

CIRCULAR

DEPARTMENT OF NATIONAL REVENUE, CANADA
(EXCISE DIVISION)

OTTAWA, August 20, 1937.

To Collectors of Customs and Excise and others concerned:

The Honourable, the Minister of National Revenue has been pleased to establish the following regulations, under authority of Section 99 of the Special War Revenue Act:—

Effective October 1st, 1937, sales tax is to be accounted for on the transfer of carbonated and non-carbonated beverages commonly or commercially known as soft drinks and milk drinks, usually described as chocolate drinks or chocolate milk drinks, on the following basis:—

NOTE.—These regulations do not apply to fermented beverages, such as ale, beer, porter, or stout.

SALES TO WHOLESALERS JOBBERS AND TO DRIVERS OR AGENTS WHO OWN THEIR OWN DELIVERY EQUIPMENT:

SALES TO OTHERS WHO RECEIVE 20 PER CENT OR GREATER DISCOUNTS FROM THE PRICES TO ORDINARY RETAILERS:

The sales tax applies on the above sales on the actual selling prices, except that, where sales to the above customers are at tax included prices, the tax may be computed accordingly.

Deductions from such selling prices may be allowed in respect of prepaid transportation charges paid to independent carrier companies shown separately on invoices and/or cash discounts or other allowances actually given by the manufacturer on sales to purchasers referred to above. Deductions will not, however, be permitted for transportation costs for returning empty bottles, packages or other containers.

If wholesalers in different zones or territories are given different discounts, only those discounts applicable in that zone or territory in which the sale is made shall apply to the sales in that zone or territory.

SALES TO ORDINARY RETAILERS:

Manufacturers or bottlers of carbonated and non-carbonated beverages and milk drinks may account for sales tax on sales of these goods sold to "ordinary retailers" on the basis of the regular list selling prices to such retailers, less a discount of 20 per cent, the sales tax to apply ON the remainder and not OF it. By "ordinary retailers" is meant retail stores which do not obtain any preferred prices or other discounts of any kind from established list prices.

NOTE.—Where sales are made in representative quantities to wholesalers, this is not to fix the value for tax on other sales.

[OVER]

Allowances for prepaid transportation charges and/or cash discounts, or any other allowances, may not be deducted in addition to the discount of 20 per cent.

Where sales are made at discounts less than 20 per cent from the regular list prices to ordinary retailers, the tax may be paid on the regular list prices to the ordinary retailers less 20 per cent.

SALES TO CONSUMERS:

Manufacturers or bottlers of carbonated and non-carbonated beverages and milk drinks, who also sell to consumers, may account for sales tax on the same basis as their sales to ordinary retailers.

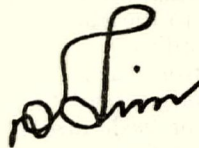
TRANSFERS TO DISTRIBUTING OR SELLING UNITS:

Where manufacturers and distributing, delivery or selling organizations are inter-related, associated or affiliated concerns, or where one is subsidiary to the other, the price at which the goods are sold by either of them in the ordinary course of business shall be the value upon which the tax is payable and lower prices which may be agreed upon between the manufacturer and the distributing, delivery or selling organization will not be accepted for sales tax purposes.

GENERAL:

The discounts hereby established supersede and cancel those formerly applicable to the classes of merchandise mentioned herein.

The foregoing regulations may be applied in all cases where sales tax is not charged as a separate item on the invoices; in the event that the sales tax is charged to the customers irrespective of their status, the amount so charged must be paid to the Department without deduction.



Commissioner of Excise.

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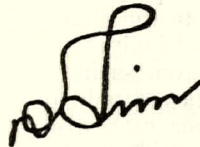
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Commissioner of Excise.

MEMORANDUM

DEPARTMENT OF NATIONAL REVENUE, CANADA
(CUSTOMS DIVISION)

OTTAWA, August 12, 1937.

To Collectors of Customs and Excise and others concerned:

**Regulations established governing the issuance of Permits for
the Exportation of Arms, Ammunition, Implements or
Munitions of War**

The following regulations were established by Order in Council (P.C. 1889) of 6th of August, 1937, governing the issuance of permits for the exportation of Arms, Ammunition, Implements or Munitions of War under Order in Council (P.C. 1838) of the 30th of July, 1937, as published in Memorandum Series D. No. 86.

