation in paragraph 126(2)(b) of the said Act, by reference to the amount of such tax otherwise payable before making any addition under subsection 120(1) of the said Act or any of the deductions referred to in clause (d)(i) hereof.

Mutual fund and investment corporations: payment of capital gains dividends

(34) That for the first taxation year of a mutual fund corporation or an investment corporation commencing after the enactment of this provision and its subsequent taxation years, the capital gains dividends referred to in clause 131(2)(a)(i)(A) of the said Act, for the purposes of calculating a capital gains refund, shall be those capital gains dividends paid by the corporation in the period commencing 61 days after the commencement of the year and ending 60 days after the end of the year.

Determination of surplus of non-resident-owned investment corporation

(35) That for the 1972 and subsequent taxation years, the surplus of a non-resident-owned investment corporation, for the purposes of subparagraph 133(5)(a)(ii) of the said Act, shall be determined in prescribed manner at the time when its 1971 undistributed income on hand is being computed, for such of the taxation years of the corporation in the period commencing with the 1950 taxation year and ending with the 1971 taxation year as were taxation years throughout which the corporation was not a non-resident-owned investment corporation.

Payment of patronage dividend to tax exempt recipient: no duty to withhold and remit tax

- (36) That where a payment pursuant to an allocation in proportion to patronage is made after the enactment of this provision by a taxpayer to a person who is resident in Canada and exempt from tax under section 149 of the said Act, the taxpayer shall not be required to deduct or withhold the amount referred to in subsection 135(3) of the said Act.

Computation of income and taxable income of life insurer

- (37) That
- (a) for the 1969 and subsequent taxation years, the rules in subsections 138(3) and (4) of the said Act for the computation of a life insurer's income for a taxation year from carrying on its life insurance business in Canada shall provide for the amortization of securities on the same basis as used by the insurer in computing its profit for the year; and
- (b) for the 1972 and subsequent taxation years, in computing the taxable income of a life insurer there may be deducted the full amount of taxable dividends from taxable Canadian corporations included in computing its income for the year from carrying on its insurance business in Canada other than its life insurance business.

Life insurance corporation: capital gains from segregated fund property

- (38) That for the 1972 and subsequent taxation years, such portion of any taxable capital gain of a life insurance corporation from the disposition of property included in a segregated fund as was allocated to a particular policyholder shall be deemed not to have been a taxable capital gain of the policyholder where the policy was issued or effected as a registered retirement savings plan.

Employees profit sharing plan: allocation of non-business foreign source income and non-business income tax

- (39) That for the 1972 and subsequent taxation years, subsection 144(8.1) of the said Act shall be repealed and rules substituted therefor to provide that, for the purposes of applying subsection 126(1) thereof to a beneficiary of a trust governed by an employees profit sharing plan,
- (a) the non-business foreign source income of the trust shall be deemed to be foreign source income for the year of a particular beneficiary designated by the trust to the extent that such income may

be reasonably regarded as the income for a taxation year of the beneficiary under subsections 144(3) and (4) of the said Act and was not designated by the trust to be income of another beneficiary; and

(b) a beneficiary shall be deemed to have paid as a non-business income tax for a taxation year an amount equal to the proportion of such tax paid by the trust (excluding any portion thereof that is deductible in the year under subsection 20(11) of the said Act) to the government of a foreign country, state, province or other political subdivision thereof that

(i) the amount that is deemed under subparagraph (a) hereof to be the foreign source income for the year of the beneficiary

is of

(ii) the non-business foreign source income of the trust.

Registered retirement savings plan: definition of earned income

(40) That for the 1972 and subsequent taxation years, in the computation of earned income of a taxpayer for a taxation year, for the purposes of section 146 of the said Act,

(a) the amount deductible by the taxpayer in computing income for the year on account of a premium under a registered retirement savings plan as described in subsection 146(5) of the said Act shall not be subtracted; and

(b) any amount deducted in computing income of the taxpayer for the year from an office or employment on account of a contribution to a registered pension plan, or as a contribution under the Canada Pension Plan or under a provincial pension plan as defined in section 3 of the Canada Pension Plan, shall be added.

Registered retirement savings plan: refund of premiums received by

(41) That such portion of a refund of premiums under a registered retirement savings plan received by an estate after 1971 as

(a) may reasonably be considered to be part of the amount that, by virtue of subsection 104(13) or

estate:
certain portion
deemed to be
received by
beneficiary

(14) or section 105 of the said Act, as the case may be, was included in computing the income for a taxation year of a particular beneficiary under the estate, and

(b) was not designated by the estate in respect of any other beneficiary thereunder,

shall, if so designated by the estate in respect of the particular beneficiary in its return of income for the year, be deemed to be a refund of premiums under a registered retirement savings plan received by the particular beneficiary in the year.

Deferred profit
sharing plan:
distribution
of certain
property:
deferral of
capital gain

(42) That for the 1972 and subsequent taxation years, where a single payment has been received by a beneficiary at a time when he was resident in Canada from the trustee under a deferred profit sharing plan upon the death, withdrawal or retirement from employment of an employee or former employee and the single payment included property other than money and the beneficiary has made an election in respect thereof, the property shall be deemed to have been disposed of by the trustee under the plan at its cost amount to the trust at the time, and

(a) its cost to the beneficiary shall be computed by reference to the aggregate of

(i) the amount the employee would have received if he had withdrawn from the plan on January 1, 1972, and

(ii) amounts allocated pursuant to the said Act to the employee or beneficiary under the plan since 1971, and

(b) a deduction shall be allowed in computing the beneficiary's income for the year in which he received the payment,

so that any accrued capital gains of the trust after 1971 that are attributable to the single payment shall, to the extent that they do not exceed the fair market value of the property at the time he received the payment, not be taken into account in computing his income until he has disposed of the property.

- Termination of life insurance policy because of total disability
- (43) That for the 1973 and subsequent taxation years, proceeds of disposition of a life insurance policy shall not be included in computing the income for a taxation year of a policyholder where the disposition arose upon the termination of the policy in consequence of the total and permanent disability of any person whose life was insured under the policy.
- Assessment of tax
- (44) That for the 1972 and subsequent taxation years, the word "or" between paragraphs 152(5)(a) and (b) of the said Act shall be changed to the word "and".
- Obligation to withhold and remit tax: variance
- (45) That
- (a) where the Minister of National Revenue is satisfied that the deduction of an amount on account of tax otherwise required to be deducted by a person making a payment described in subsection 153(1) of the said Act would cause hardship to the payee, he may determine that a lesser amount be deducted; and
- (b) where a taxpayer elects in prescribed manner to increase the amount on account of tax to be deducted by a person making a payment described in subsection 153(1) of the said Act to the taxpayer, the amount of the deduction shall be increased as specified by the taxpayer in his election.
- Tax in respect of ineligible investments: repealed
- (46) That for the 1972 and subsequent taxation years, the tax in respect of ineligible investments under Part V of the said Act shall be repealed.
- Tax when corporation becomes a non-Canadian-controlled private corporation: only applicable where control acquired by non-resident
- (47) That the tax of 25% that is payable by a private corporation under Part VI of the said Act on its preferred-rate amount when it ceases at any time after 1971 to be a Canadian-controlled private corporation shall only apply where it has become controlled directly or indirectly in any manner whatever by one or more non-resident persons.

Tax on 1971 undistributed income on hand: new election to pay tax on all 1971 undistributed income on hand: effect of such election

- (48) That a corporation resident in Canada may, at any time after 1971, elect to pay a 15% tax under Part IX of the said Act on either a specified portion of its 1971 undistributed income on hand (as presently provided by subsection 196(1) of the Act) or may elect to pay that tax on the total of its 1971 undistributed income on hand immediately before that time, and where it elects on the latter,
- (a) the election shall be null and void unless, at the time of the election, the corporation estimates the amount of its 1971 undistributed income on hand at that time and pays the 15% tax thereon,
 - (b) when the Minister assesses the tax payable in respect of that election, the corporation shall pay forthwith any difference between the tax so assessed and amounts previously paid on account of that tax and shall pay interest on that difference at a prescribed rate per annum from the day the election was made until the day of payment,
 - (c) the corporation's tax-paid undistributed surplus shall be increased at the time of the election by the amount elected upon to the extent that the 15% tax thereon has been paid at the time of the election or within 90 days of the Minister's assessment thereof, minus the amount of that tax, and to the extent that the 15% tax is paid after that time, the amount elected upon, minus the amount of that tax, shall be included in its tax-paid undistributed surplus at the time the tax was paid, and
 - (d) the provisions of subsections 163(2) and (3) of the said Act shall be applicable to the election.

Payment to controlling corporation of portion of dividend payable out of controlled corporation's tax-paid undistributed surplus: restriction

- (49) That a parent corporation shall not be entitled to a refund under subsection 196(2) of the said Act with respect to a dividend paid at any particular time after 1971 by a subsidiary corporation from its tax-paid undistributed surplus if either
- (a) the parent corporation has paid a dividend before that time from its 1971 capital surplus on hand and the amount of that surplus at the particular time was less than the amount included therein, before that time, by virtue of subparagraph 89(1)(1)(iv) of the said Act, or

- (b) where the parent corporation was a private corporation, its capital dividend account at the particular time was less than the amount included therein, before that time, by virtue of subparagraph 89(1)(b)(ii) of the said Act.

