

Offch. Ronf. Montreal

Eng.: 23 JUL 1938

Egeb. Nr. _____

Amf.

2 GEORGE VI.

CHAP. 52.

An Act to amend the Special War Revenue Act.

[Assented to 1st July, 1938.]

HIS Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Sub-paragraphs (vi) and (vii) of paragraph (b) of subsection two of section fifty-eight of the *Special War Revenue Act*, chapter one hundred and seventy-nine of the Revised Statutes of Canada, 1927, as enacted by section two of chapter forty-five of the statutes of 1936, are repealed and the following substituted therefor:

“(vi) One dollar or over one dollar per share, but not more than \$5 per share, one-quarter of one cent per share.

“(vii) Less than one dollar per share, one-tenth of one per centum of the price or value.”

2. Paragraph (a) of section eighty-five of the said Act, as enacted by section fifteen of chapter fifty of the statutes of 1932-33, is repealed and the following substituted therefor:

“(a) “sale price” for the purpose of calculating the amount of the consumption or sales tax shall mean the price before any amount payable in respect of the consumption or sales tax is added thereto and shall include any charges for advertising, financing, servicing, warranty or any other charges of a similar nature contracted for at the time of sale whether these items be charged for separately or not and shall also include the amount of other excise duties when the goods are sold in bond; and in the case of goods subject to the taxes imposed by Parts X and XII of this Act, shall include the amount of such taxes; in the case of imported goods, the sale price shall be deemed to be the duty paid value thereof.”

R.S., c. 179;
1928, c. 50;
1929, c. 57;
1930, c. 43;
1931, c. 54;
1932, c. 54;
1932-33, c. 50;
1934, c. 42;
1935, c. 33;
1936, c. 45;
1937, c. 41.

Excise tax
on change
of ownership
of bonds
and shares.

“Sale price.”

3. Subsection one of section ninety-six of the said Act is hereby repealed and the following substituted therefor:

Licenced
wholesaler
or jobber.

"96. (1) A *bona fide* wholesaler or jobber may be granted an annual licence and the Minister may prescribe a fee therefor not exceeding two dollars; provided, however, that if a wholesaler is not in possession of a licence on September 1st, 1938, no such licence shall be issued to him unless fifty per centum of his sales for the three months immediately preceding his application were exempt from the sales tax under the provisions of this Act."

Recovery of
penalties.

4. Paragraph (b) of subsection two of section one hundred and eight of the said Act, is repealed and the following substituted therefor:

R.S., c. 36.

"(b) by summary conviction under the provisions of the *Criminal Code* relating thereto."

5. Section one hundred and eleven of the said Act, as enacted by section twelve of chapter forty-two of the statutes of 1934, is repealed and the following substituted therefor:

Additional
penalties.

"111. (1) Every person who, being thereto liable, neglects, omits or refuses to pay any tax imposed by Parts IV to XIII inclusive, of this Act, in addition to any other penalty to which he is subject for any such offence, shall be liable on summary conviction to a penalty of not less than twenty-five dollars and not exceeding one thousand dollars and to a further penalty equal to the amount of the tax properly payable.

Penalty
under
Parts IV to
XIV.

(2) Every person who contravenes any requirements of Parts IV to XIV inclusive, of this Act or any regulations of the Minister under the said Parts for which no other penalty is provided, shall be liable on summary conviction, to a penalty of not less than fifty dollars and not exceeding one thousand dollars.

Personal
liability
where
offence by
incorporated
Company.

(3) Where any offence against this Act has been committed by an incorporated company every officer, director or agent of the company who directs, authorizes, condones, or participates in the commission of the offence, shall be liable to the like penalties as such company and as if he had committed the like offence personally, and he shall be so liable cumulatively with the company and with such officers, directors or agents of the company as may likewise be liable hereunder."

Schedule.

6. Schedule II to the said Act, as enacted by section fifteen of chapter forty-five of the statutes of 1936, is repealed except the heading thereof, and Schedule I to this Act substituted therefor.

7. Schedule III to the said Act, as enacted by section sixteen of chapter forty-five of the statutes of 1936 and as amended by section five of chapter forty-one of the statutes of 1937, is repealed except the heading thereof, and Schedule II to this Act substituted therefor.

8. This Act shall be deemed to have come into force on the seventeenth day of June, one thousand nine-hundred and thirty-eight, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on and after that date, and to have applied to goods previously imported for which no entry for consumption was made before that date.

Commence-
ment of Act.