Trust governed by registered retirement savings plan or deferred profit sharing plan: special tax on non-qualified investment

- (50) That where at the end of any month after 1972, a trust governed by a registered retirement savings plan or a trust governed by a deferred profit sharing plan holds any property that is a non-qualified investment,
 - (a) it shall be liable to pay in respect of that month a tax equal to 1% of the cost to it of all non-qualified investments held by it at that time other than
 - (i) property the cost of acquisition of which was included, under subsection 146(10) of the said Act, in computing the income for a year of the taxpayer who is the annuitant under the plan,
 - (ii) property in respect of which a tax has been paid under section 198 of the said Act, or
 - (iii) property acquired by the trust before August 25, 1972;
 - (b) it shall, within 90 days after the end of each year after 1972, file a return in respect of the year and pay the amount of the tax referred to in subparagraph (a) hereof estimated by it in the return;
 - (c) the trustee of the trust shall be liable to pay any portion of the tax referred to in subparagraph (a) hereof that is not remitted as provided in subparagraph (b) hereof; and
 - (d) subsections 150(2) and (3), subsection 161(1), sections 152, 158 and 162 to 167 and Division J of Part I of the said Act shall be applicable with respect to the provisions referred to herein.

Computation of life insurer's taxable Canadian life investment

- (51) That
 - (a) for the 1972 and subsequent taxation years, the amounts deductible in computing a life insurer's taxable Canadian life investment income shall include the interest element of life insurance

policies issued or effected pursuant to registered retirement savings plans or deferred profit sharing plans and shall not include that portion of an income-averaging annuity that is determined in prescribed manner to have been a return of capital; and

- (b) for the 1973 and subsequent taxation years, the amount deductible under paragraph 209(3)(b) of the said Act in computing a life insurer's taxable Canadian life investment income shall be the amount by which its income for the year from carrying on its life insurance business in Canada exceeds any amount deducted by it in respect of non-capital losses in computing its taxable income for the year.

Tax on income
from Canada
of non-resident
persons

(52) That effective after February 19, 1973,

- (a) paragraph 212(1)(e) of the said Act shall apply only in respect of a timber royalty paid or credited in respect of a timber limit in Canada;
- (b) paragraph 212(1)(1) of the said Act shall apply to a payment under any plan that is referred to in subsection 146(12) thereof as an "amended plan";
- (c) paragraph 212(1)(m) of the said Act shall apply to a payment under any plan that is referred to in subsection 147(15) thereof as a "revoked plan"; and
- (d) subsection 212(13) of the said Act shall be repealed and rules substituted therefor to provide that, for the purposes of section 212 thereof, a non-resident shall be deemed to be a person resident in Canada in respect of an amount that is paid or credit by him as, on account or in lieu of payment of, or in satisfaction of
 - (i) rent for the use in Canada of property,
 - (ii) a timber royalty in respect of a timber limit in Canada,
 - (iii) a payment of a superannuation or pension benefit under a registered pension fund or plan;

- (iv) a payment of a retiring allowance or a death benefit to the extent the payment is deductible in computing his income under Part I of the said Act, or
- (v) a payment described in any of paragraphs 212(1)(k) to (n) of the said Act.

Deemed payments to non-residents (53) That effective after February 19, 1973, subsection 214(3) of the said Act shall provide that where subsection 61(3), 146(10), 146(12), 147(10), or 147(15) thereof would, if Part I thereof were applicable, require an amount to be included in a taxpayer's income, that amount shall, for the purposes of Part XIII of the said Act, be deemed to have been paid to the taxpayer.

Disposition of obligation: deemed interest (54) That in respect of obligations issued after the enactment of this provision,

- (a) subsection 214(7) of the said Act shall be repealed and rules substituted therefor to provide that, for obligations other than excluded obligations, interest shall be deemed to have been paid at the time the obligation is assigned or otherwise transferred by a non-resident to a person resident in Canada and the amount that is so deemed to be a payment of interest shall be the amount by which the price paid on the assignment exceeds the price for which the obligation was issued;
- (b) where subsection 214(6) of the said Act or subparagraph (a) hereof would otherwise apply on an assignment or other transfer of an obligation by a non-resident to a person resident in Canada from whom he acquired the obligation, it shall be provided that the amount deemed to be a payment of interest shall be the amount by which the amount paid by the resident on the assignment or other transfer of the obligation exceeds the amount previously received by him on the assignment or other transfer to the non-resident;
- (c) subsections 214(9) and (10) of the said Act shall be repealed and rules substituted therefor to provide that for the purposes of the rules described in subparagraphs (a) and (b) hereof and in subsection 214(6) of the said Act, a non-resident carrying on business in Canada shall be deemed to be a person

resident in Canada if, in computing his income from the business under Part I of the said Act, he is entitled to a deduction in respect of an amount paid by him in respect of interest on an obligation or on account of the principal amount of an obligation on its assignment or other transfer to him;

(d) rules shall be added to section 214 of the said Act to provide that

(i) where a non-resident assigns or otherwise transfers an obligation that he acquired from a person resident in Canada and in respect of which interest has been deemed to have been paid under subsection 214(6) of the said Act or subparagraph (a) hereof, for the purposes of subsection 227(6) thereof, the amount of tax payable under Part XIII of the said Act shall be the portion of the tax otherwise payable that the period during which he owned the obligation is of the period from the day of issue thereof to the day the obligation was so assigned or otherwise transferred, and

(ii) for the purposes of that section and the rules described in this paragraph, an assignment or other transfer of an obligation shall include any transaction by which an obligation is either redeemed or cancelled.

Tax on income
from Canada of
non-resident
persons:
authority
to reduce
amount
required to
be deducted

(55) That subsection 215(5) of the said Act shall be repealed and a rule substituted therefor to provide that the Governor in Council may make regulations with reference to any non-resident person to whom an amount described in paragraphs 212(1)(h) to (m) of the said Act is paid or credited, for the purpose of reducing the amount of tax otherwise required to be deducted or withheld from the amount paid or credited.

Exempt income

(56) That for the 1972 and subsequent taxation years, exempt income of a corporation shall include, for the purposes of paragraph 247(1)(c) of the said Act, taxable dividends referred to in subsection 112(1) thereof.

NOTICE OF WAYS AND MEANS MOTION

TO AMEND

THE INCOME TAX APPLICATION RULES, 1971

That it is expedient to amend the Income Tax Application Rules, 1971 being Part III of Chapter 63 of the Statutes of 1970-71-72, and to provide among other things:

Certificates
of exemption

- (1) That paragraph 10(5)(b) of the said Rules shall provide that a certificate of exemption described in subsection 10(5) thereof shall, for the purposes of subparagraph 212(1)(b)(iv) of the Income Tax Act, be deemed, in respect of interest payable on any bond, debenture or similar obligation acquired on or before December 31, 1971 by the person to whom the certificate was issued, to be in force on January 1, 1972 and thereafter without interruption so long as the person to whom the certificate was issued continues to be exempt from income tax in the country in which he is resident.

Depreciable
property:
deemed to
include
Part XVII
property

- (2) That for the 1972 and subsequent taxation years, depreciable property referred to in subsection 20(1) of the said Rules shall include depreciable property used in farming and fishing on which depreciation has been taken under Part XVII of the Income Tax Regulations.

Disposition
of certain
rights or
licences
issued under
governmental
authority and
acquired
before 1972:
limit on
amount
taxable

- (3) That where a taxpayer had acquired, as a result of a transaction occurring before 1972, a right or licence to carry on a business activity that was issued by a federal, provincial or municipal authority in Canada or a body constituted thereunder, upon the disposition of that right or licence the amount deemed to be payable (for the purposes of subsection 21(1) of the said Rules and section 14 of the Income Tax Act) shall not be greater than the amount by which the proceeds exceed the cost of the right or licence, such cost of the right or licence being the aggregate of outlays and expenses incurred in acquiring that right or licence as a result of the transaction occurring before 1972, to the extent

that they were not deducted in computing the taxpayer's income for any taxation year before 1972 but would have been eligible capital expenditures if they had been incurred as the result of a transaction occurring after 1971.

Deduction of interest by certain corporations

- (4) That the references in paragraph 22(2)(a) of the said Rules
- (a) to "the least amount that the corporation's outstanding debts to specified non-residents was at any time in the last taxation year of the corporation commencing before June 19, 1971" shall be repealed and a reference substituted therefor to the least amount of such debts at any time after June 18, 1971 in such year, and
- (b) to "the paid-up capital of the corporation at the end of its taxation year immediately preceding its base year" shall be repealed and a reference be substituted therefor to the lesser of such paid-up capital of the corporation and its paid-up capital limit at the commencement of its first taxation year commencing after 1971.

Actual cost

- (5) That, for the purposes of section 26 of the said Rules, the actual cost of property to a taxpayer, except as expressly otherwise provided, shall be reduced by any part thereof that was deductible in computing his income for a taxation year ending before 1972.

Actual cost of property acquired before 1972 which was received as dividend in kind or stock dividend

- (6) That, for the purposes of section 26 of the said Rules, the actual cost to a taxpayer of any capital property received by him before 1972 and owned by him thereafter without interruption until a particular time after 1971 shall mean
- (a) where the property was received as a dividend in kind (other than a stock dividend), an amount equal to the fair market value thereof at the time it was received, and
- (b) where the property was received as a stock dividend, the amount deemed by subsection 81(3) of the Income Tax Act as it read in its application to the 1971 taxation year, to have been received by him as a dividend.

Amalgamations:
attribution of
actual cost,
fair market
value on
valuation
day and
adjustments
to cost on
certain shares
of new
corporation

(7) That where an amalgamation (within the meaning assigned by section 87 of the Income Tax Act) occurs after February 19, 1973 and the rules set out in subparagraphs 87(4)(a)(i) and (ii) and 87(4)(b)(iv) and (v) of the Income Tax Act would otherwise apply to a shareholder of a predecessor corporation on the conversion of shares by virtue of the amalgamation, if the shareholder owned shares of the predecessor corporation on December 31, 1971 and thereafter without interruption until the amalgamation and on the amalgamation received only

- (a) preferred shares of one class of the capital stock of the new corporation in exchange for preferred shares of one class of the capital stock of a predecessor corporation if the new preferred shares have substantially the same rights and conditions attached thereto as were attached to the old preferred shares, or
- (b) common shares of one class of the capital stock of the new corporation in exchange for common shares of one class of the capital stock of a predecessor corporation if either condition in subparagraph 87(4)(b)(iii) of the Income Tax Act was met on the amalgamation,

notwithstanding the said subparagraphs, the following rules apply:

- (c) the shareholder shall be deemed to have owned his preferred or common shares, as the case may be, of the new corporation on and after the day on which he acquired the shares of the predecessor corporation;
- (d) the actual cost and fair market value on valuation day of the preferred or common shares, as the case may be, of the new corporation to the shareholder shall be deemed to be the actual cost and fair market value on valuation day of the preferred or common shares, respectively, of the predecessor corporation;
- (e) any addition to or deduction from the cost of the preferred or common shares of the predecessor corporation, as the case may be, to the shareholder by virtue of subsection 53(1) or (2) of the Income Tax Act or paragraph 26(5)(c) of the said Rules shall be deemed to be applicable to the preferred or common shares of the new corporation, as the case may be; and

- (f) there shall be deemed not to be any disposition of any of the preferred or common shares of the capital stock of a predecessor corporation by virtue of the amalgamation.
- Deferral of capital gain on farmland owned by taxpayer before 1972
- (8) That for the 1972 and subsequent taxation years, where land in Canada owned by a taxpayer on December 31, 1971 was used in the business of farming by him, his spouse or any of his children immediately before the taxpayer's death and upon his death is transferred or distributed to his child who was a resident of Canada immediately before the death, at any time up to and including the time he first disposes of it, the child shall be deemed to have owned the property from the time it was last acquired by the taxpayer and to have acquired it at the cost thereof to the taxpayer at that time, and any adjustments applicable in determining the cost thereof to the taxpayer shall be applicable in determining the cost thereof to the child.
- Certain exploration rights acquired before 1972 deemed to be Canadian exploration and development expenses
- (9) That amounts paid after 1971 in respect of the acquisition after April 10, 1962 and before 1972 of a right, licence or privilege to explore for, drill for or take in Canada petroleum, natural gas or other related hydrocarbons (except coal), as referred to in subsection 29(14) of the said Rules, shall, for the purposes of the Income Tax Act, be deemed to be Canadian exploration and development expenses.
- Certain elections having retroactive effect may be made up to March 1, 1973.
- (10) That, for the purposes of applying subsection 83(1) or 131(1) of the Income Tax Act to a dividend that became payable in 1972, where the directors or other person or persons legally entitled to administer the affairs of the corporation that paid the dividend have, before the dividend became payable, authorized the making of an election under the said subsection 83(1) or 131(1), as the case may be, in respect of the full amount of the dividend, the words "at or before the particular time or the first day on which any part of the dividend was paid if that day is earlier than the particular time" in the said subsection 83(1) or 131(1), as the case may be, shall be read as "at any time prior to March 1, 1973".
- Foreign affiliates
- (11) That section 35 of the said Rules shall provide that the election referred to in subparagraph 95(1)(b)(iv) of the

Income Tax Act may validly be made by a taxpayer at any time on or before the day on or before which he is required under the said Act to file a return of income for his 1974 taxation year.

Carry-back of restricted farm loss incurred in 1972.

- (12) That a taxpayer's restricted farm loss for his 1972 taxation year shall, in computing his taxable income for his 1971 taxation year, be deemed to have been a farming loss sustained by him in his 1972 taxation year, and any portion of the restricted farm loss that is deductible from income for his 1971 taxation year shall be deemed, in computing his taxable income for his 1973 or subsequent taxation years, to have been previously deductible under Part I of the Income Tax Act.

Foreign tax carryover

- (13) That section 55 of the said Rules shall provide that, where a corporation has a taxation year part of which is before and part of which is after the commencement of 1972, for the purposes of computing its foreign tax carryover for any subsequent taxation year, the amount deducted in its first taxation year ending after 1971 shall be deemed to be that proportion of the amount determined to be the least of the amounts described in paragraphs 126(2)(a) to (c) of the Income Tax Act that

- (a) the number of days in that portion of its first taxation year ending after 1971 that is in 1972

is of

- (b) the number of days in that taxation year.

Mutual fund or investment corporation: payment of certain capital gains dividends

- (14) That for the taxation year of a mutual fund corporation or an investment corporation that includes the day on which this provision is enacted, the capital gains dividends referred to in clause 131(2)(a)(i)(A) of the Income Tax Act, for the purposes of calculating a capital gains refund, shall be those capital gains dividends paid by the corporation in the year or within 60 days after the end of the year.

Computation of surplus funds derived from operations of an insurer

- (15) That the said Rules shall provide that taxes payable under Part IA of the Income Tax Act as it read in its application to the 1971 taxation year shall be deducted in computing surplus funds derived from operations of an insurer under paragraph 138(12)(o) of the said Act.

Registered
retirement
savings plan:
refund of
premiums:
election

- (16) That where a refund of premiums, as defined in paragraph 146(1)(h) of the Income Tax Act, is received by a taxpayer in a taxation year after 1971 as a result of a death occurring before 1972, the taxpayer may elect that an amount equal to the refund of premiums shall not be included in computing his income for the year and in such case, the taxpayer shall pay, in addition to any other tax payable by him for the year, an amount equal to 15% of the amount thereby not included in computing his income for the year.

Tax on 1971
undistributed
income on hand:
retroactive
effect of
election

- (17) That where a corporation has before the enactment of this provision made an election under subsection 196(1) of the Income Tax Act and has subsequently, but before 1976, made a second election in which it has been indicated that the second election is in respect of its total 1971 undistributed income on hand immediately after the time when the first election was made, the following rules apply:
- (a) the second election shall be deemed, except for the purposes of subparagraph (c) hereof, to have been made immediately after the time when the first election was made;
 - (b) any amount paid on account of the tax payable under Part IX of the Income Tax Act when the second election was made shall be deemed for the purposes of computing its tax-paid undistributed surplus under subparagraph 89(1)(k)(ii) of the Income Tax Act to have been paid immediately after the time when the first election was made; and
 - (c) the corporation shall pay interest at a prescribed rate per annum on the amount of tax payable under Part IX of the Income Tax Act by virtue of the making of the second election from the day that the first election was made to the day that the second election was made.

Part XI:
foreign
property

- (18) That section 65 of the said Rules shall be amended
- (a) by deleting from subsections (1) and (1.1) thereof the words "before 1972" and substituting therefor the words "before July, 1972", and

- (b) by deleting from subsection (3) thereof the words "before 1974" and substituting therefor the words "before July, 1974".

Trust governed
by registered
retirement
savings plan:
foreign
reinvestment
limit

- (19) That in calculating the foreign reinvestment limit (within the meaning assigned by subsection 65(4) of the said Rules) of a trust governed by a registered retirement savings plan, there shall be included
 - (a) any capital gains dividend received by the trust in its 1972 or 1973 taxation year, and
 - (b) two times any amount included in computing the income of the trust for its 1972 or 1973 taxation year by virtue of subsection 104(21) of the Income Tax Act.

NOTICE OF WAYS AND MEANS MOTION
AN ACT TO AMEND THE EXCISE TAX ACT
AND THE EXCISE ACT

That it is expedient to introduce a measure to amend the Excise Tax Act and the Excise Act and to provide among other things that effective February 20, 1973:

1. The following goods be made exempt from the consumption or sales tax:
 - (a) children's clothing and children's footwear as the Governor in Council may determine by regulation;
 - (b) food and drink for human consumption except wine, spirits, beer or malt liquor;
 - (c) feeds for animals, fish, fowl or bees;
 - (d) bottles for food or drink not subject to sales tax; and
 - (e) materials for use exclusively in the manufacture or production of the above-mentioned tax exempt products.
2. The following goods when sold to or imported by a municipality for its own use and not for resale be made exempt from the consumption or sales tax:
 - (a) instruments and materials to be used directly and exclusively to detect, measure, record or sample pollutants to water, soil or air; and
 - (b) truck chassis for the permanent attachment thereon of equipment, at a price in excess of five hundred dollars per unit, specially designed for use directly for road making or road cleaning.
3. Where after February 19, 1973
 - (a) materials for use exclusively in the construction of, or
 - (b) machinery or apparatus, (including equipment to be installed in a chimney or smoke stack but not including motor vehicles, attachments therefor or office equipment) for use directly and exclusively in the operation of

an incinerator owned or to be owned by a municipality and to be used primarily for the incineration of waste materials for the municipality have been purchased by or on behalf of the municipality for its own use and not for resale and the tax imposed by Part V of the Excise Tax Act has been paid in respect of these materials, machinery or apparatus, the Minister may, upon application by such municipality in such form as the Minister prescribes, made to the Minister within two years from the time the materials or machinery or apparatus was purchased, pay to such municipality an amount equal to that tax.