SCHEDULE I

(being Schedule II to the *Special War Revenue Act*)

1. Cigars:—

- (a) valued at not more than forty dollars per thousand, per thousand.....fifty cents;
- (b) valued at more than forty dollars per thousand and not more than one hundred and ten dollars per thousand, per thousand.....three dollars;
- (c) valued at more than one hundred and ten dollars per thousand and not more than one hundred and fifty dollars per thousand, per thousand.....seven dollars;
- (d) valued at more than one hundred and fifty dollars per thousand and not more than two hundred dollars per thousand, per thousand.....ten dollars;
- (e) valued at more than two hundred dollars per thousand, per thousand...sixteen dollars.

Provided that the value on imported cigars shall be the duty paid value as defined in section 79 of this Act; the value on cigars manufactured in Canada shall include the amount of excise duty payable thereon.

2. Sugar, etc.:—

- (a) Materials enumerated in Customs Tariff items 134, 135, 135(a), 135(b), 139 (except glucose and grape sugar), 140 (except molasses); invert sugar and syrupone cent per pound;
- (b) Glucose and grape sugar (except when for use exclusively in the manufacture of leather and artificial silk)...one-half cent per pound.

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Provided that the tax hereby imposed under paragraph (a) shall not apply to the materials enumerated in Customs Tariff items 139 and 140, when sold in packages containing not more than ten pounds each.

3. Tires and Tubes:—

(a) Tires in whole or in part of rubber for automotive vehicles of all kinds, including trailers or other wheeled attachments used in connection with any of the said vehicles.....two cents per pound;

(b) Inner tubes for use in any such tires.three cents per pound.

Provided the tax hereby imposed shall not apply to the goods mentioned herein when used exclusively for the original equipment of such automotive vehicles.

SCHEDULE II

(being Schedule III to the *Special War Revenue Act*)

FOODSTUFFS

Bread; Butter; Cheese; Cream; Eggs; Honey; Ice; Lard; Salt; Sugar;

Apples, dried, desiccated or evaporated;

Bakers' cake and pies not to include biscuits, cookies or other similar articles;

Fish and products thereof;

Flour, not including self-raising flour;

Maple Syrup;

Meats and poultry, fresh;

Meats, salted or smoked (not to include the same when chopped, ground, parboiled or spiced);

Milk, including buttermilk; condensed milk, evaporated milk and powdered milk;

Vegetables and fruits in their natural state;

FARM AND FOREST

Bees; Casein; Fertilizers; Hay; Hops; Shorts; Straw;

Alfalfa Meal;

Animals, living;

Beet pulp, dried;

Cream separators and parts thereof and articles and materials to be used exclusively in their manufacture;

Drain tiles for agricultural purposes;

Farm produce sold by the individual farmer of his own production;

Feeds for fur-bearing animals whose pelts have commercial value;

Fence posts, split;

SCHEDULE II

Forest products, when produced and sold by the individual settler or farmer;

Furs, raw;

Gopher poison, and materials for use exclusively in its manufacture;

Grain or seed cleaning machines and complete parts therefor;

Grains and seeds in their natural state, not to include rice;

Harness for horses and complete parts therefor, and articles and materials to be used exclusively in the manufacture thereof;

Hides, raw and salted;

Logs and round unmanufactured timber;

Milk albumen, when for use exclusively in the production of animal or poultry feeds;

Nursery stock;

Oil cake, oil cake meal;

Peat moss when used for agricultural purposes, including poultry litter;

Pit props and packwood for use exclusively in mines;

Poultry, cattle and other stock feeds;

Poultry, living;

Preparations or chemicals sold for disinfecting, dipping or spraying and so used in agriculture or horticulture, and materials for use exclusively in the manufacture of such preparations;

Sap spouts and sap buckets, evaporators and complete parts therefor, when for use exclusively for the production of maple syrup;

Sawdust and wood shavings;

Settlers' effects;

Vegetable plants;

Wool not further prepared than washed;

Woollen rolls or wool yarn milled for a producer of wool from such wool supplied by him for his own use;

ENGINES

Internal combustion traction engines, and portable engines with boilers in combination, for farm purposes, or for use exclusively in the operation of logging, such operation to include the removal of the log from stump to skidway, log dump or common or other carrier, and complete parts of all the foregoing, and articles and materials, not to include plant equipment, to be used or consumed exclusively in the manufacture of the foregoing engines, boilers or parts thereof;

SCHEDULE II

MINES AND QUARRIES

Cars, and other similar appliances, for use exclusively at a mine or a quarry for mining or quarrying, and articles and materials to be used exclusively in the manufacture of such cars and appliances;

Crushed stone or crushed gravel to be used exclusively in the building or maintenance of provincial, county, municipal or township roads;

Gold and silver in ingots, blocks, bars, drops, sheets or plates unmanufactured;