4. Schedule I to the Excise Tax Act be amended by repealing section 1 thereof.
5. Schedule I to the Excise Tax Act be further amended by repealing paragraph 8(a) thereof and substituting therefor the following:
 - "8. (a) Clocks and watches adapted to household or personal use, except railway men's watches, and those specially designed for the use of the blind 10 per cent of the amount by which the sale price or duty paid value exceeds \$50."
6. The exemption from the consumption or sales tax for materials for use exclusively in the equipment and repair of ships for use exclusively for commercial purposes be expanded to include articles and parts for use exclusively in the equipment and repair of such ships.
7. The expression "nine per cent" in paragraphs 27(4)(c) and (d) of the Excise Tax Act be amended to read "twelve per cent".
8. All goods manufactured or produced in Canada by the labour of individuals who are
 - (a) blind,
 - (b) deaf and dumb,
 - (c) mentally retarded, or
 - (d) in any other manner mentally or physically handicapped,

where a substantial portion of the sale price of the goods is in any way attributable to the labour of the said individuals which labour has been performed in, or exclusively under the control and direction of, a certified institution be made exempt from the consumption or sales tax and for this purpose a certified institution is an institution in Canada that has as its main purpose the care of individuals of a class described in paragraphs (a) to (d) and that holds a valid certificate that has been issued by the Minister after he has received application from the institution in prescribed form.

9. The category of insurance contracts set out in subsection 4(2) of the Excise Tax Act that are exempted from the application of the excise tax on insurance premiums imposed under Part I of the said Act be extended to include any contract of insurance entered into after February 19, 1973 to the extent that such insurance is not, in the opinion of the Superintendent of Insurance, available within Canada.
10. The exemption from duties of excise for spirits used directly in the manufacture of toilet preparations or cosmetics in subsection 1(6) of the Schedule to the Excise Act shall apply notwithstanding that the toilet preparations or cosmetics have been made exempt from the excise tax under Schedule I of the Excise Tax Act.

NOTICE OF WAYS AND MEANS MOTION

CUSTOMS TARIFF

1. That Schedule A to the Customs Tariff be amended by striking out tariff items 26906-1 and 47835-1, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting in Schedule A to the said Act the following items, enumerations of goods and rates of duty:

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
26906-1	Petroleum fuel oil .9000 specific gravity or heavier at 60 degrees Fahrenheit per gallon on and after July 1, 1974 ... per gallon	Free 1/3 ct.	Free 1/3 ct.	Free 1 ct.	Free 1/3 ct. (on and after July 1,	Free 1/3 ct.	Free 1 ct. 1973)
40959-1	<u>Cryogenic containers for use in the shipment or storage of vaccines for poultry</u>	Free	Free	25 p.c.	15 p.c. 10 p.c.	17½ p.c. 17½ p.c.	30 p.c. 35 p.c.
47835-1	Alternating pressure mattresses; canes and crutches; ceiling projectors and prismatic glasses, for reading; oscillating beds; <u>mechanical percussors for postural drainage treatment</u> ; patient-lifters; powered feeders, powered page-turners; pressure-gradient elastic supports made to order for an individual in accordance with the written prescription of a registered physician or surgeon; attachments and accessories for the foregoing; parts of all the foregoing. All the foregoing when imported for the use of a disabled person or of a public hospital, under such regulations as the Minister may prescribe	Free	Free	Free	Free 2½ p.c.	Free 15 p.c.	Free 35 p.c.
69640-1	<u>Sound recordings of an instructional character for the promotion of knowledge of the arts, sciences, professions, crafts or trades, but not including musical recordings or recordings of an entertainment or advertising character</u>	Free	Free	25 p.c.	15 p.c. 15 p.c.	20 p.c. 20 p.c.	30 p.c. 25 p.c.

2. That Schedule A to the Customs Tariff be further amended by striking out tariff items 501-1, 600-1, 701-1, 703-1, 704-1, 705-1, 707-1, 800-1, 805-1, 810-1, 825-1, 835-1, 1001-1, 1002-1, 1805-1, 2000-1, 2100-1, 2200-1, 2300-1, 2500-1, 2505-1, 2600-1, 2605-1, 4505-1, 4600-1, 5100-1, 6300-1, 6400-1, 6500-1, 6505-1, 6600-1, 6605-1, 6610-1, 8702-1, 8704-1, 8705-1, 8706-1, 8708-1, 8712-1, 8717-1, 8720-1, 8722-1, 8724-1, 8728-1, 8901-1, 9001-1, 9002-1, 9004-1, 9010-1, 9015-1, 9021-1, 9025-1, 9030-1, 9032-1, 9100-1, 9203-1, 9205-1, 9206-1, 9210-1, 9211-1, 9800-1, 9915-1, 9950-1, 10520-1, 10525-1, 10525-2, 10530-1, 10535-1, 10601-1, 10603-1, 10604-1, 10607-1, 11300-1, 12100-1, 12200-1, 12600-1, 12900-1, 13400-1, 13405-1, 13500-1, 13505-1, 13600-1, 13650-1, 13700-1, 13705-1, 14000-1, 14100-1, 15202-1, 15205-1, 15206-1, 15207-1, 15215-1, 16101-1, 16102-1, 22001-1, 22001-2, 22003-1, 22005-1, 22800-1, 23215-1, 23400-1, 28700-1, 28900-1, 28900-2, 32305-1, 32603-1, 32606-1, 32700-1, 32800-1, 35405-1, 35410-1, 40510-1, 41400-1, 41405-1, 41500-1, 41505-1, 41506-1, 41507-1, 41515-1, 41520-1, 41535-1, 41540-1, 41545-1, 42505-1, 42520-1, 42525-1, 42903-1, 42906-1, 42907-1, 42907-2, 42908-1, 43115-1, 43120-1, 43135-1, 43140-1, 43200-1, 43205-1, 43210-1, 43300-1, 43829-1, 43832-1, 43833-1, 43900-1, 44034-1, 44300-1, 44320-1, 44325-1, 44326-1, 44330-1, 44405-1, 44500-1, 44502-1, 44504-1, 44512-1, 44520-1, 44606-1, 44900-1, 45100-1, 45110-1, 45116-1, 45130-1, 46205-1, 46210-1, 46300-1, 46305-1, 46310-1, 50715-1, 50725-1, 51100-1, 51105-1, 51110-1,

...

51115-1, 51120-1, 51400-1, 51800-1, 51805-1, 51901-1, 51902-1, 59730-1, 61815-1, 62200-1, 62200-2, 62200-3, 62405-1, 62410-1, 62415-1, 62420-1, 62421-1, 62425-1, 65500-1, 65505-1, 65510-1, 65811-1, 92936-1, 92937-1, 92938-1, 92939-1, 92940-1, 92941-1, 92942-1, 92942-4, 92943-1, 92944-1 and 93402-1, and the enumerations of goods and the rates of duty set opposite each of those items, and by inserting in Schedule A to the said Act the following items, enumerations of goods and rates of duty :