Ores of metals of all kinds;

Sand, gravel, rubble, and field stone;

MARINE AND FISHERIES

Boats *bona fide* purchased by fishermen for use in the fisheries, and articles and materials to be used exclusively in the manufacture, equipment or repair of such boats;

Cotton duck and cotton sail twine to be used only in the manufacture of equipment for ships or vessels;

Manila fibre for use only in the manufacture of rope not exceeding one and one-half inches in circumference for the fisheries;

Materials for use only in the construction, equipment and repair of ships;

Materials used as ingredients in canned fish;

Ships licensed to engage in the Canadian coasting trade;

Sinkers, and floats including trawl kegs, when for use exclusively in the fisheries, not including these articles for sportsmen's purposes;

RELIGIOUS, CHARITABLE, HEALTH, ETC.

Insulin; Radium;

Articles and materials for the sole use of any *bona fide* public hospital certified to be such by the Department of Pensions and National Health, when purchased in good faith for use exclusively by the said hospital and not for resale;

Artificial eyes;

Artificial limbs, and parts thereof;

Bibles, missals, prayer books, psalm and hymn books, religious tracts, and Sunday school lesson pictures;

Donations of clothing and books for charitable purposes;

Liver extract for use exclusively in the treatment of anaemia;

Memorials or monuments erected in memory of soldiers who fell in the Great War;

War Veterans' badges;

SCHEDULE II

PRINTING AND EDUCATIONAL

Manuscript; Newspapers;

Magazines and literary papers unbound, regularly issued at stated intervals, not less frequently than four times yearly, and printing paper and printing ink for use exclusively in their production;

Photographs, paintings, pastels, drawings and other art work and illustrations of all kinds, whether originals, copies or proofs, and printing plates made to reproduce the same, for use exclusively as non-advertising news pictures or for illustrating non-advertising articles or stories in periodical publications enjoying second-class mailing privileges, the pages of which are regularly bound, wire stitched or otherwise fastened together;

Text-books, printed, authorized by the Department of Education of any province in Canada and phonograph records so authorized for instruction in the English and the French language, and materials used exclusively in the manufacture thereof;

DIPLOMATIC

Articles for the use of the Governor General;

Articles imported for the personal or official use of the British High Commissioner, Ministers of Foreign Countries, Consuls General who are natives or citizens of the country they represent and who are not engaged in any other business or profession;

Official stationery imported by His Majesty's Trade Commissioners in Canada from His Majesty's Stationery Office in England;

BUILDING MATERIALS

Bricks; building tile, building blocks and building stone; plaster; lime; cement; stucco and stucco dash;

Lumber; sash; doors; shingles; lath; siding; stairways; balustrades;

Plaster boards, fibre boards, wallpaper, building paper, and materials manufactured wholly or in part of vegetable or mineral fibre for wall coverings or building insulation;

Paints, varnishes, white lead and paint oil;

Prepared roofings;

Shower baths, bath tubs, basins, faucets, closets, lavatories; sinks and laundry tubs, not including pipes and pipe fittings;

Glass for buildings;

Furnaces for heating buildings;

Builders' hardware, namely: locks, lock sets, butts, hinges, pulleys and window fasteners;

SCHEDULE II

Structural steel to be used exclusively for the framework and support of buildings and bridges;

Articles and materials to be used or consumed exclusively in the manufacture or production of the aforementioned building materials but not to include materials consumed by waste or wear, or abrasives, lubricating oils, fuel oils, permanent or non-permanent plant equipment.

COVERINGS

Usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax and materials to be used exclusively in the manufacture of such coverings;

FIRE BRICK, REFRACTORIES, ETC.

Fire brick, plastic refractories, high temperature cement, fire clay and other refractory materials for use exclusively in the construction or repair of a furnace, kiln or other equipment of a manufacturing establishment, and materials to be used or consumed exclusively in the manufacture of such fire brick or refractory materials;

PROCESSING MATERIALS

Materials (not to include abrasives, lubricating oils, fuel oils or non-permanent plant equipment) consumed, otherwise than by waste or wear, in the process of manufacture or production of taxable goods;

MISCELLANEOUS

Electricity;
British and Canadian coins and foreign gold coin;
Fuel other than in liquid form;
Gas manufactured from coal, calcium carbide or oil for illuminating or heating purposes;
Lasts, patterns and dies for boots and shoes including rubber footwear;

CUSTOMS TARIFF ITEMS

173. Books for the instruction of the deaf or dumb;

175. Books not printed or reprinted in Canada, which are included and used as text-books in the curriculum of any university, college or school in Canada; books specially imported for the *bona fide* use of incorporated mechanics' institutes, public libraries, libraries of universities, colleges and schools, or for the library of any incorporated medical, law, literary, scientific, or art association or society, and