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
	Animals, living, n.o.p.:						
501-1	Cattle per pound	Free	Free	3 cts.	Free	1½ cts.	3 cts.
600-1	Live hogs per pound	Free	Free	3 cts.	Free	0.5 ct.	3 cts.
	Meats, fresh, n.o.p.:						
701-1	Beef and veal per pound	Free	Free	8 cts.	3 cts.	3 cts.	8 cts.
703-1	Lamb and mutton per pound	2 cts.	4 cts.	8 cts.	4 cts.	6 cts.	8 cts.
704-1	Pork per pound	Free	Free	5 cts.	0.50 ct.	0.50 ct.	5 cts.
705-1	N.o.p. per pound	Free	Free	5 cts.	1¼ cts.	1¼ cts.	5 cts.
707-1	Edible meat offal of all animals ... per pound	Free	Free	5 cts.	0.5 ct.	0.5 ct.	5 cts.
800-1	Canned beef	10 p.c.	10 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
805-1	Canned pork	15 p.c.	15 p.c.	35 p.c.	15 p.c.	25 p.c.	35 p.c.
810-1	Canned hams	15 p.c.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
825-1	Canned meats, n.o.p.	15 p.c.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
835-1	Extracts of meat and fluid beef, not medicated	10 p.c.	10 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
	Meats, prepared or preserved, other than canned:						
1001-1	Bacon, hams, shoulders and other pork	Free	Free	5 cts.	Free	1 $\frac{3}{4}$ cts.	5 cts.
1002-1	N.o.p.	Free	Free	6 cts.	Free	1 ct.	6 cts.
1805-1	Peanut butter	2 cts.	2 cts.	7 cts.	3 cts.	4 cts.	7 cts.
2000-1	Cocoa paste or "liquor" and chocolate paste or "liquor", not sweetened, in blocks or cakes	Free	Free	5 cts.	1 ct.	1 ct.	5 cts.
2100-1	Cocoa paste or "liquor" and chocolate paste or "liquor", sweetened, in blocks or cakes, not less than two pounds in weight	1 ct.	1 ct.	5 $\frac{1}{2}$ cts.	2 cts.	2 cts.	5 $\frac{1}{2}$ cts.
2200-1	Preparations of cocoa or chocolate in powder form	10 p.c.	10 p.c.	35 p.c.	15 p.c.	15 p.c.	35 p.c.
2300-1	Preparations of cocoa or chocolate, n.o.p., and confectionery coated with or containing chocolate	10 p.c.	10 p.c.	35 p.c.	10 p.c.	15 p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
2500-1	Chicory, kiln dried, roasted or ground per pound	Free	Free	5 cts.	1 ct.	1 ct.	5 cts.
2505-1	Coffee, extract of, n.o.p., and substitutes thereof of all kinds per pound	Free	Free	7 cts.	5 cts.	7 cts.	7 cts.
2600-1	Coffee, roasted or ground per pound	Free	Free	5 cts.	2 cts.	2 cts.	5 cts.
2605-1	Imitations of and substitutes for roasted or ground coffee, including acorn nuts per pound	Free	Free	5 cts.	3 cts.	5 cts.	5 cts.
4505-1	Prepared cereal foods, in packages not exceeding twenty-five pounds weight each	10 p.c.	10 p.c.	27½ p.c.	17½ p.c.	17½ p.c.	27½ p.c.
4600-1	Prepared cereal foods, n.o.p.	7½ p.c.	7½ p.c.	20 p.c.	12½ p.c.	12½ p.c.	20 p.c.
5100-1	Pot, pearl, rolled, roasted or ground barley	10 p.c.	10 p.c.	30 p.c.	20 p.c.	20 p.c.	30 p.c.
6300-1	Rice, cleaned per one hundred pounds	25 cts.	25 cts.	\$1.00	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.						

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
6400-1	Sago and tapioca	Free	Free	27½ p.c.	10 p.c.	10 p.c.	27½ p.c.
6500-1	Biscuits, not sweetened	7½ p.c.	7½ p.c.	25 p.c.	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	Free	10 p.c.	Free	5 p.c.	10 p.c.
6600-1	Biscuits, sweetened	7½ p.c.	7½ p.c.	30 p.c.	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	7½ p.c.	30 p.c.	Free	12½ p.c.	30 p.c.
6610-1	Pretzels	Free	7½ p.c.	30 p.c.	Free	12½ p.c.	30 p.c.
	Vegetables, fresh, in their natural state, the weight of the packages to be included in the weight for duty:						
8702-1	Asparagus per pound	Free	3½ cts. or Free	3½ cts. or Free	Free	3½ cts. or 10 p.c.	3½ 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 14 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.						

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
8704-1	Beets per pound In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 26 weeks which may be divided into two separate periods, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.	Free	1 ct. or Free	1 ct. or Free	Free	1 ct. or 10 p.c.	1 ct. or 10 p.c.
8705-1	Brussels sprouts per pound In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 16 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.	Free	3 cts. or Free	3 cts. or Free	Free	3 cts. or 10 p.c. or Free	3 cts. or 10 p.c. or Free
8706-1	Cabbage per pound	Free	9/10 ct. or Free	9/10 ct. or Free	Free	Free or 9/10 ct. or 10 p.c.	Free or 9/10 ct. or 10 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
8708-1	<p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 30 weeks which may be divided into two separate periods, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p> <p>Cauliflower per pound</p>	Free	$\frac{3}{4}$ ct. or Free	$\frac{3}{4}$ ct. or Free	Free	$\frac{3}{4}$ ct. or 10 p.c. or Free	$\frac{3}{4}$ ct. or 10 p.c. or Free
8712-1	<p>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 <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p> <p>Cucumbers, n.o.p. per pound</p> <p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 22 weeks which may be divided into two separate periods, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p>	Free	$2\frac{1}{4}$ cts. or Free	$2\frac{1}{4}$ cts. or Free	Free	$2\frac{1}{4}$ cts. or 10 p.c.	$2\frac{1}{4}$ cts. or 10 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
8717-1	Onions, n.o.p. 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 44 weeks which may be divided into two separate periods, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.						
8720-1	Peas, green per pound	Free	2 cts. or Free	2 cts. or Free	Free	2 cts. or 10 p.c. or Free	2 cts. or 10 p.c. or Free
	In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 12 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.						
8722-1	Rhubarb per pound	Free	½ ct. or Free	½ ct. or Free	Free	½ ct. or 10 p.c.	½ ct. or 10 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
8724-1	<p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 10 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p> <p>Tomatoes per pound</p>	Free	1½ cts. or Free	1½ cts. or Free	Free	Free or 1½ cts. or 10 p.c.	Free or 1½ cts. or 10 p.c.
8728-1	<p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 32 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p> <p>Green onions per pound</p> <p>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 <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p>	Free	1½ cts. or Free	1½ cts. or Free	Free	1½ cts. or 5 p.c.	1½ cts. or 10 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
	Vegetables, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:						
8901-1	Asparagus	7½ p.c.	15 p.c.	30 p.c.	7½ p.c.	22½ p.c.	30 p.c.
	Vegetables, frozen:						
9001-1	Asparagus	15 p.c.	15 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
9002-1	Brussels sprouts	15 p.c.	15 p.c.	30 p.c.	15 p.c.	22½ p.c.	30 p.c.
9004-1	N.o.p.	10 p.c.	15 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.	12½ p.c.	12½ p.c.	30 p.c.	15 p.c.	17½ 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.	12½ p.c.	35 p.c.	12½ p.c.	17½ p.c.	35 p.c.
9021-1	Tomato juice	12½ p.c.	17½ 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.	12½ p.c.	35 p.c.	7½ p.c.	17½ p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
9030-1	Potatoes, pre-cooked, without admixture beyond the addition of preservatives, in powder, flake or granular form	12½ p.c.	12½ p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
9032-1	Potatoes, pre-cooked, with admixture beyond the addition of preservatives	12½ p.c.	12½ p.c.	25 p.c.	15 p.c.	17½ p.c.	25 p.c.
9100-1	Soups, soup rolls, tablets, cubes, or other soup preparations, n.o.p.	12½ p.c.	12½ p.c.	35 p.c.	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:						
9203-1	Cherries, sweet per pound	Free	2 cts. or Free	2 cts. or Free	Free	2 cts. or 10 p.c.	2 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 7 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.						

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
9205-1	<p>Peaches per pound</p> <p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 14 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p>	Free	1½ cts. or Free	1½ cts. or Free	Free	1½ cts. or 10 p.c. or Free	1½ cts. or 10 p.c. or Free
9206-1	<p>Pears per pound</p> <p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 22 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p>	Free	1 ct. or Free	1 ct. or Free	Free	Free or 1 ct. or 10 p.c.	Free or 1 ct. or 10 p.c.
9210-1	<p>Raspberries and loganberries per pound</p> <p>In any 12 month period ending 31st March, the specific duty shall not be maintained in force in excess of 6 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.</p>	Free	2 cts. or Free	2 cts. or Free	Free	2 cts. or 10 p.c.	2 cts. or 10 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
9211-1	Strawberries per pound	Free	1 3/5 cts. or Free	1 3/5 cts. or Free	Free	Free or 1 3/5 cts. or 10 p.c.	Free or 1 3/5 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 6 weeks, and the <u>Free rate</u> shall apply whenever the specific duty is not in effect.						
9800-1	Bananas per one hundred pounds	Free	Free	\$1.00	Free	50 cts.	\$1.00
9915-1	Raisins per pound	Free	Free	4 cts.	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.						
9950-1	Dried currants per pound	Free	Free	4 cts.	Free	2.0 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.						
10520-1	Cherries, sulphured or in brine, not bottled	10 p.c.	10 p.c.	30 p.c.	10 p.c.	12½ p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
10525-1	Fruits and nuts, pickled or preserved in salt, brine, oil, or any other manner, n.o.p.	10 p.c.	10 p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
10525-2	Melons, pickled or preserved in salt, brine, oil, or any other manner, n.o.p.	10 p.c.	10 p.c.	35 p.c.	15 p.c.	15 p.c.	35 p.c.
10530-1	Jellies, jams, marmalades, preserves, fruit butters and condensed mince-meats per pound <u>but not more than</u>	1¼ cts. 12½ p.c.	3 cts. 12½ p.c.	5 cts.	1¼ cts.	3 cts.	5 cts.
10535-1	Fruits and peels, crystalized, glacé, candied or drained; cherries and other fruits of crème de menthe, maraschino or other flavour Fruits, prepared, in air-tight cans or other air-tight containers, the weight of the containers to be included in the weight for duty:	10 p.c.	10 p.c.	35 p.c.	15 p.c.	15 p.c.	35 p.c.
10601-1	Apricots per pound <u>but not more than</u>	2½ cts. 12½ p.c.	2½ cts. 12½ p.c.	5 cts.	2½ cts.	2½ cts.	5 cts.
10603-1	Peaches per pound <u>but not more than</u>	1¾ cts. 12½ p.c.	2¼ cts. 12½ p.c.	5 cts.	1¾ cts.	2¼ cts.	5 cts.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
10604-1	Pears per pound <u>but not more than</u>	2 cts. 12½ p.c.	2 cts. 12½ p.c.	5 cts.	2 cts.	2 cts.	5 cts.
10607-1	Mixtures containing peaches, pears or apricots per pound <u>but not more than</u>	2 cts. 12½ p.c.	2 cts. 12½ p.c.	5 cts.	2 cts.	2 cts.	5 cts.
11300-1	Cocoanut, desiccated, sweetened or not per pound	Free	Free	6 cts.	Free	1 ct.	6 cts.
12100-1	Fish preserved in oil, n.o.p.	15 p.c.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
12200-1	Herring (not including kippered herring in sealed containers) packed in oil or otherwise, in sealed containers	10 p.c.	10 p.c.	35 p.c.	12½ p.c.	12½ p.c.	35 p.c.
12600-1	Clams in sealed containers	10 p.c.	10 p.c.	40 p.c.	17½ p.c.	20 p.c.	40 p.c.
12900-1	Crabs in sealed containers	10 p.c.	10 p.c.	40 p.c.	15 p.c.	15 p.c.	40 p.c.
13400-1	<u>Sugar, n.o.p., under such regulations as the Minister may prescribe,</u>		<u>Cts.</u>	<u>Cts.</u>	<u>Cts.</u>	<u>Cts.</u>	<u>Cts.</u>
	When not exceeding seventy-six degrees of polarization per one hundred pounds	Free	50.224	70.851	20.627	70.851	70.851
	When exceeding seventy-six degrees but not exceeding seventy-seven degrees per one hundred pounds	Free	52.566	73.213	20.647	73.213	73.213

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
13400-1 (Cont'd)	When exceeding seventy-seven degrees but not exceeding seventy-eight degrees per one hundred pounds	Free	<u>Cts.</u> 54.907	<u>Cts.</u> 75.574	<u>Cts.</u> 20.667	<u>Cts.</u> 75.574	<u>Cts.</u> 75.574
	When exceeding seventy-eight degrees but not exceeding seventy-nine degrees per one hundred pounds	Free	57.249	77.936	20.687	77.936	77.936
	When exceeding seventy-nine degrees but not exceeding eighty degrees per one hundred pounds	Free	59.591	80.298	20.707	80.298	80.298
	When exceeding eighty degrees but not exceeding eighty-one degrees per one hundred pounds	Free	61.932	82.659	20.727	82.659	82.659
	When exceeding eighty-one degrees but not exceeding eighty-two degrees per one hundred pounds	Free	64.274	85.021	20.747	85.021	85.021
	When exceeding eighty-two degrees but not exceeding eighty-three degrees per one hundred pounds	Free	66.616	87.383	20.767	87.383	87.383
	When exceeding eighty-three degrees but not exceeding eighty-four degrees per one hundred pounds	Free	69.183	90.040	20.857	90.040	90.040
	When exceeding eighty-four degrees but not exceeding eighty-five degrees per one hundred pounds	Free	71.750	92.697	20.947	92.697	92.697
	When exceeding eighty-five degrees but not exceeding eighty-six degrees per one hundred pounds	Free	74.317	95.353	21.036	95.353	95.353

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
13400-1 (Cont'd)	When exceeding eighty-six degrees but not exceeding eighty-seven degrees per one hundred pounds	Free	Cts. 76.884	Cts. 98.010	Cts. 21.126	Cts. 98.010	Cts. 98.010
	When exceeding eighty-seven degrees but not exceeding eighty-eight degrees per one hundred pounds	Free	79.451	\$1.00963	21.512	\$1.00963	\$1.00963
	When exceeding eighty-eight degrees but not exceeding eighty-nine degrees per one hundred pounds	Free	82.018	\$1.03915	21.897	\$1.03915	\$1.03915
	When exceeding eighty-nine degrees but not exceeding ninety degrees per one hundred pounds	Free	84.585	\$1.07457	22.872	\$1.07457	\$1.07457
	When exceeding ninety degrees but not exceeding ninety-one degrees per one hundred pounds	Free	87.152	\$1.11000	23.848	\$1.11000	\$1.11000
	When exceeding ninety-one degrees but not exceeding ninety-two degrees per one hundred pounds	Free	89.719	\$1.14542	24.823	\$1.14542	\$1.14542
	When exceeding ninety-two degrees but not exceeding ninety-three degrees per one hundred pounds	Free	92.286	\$1.18085	25.799	\$1.18085	\$1.18085
	When exceeding ninety-three degrees but not exceeding ninety-four degrees per one hundred pounds	Free	94.865	\$1.21627	26.762	\$1.21627	\$1.21627

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
13400-1 (Cont'd)	When exceeding ninety-four degrees but not exceeding ninety-five degrees per one hundred pounds	Free	Cts. 97.433	Cts. \$1.25170	Cts. 27.737	Cts. \$1.25170	Cts. \$1.25170
	When exceeding ninety-five degrees but not exceeding ninety-six degrees per one hundred pounds	Free	\$1.00	\$1.28712	28.712	\$1.28712	\$1.28712
	When exceeding ninety-six degrees but not exceeding ninety-seven degrees per one hundred pounds	Free	\$1.02567	\$1.32255	29.688	\$1.32255	\$1.32255
	When exceeding ninety-seven degrees but not exceeding ninety-eight degrees per one hundred pounds	Free	\$1.05134	\$1.35798	30.664	\$1.35798	\$1.35798
	When exceeding ninety-eight degrees but not exceeding ninety-nine degrees per one hundred pounds	Free	\$1.15966	\$1.47606	31.64	\$1.47606	\$1.47606
	When exceeding ninety-nine degrees <u>but less than ninety-nine and five-tenths degrees</u> per one hundred pounds	Free	\$1.12	\$1.47606	35.606	\$1.47606	\$1.47606
13405-1	<u>Sugar, under such regulations as the Minister may prescribe, when of a polarization of ninety-nine and five-tenths degrees or more but less than ninety-nine and seven-tenths degrees</u> per one hundred pounds	55 cts.	\$1.30	\$1.89	\$1.09	\$1.89	\$1.89
13410-1	<u>Sugar, when of a polarization of ninety-nine and seven-tenths degrees or more; soft sugars such as brown, yellow or golden sugar; icing sugar; all the foregoing under such regulations as the Minister may prescribe</u> per one hundred pounds	\$1.00	\$1.40	\$1.89	\$1.09	\$1.89	\$1.89

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
<u>13415-1</u>	Sugar, for use in the manufacture of wine per one hundred pounds	1 ct.	1.4 cts.	\$1.89	\$.0109	\$.0189	\$1.89
<u>13420-1</u>	Invert sugar, and syrups <u>being</u> the product of the sugar cane or beet, and all imitations thereof or substitutes therefor, in which the percentage of the total of reducing sugars after inversion is <u>seventy-five</u> per cent or greater of the total solids by weight, not including syrups in receptacles <u>where</u> the gross weight of the receptacle and contents does not exceed sixty pounds: When the total of reducing sugars after inversion is equivalent to not more than sixty-five per cent by weight of the total syrup per one hundred pounds	60 cts.	85 cts.	\$1.23	68 cts.	\$1.23	\$1.23
	<u>Plus, for each additional one per cent or fraction thereof in excess of sixty-five per cent by weight of the total syrup per one hundred pounds</u>	1 ct.	1.5 cts.	2 cts.	Various	Various	Various
<u>13425-1</u>	Syrups, the product of the sugar cane, in which the percentage of the total of reducing sugars after inversion is less than <u>seventy-five</u> per cent of the total solids by weight per gallon	Free	Free	1.5 cts.	Free Various	1 ct. Various	1½ cts. Various