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being the property of the organized authorities of such library, and not in any case the property of individuals—the whole under regulations prescribed by the Minister,—provided that importers of books who have sold the same for the purpose mentioned in this item, shall, upon proof of sale and delivery for such purpose, be entitled to a refund of any duty paid thereon;

209b. Nicotine sulphate;

236b. Spinal braces and parts thereof;

352a. Bells, when imported for use of churches only;

364. Diamond dust or bort and black diamonds, for borers;

406. Coil chain, coil chain links, including repair links, and chain shackles, of iron or steel;

409a. Milking machines and attachments therefor; centrifugal machines for testing butterfat, milk or cream; complete parts of all the foregoing;

409b. Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing;

409c. Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing;

409d. Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators including the motive power incorporated therein, and complete parts of all the foregoing;

409e. (i) Spraying and dusting machines and attachments therefor, including hand sprayers; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; animal dehorning instruments; and complete parts of all the foregoing;

(ii) Fruit and vegetable grading, washing and wiping machines and combination bagging and weighing machines, and complete parts thereof; machines for topping vegetables, and machines for bunching and/or tying cut flowers, vegetables and nursery stock, and complete parts thereof; egg-graders and egg-cleaners, and complete parts thereof, not including aluminum parts;

(iii) Complete parts of aluminum for egg-graders;

409f. Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only; post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing;

409g. Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing;

409i. Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.;

Complete parts for goods enumerated in tariff item 409i;

409j. Fanning-mills; peaviners; corn husking machines; threshing machine separators, including weighers, wind stackers, baggers and self-feeders therefor; complete parts of all the foregoing;

409k. Windmills and complete parts thereof, not including shafting;

410b. Machinery and apparatus for use exclusively in washing or dry cleaning coal at coal mines or coke plants; machinery and apparatus for use exclusively in producing coke and gas; machinery and apparatus for use exclusively in the distillation or recovery of products from coal tar or gas; and complete parts of all the foregoing, not to include motive power, tanks for gas, nor pipes and valves 10½ inches or less in diameter;

411. Machinery for use in sawing lumber, up to but not including the operation of planing, and complete parts thereof, not to include motive power, when for use exclusively in saw mills (for the purpose of this item motive power is defined as equipment for driving the machinery of the saw mill);

411a. Machinery, logging cars, cranes, blocks and tackle, wire rope, but not including wire rope to be used for guy ropes or in braking logs going down grade, and complete parts of all the foregoing, for use exclusively in the operation of logging, such operation to include the removal of the log from stump to skidway, log dump or common or other carrier;

411b. Cylinder stave saws, wheel type stave jointers, crozing and champhering machinery and complete parts thereof;

439c. Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof;

440k. Engines and complete parts thereof, to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats *bona fide* owned by individual fishermen for their own use in the fisheries, under regulations prescribed by the Minister;

442. Articles which enter into the cost of manufacture of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409k, 409o, and 439c, when imported by manufacturers for use exclusively in the manufacture in their own factories of the goods enumerated in the aforesaid tariff items, under regulations prescribed by the Minister;

442a. Notwithstanding the provisions of tariff item 442, materials or commodities as hereunder defined or described, when imported by manufacturers for use exclusively in the manufacture, in their own factories, of the goods enu-

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merated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, and 439c, under regulations prescribed by the Minister:—

(1) Pig iron;

(2) Bars or rods, of iron or steel, hot rolled;

460. Materials to be used in Canada for the construction of bridges and tunnels crossing the boundary between the United States and Canada, when similar materials are admitted free under similar circumstances into the United States, under regulations prescribed by the Minister;

464. Steel dies, of a class or kind not made in Canada, valued at not less than one thousand dollars each, for use exclusively in stamping metal sheets or metal plates: Provided that such dies shall be exported from Canada under Customs supervision within three months from the date of import entry;

476. (i) Surgical instruments of any material and complete parts thereof;

(ii) Dental instruments of any material; surgical needles; X-ray apparatus; microscopes valued at not less than 50 dollars each, retail; complete parts of all the foregoing;

476a. Glassware and other scientific apparatus for laboratory work in public hospitals; chairs and tables for surgical operating purposes, and complete parts thereof; infant incubators and complete parts thereof; electro cardiographs and complete parts thereof, and sensitized film and paper for use therein; apparatus for sterilizing purposes, including bedpan washers and sterilizers but not including washing nor laundry machines; all for the use of any public hospital, under regulations prescribed by the Minister;