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
<u>13430-1</u>	Syrups, the product of the sugar beet, in which the percentage of the total of reducing sugars after inversion is less than <u>seventy-five</u> per cent of the total solids by weight per gallon	1 ct.	1 ct.	7 cts.	1 ct. Various	1 ct. Various	7 cts. Various
<u>13435-1</u>	<u>Concentrated sugar cane juice, partly inverted, of the kind known as fancy molasses, for human consumption only</u> per gallon	Free	1 ct.	1.5 cts.	Free	1 ct.	1½ cts.
<u>13440-1</u>	Molasses powder, without admixture or with added colouring or anti-caking agent per one hundred pounds	30 cts.	35 cts.	50 cts.	35 cts.	45 cts.	50 cts.
<u>13445-1</u>	Syrups, the product of the sugar cane or beet, and all imitations thereof or substitutes therefor, n.o.p. per gallon	4 cts.	5 cts.	7 cts.	5 cts.	6½ cts.	7 cts.
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.	12½ p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
	Fruit juices and fruit syrups, n.o.p., namely:						
15202-1	Orange juice	Free	Free	25 p.c.	Free	5 p.c.	25 p.c.
15205-1	Pineapple juice	Free	Free	25 p.c.	5 p.c.	5 p.c.	25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
15206-1	Grapefruit juice	Free	Free	25 p.c.	Free	5 p.c.	25 p.c.
15207-1	Blended orange and grapefruit juice	Free	Free	25 p.c.	Free	5 p.c.	25 p.c.
15215-1	Dehydrated citrus fruit juices with or without stabilizers or sugar	Free	Free	25 p.c.	2½ p.c.	5 p.c.	25 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	15 p.c.	15 p.c.	50 p.c.	20 p.c.	20 p.c.	50 p.c.
16102-1	When in bottles, flasks or other packages, containing more than four ounces each but not more than, per gallon	15 p.c. \$2.00	15 p.c.	50 p.c.	25 p.c. \$2.00	25 p.c.	50 p.c.
<u>18702-1</u>	<u>Films which otherwise would be classified under tariff item 18700-1</u>	Free	12½ p.c.	30 p.c.	Free	17½ p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
22001-1	All medicinal and pharmaceutical preparations, compounded of more than one substance, whether or not containing alcohol, including patent and proprietary preparations, tinctures, pills, powders, troches, lozenges, filled capsules, tablets, syrups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences and oils	10 p.c.	10 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
	Any article in this item containing more than forty per cent of proof spirit shall be rated for duty at per gallon and	\$1.50 15 p.c.	\$1.50 15 p.c.	\$2.00 25 p.c.	\$1.50 15 p.c.	\$1.50 15 p.c.	\$2.00 25 p.c.
22001-2	Sulfamethylthiadiazole, in tablet form	10 p.c.	10 p.c.	25 p.c.	12½ p.c.	12½ p.c.	25 p.c.
22003-1	Drugs, n.o.p.	10 p.c.	10 p.c.	25 p.c.	15 p.c.	15 p.c.	25 p.c.
22005-1	Drugs, n.o.p., of a kind not produced in Canada	Free	10 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
22800-1	Soap powders, powdered soap, mineral soap, and soap, n.o.p.	10 p.c.	10 p.c.	32½ p.c.	15 p.c.	17½ p.c.	32½ p.c.
23215-1	Gelatine, edible	7½ p.c.	15 p.c.	35 p.c.	7½ p.c.	20 p.c.	35 p.c.
23400-1	Perfumery, including toilet preparations, non-alcoholic, namely: hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin	15 p.c.	15 p.c.	40 p.c.	15 p.c.	20 p.c.	40 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
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	15 p.c.	35 p.c.	Free	20 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.	15 p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
28900-2	Baths, bathtubs, urinals, sinks and laundry tubs of earthenware, stone, cement, clay or other material, n.o.p.	12½ p.c.	15 p.c.	35 p.c.	12½ p.c.	20 p.c.	35 p.c.
32305-1	Mirrors of glass, bevelled or not, and framed or not, n.o.p.	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	20 p.c.	30 p.c.
32603-1	Demijohns or carboys, bottles, flasks, phials, jars and balls, of glass, not cut, n.o.p.; lamp chimneys of glass, n.o.p.; decanters and machine-made tumblers of glass, not cut nor decorated, n.o.p.	15 p.c.	15 p.c.	32½ p.c.	15 p.c.	20 p.c.	32½ p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
32606-1	Glass tableware, n.o.p., and illuminating glassware, n.o.p.	10 p.c.	15 p.c.	32½ p.c.	10 p.c.	20 p.c.	32½ p.c.
32700-1	Spectacles; eyeglasses, and ground or finished spectacle or eyeglass lenses, n.o.p.	12½ p.c.	12½ p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.
32800-1	Spectacle and eyeglass frames and parts thereof, n.o.p.	12½ p.c.	12½ p.c.	20 p.c.	15 p.c.	15 p.c.	20 p.c.
35405-1	Kitchen or household hollow-ware of aluminum, n.o.p.	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.
35410-1	Kitchen or household hollow-ware of nickel, n.o.p.	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.
40510-1	Furniture springs	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	17½ p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
40962-1	<u>Trickle irrigation systems for use on the farm; sprinkle or trickle watering systems for use in greenhouses</u>	Free	Free	25 p.c.	2½ p.c. 10 p.c. 15 p.c. 17½ p.c.	15 p.c. 17½ p.c. 17½ p.c.	35 p.c. 35 p.c. 30 p.c. 25 p.c.
41400-1	Typewriters	Free	15 p.c.	25 p.c.	Free	20 p.c.	25 p.c.
41405-1	Parts of typewriters	Free	5 p.c.	25 p.c.	Free	7½ p.c.	25 p.c.
41500-1	Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts of all the foregoing, including suction hose, n.o.p.	5 p.c.	15 p.c.	25 p.c.	5 p.c.	20 p.c.	25 p.c.
	Refrigerators, domestic or store, completely equipped or not:						
41505-1	Electric	15 p.c.	15 p.c.	40 p.c.	17½ p.c.	20 p.c.	40 p.c.
41506-1	Other than electric	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	20 p.c.	30 p.c.
41507-1	Refrigerator parts, of iron or steel or of which iron or steel or both are the component materials of chief value	7½ p.c.	15 p.c.	35 p.c.	7½ p.c.	20 p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
41515-1	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines	15 p.c.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
41520-1	Clothes wringers, domestic, and complete parts of metal thereof	15 p.c.	15 p.c.	35 p.c.	20 p.c.	20 p.c.	35 p.c.
41535-1	Carpet sweepers	10 p.c.	15 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
41540-1	Domestic clothes drying machines, and parts thereof	10 p.c.	15 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
41545-1	Domestic combination clothes washing and drying machines, and parts thereof	10 p.c.	15 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
42505-1	Power lawn mowers, self-propelled or not, whether or not containing the power unit	15 p.c.	15 p.c.	32½ p.c.	15 p.c.	17½ p.c.	32½ p.c.
42520-1	Air-cooled internal combustion engines of greater than one and one-half horsepower rating, and parts thereof; parts of power lawn mowers; all the foregoing for use in the manufacture or repair of power lawn mowers	5 p.c.	7½ p.c.	32½ p.c.	5 p.c.	10 p.c.	32½ p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
42525-1	Air-cooled internal combustion engines of not greater than one and one-half horsepower rating, and parts thereof, when for use in the manufacture or repair of power lawn mowers	Free	7½ p.c.	30 p.c.	Free	10 p.c.	30 p.c.
	Cutlery of iron or steel, plated or not:						
42903-1	Penknives, jack-knives and pocket knives of all kinds	Free	15 p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
42906-1	Scissors and shears, n.o.p.	Free	15 p.c.	30 p.c.	Free	20 p.c.	30 p.c.
42907-1	Razors and complete parts thereof; razor blades, n.o.p.	Free	15 p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
42907-2	Razors and complete parts thereof, n.o.p.	Free	15 p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
42908-1	Safety razor blades	Free	15 p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
43115-1	Web saws and parts thereof	7½ p.c.	15 p.c.	35 p.c.	7½ p.c.	20 p.c.	35 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.	15 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
43135-1	Measuring rules and tapes of all kinds	15 p.c.	15 p.c.	30 p.c.	15 p.c.	17½ p.c.	30 p.c.
43140-1	Files and rasps	Free	15 p.c.	35 p.c.	Free	17½ p.c.	35 p.c.
43200-1	Hollow-ware, of iron or steel, coated or not, n.o.p.	10 p.c.	15 p.c.	30 p.c.	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.	15 p.c.	30 p.c.	15 p.c.	17½ p.c.	30 p.c.
43210-1	Hollow-ware, of iron or steel, coated with vitreous enamel	15 p.c.	15 p.c.	35 p.c.	15 p.c.	17½ p.c.	35 p.c.
43300-1	Baths, bathtubs, basins, closets, lavatories, urinals, sinks, and laundry tubs of iron or steel, coated or not	5 p.c.	15 p.c.	35 p.c.	5 p.c.	20 p.c.	35 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	12½ p.c.	35 p.c.	Free	15 p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
43832-1	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: When made wholly or in part from crude asbestos of British Commonwealth origin	Free	12½ p.c.	35 p.c.	Free	20 p.c.	35 p.c.
43833-1	When made wholly or in part from crude asbestos, n.o.p.	12½ p.c.	12½ p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
43900-1	Bicycles and tricycles, n.o.p.	15 p.c.	15 p.c.	30 p.c.	20 p.c.	25 p.c.	30 p.c.
43912-1	<u>House trailers and mobile homes which otherwise would be classified under tariff item 43910-1</u>	10 p.c.	15 p.c.	30 p.c.	10 p.c.	17½ p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
44034-1	Trawls, trawling spoons, fly hooks, hooks, sinkers, swivels, bait, sportsmen's fishing reels, fishing rods, and fishing tackle, n.o.p.	Free	15 p.c.	30 p.c.	Free	17½ p.c.	30 p.c.
44300-1	Apparatus, and parts thereof, for cooking or for heating buildings, not to include commercial food processing machines, namely, continuous pressure and atmospheric preheaters and cookers, and parts thereof, for sterilizing or for cooking or for both sterilizing and cooking food products in hermetically sealed containers	15 p.c.	15 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
44320-1	Gas control devices, n.o.p., of a class or kind not made in Canada, for use on, or for the manufacture or repair of, or for conversion to, gas-fired apparatus for cooking, or for heating buildings, or for heating water, or for refrigeration including such devices when for use in the gas line between such apparatus and the meter, or in the gas line between such apparatus and the consumer's gas storage device; parts of the foregoing	Free	Free	30 p.c.	Free	5 p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
	Gas pressure regulators for use on, or for the manufacture or repair of, or for conversion to, gas-fired apparatus for cooking, or for heating buildings, or for heating water, or for refrigeration; including such devices when for use in the gas line between such apparatus and the meter, or in the gas line between such apparatus and the consumer's gas storage device; and parts thereof:						
44325-1	When of a class or kind not made in Canada	Free	Free	30 p.c.	Free	5 p.c.	30 p.c.
44326-1	When of a class or kind made in Canada	Free	7½ p.c.	30 p.c.	Free	10 p.c.	30 p.c.
44330-1	Timing devices for apparatus for cooking or for heating buildings; parts thereof	15 p.c.	15 p.c.	30 p.c.	15 p.c.	17½ p.c.	30 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.	15 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
44500-1	Electric light fixtures and appliances, n.o.p., and complete parts thereof	15 p.c.	15 p.c.	30 p.c.	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 therefor	15 p.c.	15 p.c.	30 p.c.	17½ p.c.	20 p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
44504-1	Electric arc lamps and incandescent electric light lamps, n.o.p.	15 p.c.	15 p.c.	30 p.c.	15 p.c.	20 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.	15 p.c.	27½ p.c.	15 p.c.	17½ p.c.	27½ p.c.
44520-1	Electric sad irons and complete parts thereof	12½ p.c.	15 p.c.	27½ p.c.	12½ p.c.	20 p.c.	27½ p.c.
44606-1	Steel bicycle rims, not enamelled nor plated	Free	12½ p.c.	35 p.c.	Free	17½ p.c.	35 p.c.
44900-1	Steel wool, including steel wool impregnated with soap or in retail packages containing a cake of soap	Free	10 p.c.	20 p.c.	Free	15 p.c.	20 p.c.
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.	15 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
45110-1	Needles, of any material or kind, n.o.p.	10 p.c.	15 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
	Pins manufactured from wire of any metal:						
45116-1	N.o.p.	15 p.c.	15 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
45130-1	Slide, hookless, or zipper fasteners	15 p.c.	15 p.c.	40 p.c.	22½ p.c.	22½ p.c.	40 p.c.
46205-1	Cameras, n.o.p., of a class or kind made in Canada; complete parts thereof	7½ p.c.	10 p.c.	30 p.c.	7½ p.c.	15 p.c.	30 p.c.
46210-1	Cameras, n.o.p., of a class or kind not made in Canada; complete parts thereof	5 p.c.	10 p.c.	30 p.c.	5 p.c.	15 p.c.	30 p.c.
46300-1	Still picture projectors, and slides and film strips therefor, n.o.p.	Free	10 p.c.	25 p.c.	Free	15 p.c.	25 p.c.
46305-1	Motion picture projectors, arc lamps for motion picture work, motion picture or theatrical spot lights, light effect machines, portable motion picture projectors with or without sound equipment; electric rectifiers or generators designed for use with motion picture projectors; parts of all the foregoing, not including electric light bulbs, tubes, or exciter lamps	Free	10 p.c.	35 p.c.	Free	15 p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
46310-1	Still picture projectors combined with sound equipment	10 p.c.	10 p.c.	30 p.c.	10 p.c.	15 p.c.	30 p.c.
50715-1	Plywood	10 p.c.	10 p.c.	35 p.c.	15 p.c.	15 p.c.	35 p.c.
50725-1	Plywood faced with metal on one or both sides	5 p.c.	10 p.c.	35 p.c.	5 p.c.	15 p.c.	35 p.c.
51100-1	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.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
51105-1	Cricket bats, balls, gloves and leg guards	Free	15 p.c.	35 p.c.	Free	20 p.c.	35 p.c.
51110-1	Skis	15 p.c.	15 p.c.	35 p.c.	20 p.c.	20 p.c.	35 p.c.
51115-1	Ski fittings	15 p.c.	15 p.c.	35 p.c.	15 p.c.	20 p.c.	35 p.c.
51120-1	Ski poles	15 p.c.	15 p.c.	35 p.c.	17½ p.c.	17½ p.c.	35 p.c.
51400-1	Coffins and caskets, and metal parts thereof	15 p.c.	15 p.c.	25 p.c.	17½ p.c.	20 p.c.	25 p.c.
51800-1	Bagatelle and other game tables or boards	15 p.c.	15 p.c.	35 p.c.	17½ p.c.	20 p.c.	35 p.c.
51805-1	Billiard tables, with or without pockets; cues, balls, cue-racks and cue-tips	15 p.c.	15 p.c.	35 p.c.	17½ p.c.	20 p.c.	35 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
	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.	15 p.c.	45 p.c.	15 p.c.	20 p.c.	45 p.c.
51902-1	In chief part by value of metal	15 p.c.	15 p.c.	45 p.c.	15 p.c.	17½ p.c.	45 p.c.
59730-1	Phonograph records	15 p.c.	15 p.c.	30 p.c.	15 p.c.	20 p.c.	30 p.c.
61815-1	Tires and tubes, wholly or in part of rubber	12½ p.c.	12½ p.c.	35 p.c.	17½ p.c.	17½ 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.	15 p.c.	40 p.c.	12½ p.c.	20 p.c.	40 p.c.
62200-2	Baskets of bamboo	12½ p.c.	15 p.c.	40 p.c.	12½ p.c.	17½ p.c.	40 p.c.
62200-3	Baskets of interwoven vegetable fibres	12½ p.c.	15 p.c.	40 p.c.	12½ p.c.	17½ p.c.	40 p.c.
62405-1	Dolls	10 p.c.	15 p.c.	40 p.c.	10 p.c.	20 p.c.	40 p.c.
62410-1	Toys of all kinds, n.o.p.	10 p.c.	15 p.c.	40 p.c.	10 p.c.	20 p.c.	40 p.c.
62415-1	Mechanical toys of metal	5 p.c.	15 p.c.	40 p.c.	5 p.c.	20 p.c.	40 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
	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	15 p.c.	40 p.c.	Free	20 p.c.	40 p.c.
62421-1	Of rubber	Free	15 p.c.	40 p.c.	Free	20 p.c.	40 p.c.
62425-1	Toy electric train sets, transformers, parts and accessories for use therewith	5 p.c.	15 p.c.	40 p.c.	5 p.c.	20 p.c.	40 p.c.
65500-1	Pens, n.o.p., penholders and rulers, of all kinds	12½ p.c.	15 p.c.	27½ p.c.	12½ p.c.	20 p.c.	27½ p.c.
65505-1	Lead pencils and crayons, n.o.p.	10 p.c.	15 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
65510-1	Crayons of chalk or chalk-like material, coloured or not	10 p.c.	15 p.c.	35 p.c.	10 p.c.	20 p.c.	35 p.c.
	Magnetic recording tape, n.o.p., manufactured from synthetic resins or cellulose plastics:						
65811-1	Recorded	15 p.c.	15 p.c.	25 p.c.	15 p.c.	20 p.c.	25 p.c.
92936-1	92936 - Sulphonamides	10 p.c.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
92937-1	92937 - Sultones and sultams	10 p.c.	10 p.c.	25 p.c.	10 p.c.	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.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
92939-1	92939 - Hormones, natural or reproduced by synthesis, and derivatives thereof, used primarily as hormones	10 p.c.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
	92940 - Enzymes:						
92940-1	Other than the following	10 p.c.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
92941-1	92941 - Glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives	10 p.c.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
	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.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
92942-4	Caffeine and its salts	Free	10 p.c.	25 p.c.	Free	12½ p.c.	25 p.c.

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff	Rates in Effect Prior to Rates Proposed in this Budget		
					B.P. Tariff	M.F.N. Tariff	General Tariff
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.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
92944-1	92944 - Antibiotics	10 p.c.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
93402-1	93402 - Organic surface-active agents; surface-active preparations and washing preparations, whether or not containing soap	10 p.c.	10 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.

3. That any enactment founded upon paragraphs 1 and 2 of this motion shall be deemed to have come into force on the 20th day of February, 1973, and to have applied to all goods mentioned in the said paragraphs imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

4. That any enactment founded upon paragraph 2 of this motion shall expire one year after the commencement thereof and all rates of customs duty reduced by such enactment shall be deemed to be restored on the date on which the said enactment expires to the rates that were in effect immediately prior to the coming into force of the said enactment and such restored rates shall thereupon, subject to the Customs Tariff, apply thereafter as they applied immediately before the day on which the said enactment came into force.

5. Where, as a result of an amendment made to Schedule A to the Customs Tariff by an enactment founded upon paragraph 2 of this motion, a rate of duty on any goods is reduced from the rate applicable thereto immediately prior to the coming into force of the enactment, the Governor in Council, at any time during the one-year period commencing with the coming into force of the enactment, may by order restore the rate applicable in the case of the goods to the rate

that was in effect immediately prior to the coming into force of the said enactment and such restored rate shall thereupon, subject to the Customs Tariff, apply thereafter as it applied immediately before the day on which the said enactment came into force.