480. Crutches or specially constructed staffs for cripples;

538. Binder twine or twine for harvest binders;

663b. Articles which enter into the cost of the manufacture of fertilizers, when imported for use exclusively in the manufacture of fertilizers;

666. Nitro-glycerine, giant powder, nitro and other explosives, n.o.p.;

667. Blasting and mining powder;

682. Fish hooks, for deep-sea or lake fishing, not smaller in size than number 2·0; fishing nets and nettings of all kinds; threads, twines, marlines, fishing lines, rope and cordage of cotton, hemp, manila or other vegetable fibre, not exceeding one and one-half inches in circumference, to be used for fishing purposes or for the construction or repair of fishing nets; the foregoing not to include such articles used for sportsmen's purposes, and to be subject to such regulations as the Minister may prescribe;

692. Coins, cabinets of; collections of medals and collections of postage stamps; medals of gold, silver or copper,

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and other metallic articles actually bestowed as trophies or prizes and received and accepted as honorary distinctions; and cups or other metallic prizes (not usual merchantable commodities), won in *bona fide* competitions;

695a. Paintings in oil or water colours and pastels, valued at not less than twenty dollars each; paintings and sculptures by artists domiciled in Canada but residing temporarily abroad for purposes of study, under regulations by the Minister;

695b. Hand-made drawings, sketches or designs, but not including patterns, viz.:—drawings, sketches or designs of wearing apparel, including boots and shoes, wall or floor coverings and textile fabrics, when imported in single copies of each such drawing, sketch or design for use in the manufacture of wearing apparel, boots or shoes, textile fabrics, wall or floor coverings, or of patterns;

696. Philosophical and scientific apparatus, utensils, instruments, and preparations, including boxes and bottles containing the same; maps, photographic reproductions, casts as models, animals as research or experimental subjects, etchings, lithographic prints or charts; mechanical equipment of a class or kind not made in Canada. All articles in this item, when for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific or literary purposes, or for the encouragement of the fine arts, or for the use and by order of any public hospital, college, academy, school, or seminary of learning in Canada, and not for sale, under regulations prescribed by the Minister;

696a. Educational moving picture films of all widths, silent or sound, positive or negative, and sound disks or records designed for use with such films, when certified by the Minister as entitled to exemption from Customs duty under the Convention for Facilitating the International Circulation of Films of an Educational Character; subject to such regulations as the Minister may prescribe;

698. All articles specially designed for the use of the blind, whether for educational, recreational, industrial, personal or other purposes, when for blind persons and imported by, or on the order or certificate of, the Canadian National Institute for the Blind, or other *bona fide* institution or association for the blind;

700. Animals and articles brought into Canada temporarily and for a period not exceeding three months, for the purpose of exhibition or of competition for prizes offered by any agricultural or other association: Provided a bond shall be first given in accordance with regulations prescribed by the Minister, with the condition that the full duty to which such animals or articles would otherwise be liable shall be paid in case of their sale in Canada, or if not re-exported within the time specified in such bond;

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701. Menageries, horses, cattle, carriages and harness of, under regulations prescribed by the Minister;

702. Carriages for travellers, and carriages laden with merchandise, not to include circus troupes or hawkers, under regulations prescribed by the Minister;

703. (a) Travellers' baggage, under regulations prescribed by the Minister;

(b) Goods valued at not more than one hundred dollars included in the baggage accompanying residents of Canada returning from abroad after an absence from Canada of not less than forty-eight hours and acquired by them for personal or household use or as souvenirs or gifts, but not bought on commission or as an accommodation for other persons or for sale, under regulations prescribed by the Minister:

Provided that a resident of Canada shall not be entitled to the exemption herein granted within a period of four months from the date of the last exemption allowed, nor shall the exemption be allowed on alcoholic beverages in excess of one quart, or on tobacco in excess of fifty cigars, two hundred cigarettes and two pounds of manufactured tobacco;

704. Apparel, wearing and other personal and household effects, not merchandise, of British subjects dying abroad, but domiciled in Canada; books, pictures, family plate or furniture, personal effects and heirlooms left by bequest;

Articles and materials to be used exclusively in the manufacture of goods enumerated in Customs Tariff items 406, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409i, 409j, 409k, 410b, 411, 411a, 411b, 439c, 440k, 442, 442a, 476, 476a, 480, 538, 663, 663a, 663b, 666, 667, 696;

Materials, not to include plant equipment, consumed in process of manufacture or production, which enter directly into the cost of goods enumerated in Customs Tariff items 406, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409i, 409j, 409k, 410b, 411, 411a, 411b, 439c, 440k, 442a, 476, 476a, 480, 538, 663, 663a, 666, 667, 696.