Collectors of Customs and Excise will be guided by the instructions on Permit forms and, in addition, they are requested to endorse on the original copy of the Permit as it passes through their hands any differences in the number, weight or value of any of the articles as stated on the Permit compared with the actual number, weight or value exported.

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Commissioner of Customs.

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REGULATIONS

1. Application for permits for the exportation of arms, ammunition, or implements or munitions of war referred to in the Annex to Order in Council (P.C. 1838) of 30th July, 1937, shall be in the form approved by the Minister of National Revenue. Copies of the application form may be obtained from the Department of National Revenue, Ottawa.

2. Each application for an export permit shall be accompanied by a fee of \$2.00, this amount to be remitted by Bank, Express or Postal Money Order made payable to The Receiver General of Canada.

3. Applications for export permit shall be completed in quadruplicate for each separate shipment. Each permit shall be issued in quadruplicate, the original to be forwarded to the applicant to accompany the shipment to the frontier or seaport of exit for delivery to the Collector of Customs and Excise, and to be attached by him to the departmental copy of the relative export entry; the duplicate to be forwarded to the applicant for his office records; the triplicate to be forwarded to the Collector of Customs and Excise at the frontier or seaport of exit to be checked with the original copy accompanying the shipment, and to be attached to the port copy of the relative export entry, and the quadruplicate to be retained as a departmental record.

4. The original copy of each export permit must be presented to the Collector of Customs and Excise at the frontier or seaport of exit named thereon. Export permits and export entries covering arms, ammunition, and implements or munitions of war must be filed with the appropriate Collector of Customs and Excise at least twenty-four hours before the proposed departure of the shipment, and, in the case of a shipment by a sea-going vessel, twenty-four hours before the lading of the vessel. Export permits will expire when one year has elapsed from the date of issuance without the due exportation within that period of the goods covered thereby. Export permits shall be subject to revocation without notice if the exportation authorized thereby becomes illegal before shipment is made. Export permits which have expired, or which have been revoked, shall be returned to the Department of National Revenue for cancellation.

5. The country designated on the application for export permit as the country of destination should, in each case, be the country of ultimate destination. If the goods to be exported are consigned to one country, with the intention that they be transhipped thence to another country, the latter country should be named as the country of destination. If the country of ultimate destination can not be ascertained at the time the application for export permit is made, the country of initial destination may be named on the application as the country of destination, provided, however, that the facts must be clearly explained to the Minister of National Revenue, by the applicants, who must undertake to inform the Minister of the country of ultimate destination of the shipment as soon as it can be ascertained. The Minister of National Revenue may refuse to grant an export permit until he is informed of the country of ultimate destination, in order that he may assure himself that the permit may be legally issued.

6. The exporter of any goods which at the time of exportation thereof were prohibited by Order in Council under the authority of Section 290 of the Customs Act to be exported to a specified territory, shall, if required by the Minister of National Revenue, produce evidence to his satisfaction that the goods have not

reached any such specified territory, and, if the exporter fails to do so, he shall be liable to the penalties prescribed in Section 290 of the Customs Act, unless he proves that he did not consent to or connive at the goods reaching such a territory, and took all reasonable steps to secure that the final destination of the goods was that specified in the Customs and other documents relating to the shipment thereof.

7. If the Minister of National Revenue has reason to suspect that any declaration made in the course of making entry before shipment by a person about to export goods of any description included in the Annex to Order in Council (P.C. 1838) of 30th July, 1937, is untrue in any material particular, the goods may be detained until the Minister is satisfied as to the truth of the declaration, and, failing such satisfaction, the goods shall be forfeited.

8. Any alteration, correction, addition, erasure, or deletion in an export permit will render the permit invalid and subject to revocation, except when made by or on behalf of the Minister of National Revenue.

9. Export permits shall not be transferable and shall be subject to revocation without notice if found to have been issued on incorrect or unreliable information, or for failure to comply with or upon violation of any provision of the Customs Act or any law or regulation established thereunder.

10. Arms, ammunition and implements or munitions of war to be exported under an export permit must, when exported, be packed separately from all other goods.

11. Export permits for arms and implements or munitions of war which are shipped by parcel post must be presented with the parcel under Customs supervision to the postmaster at the post office at which the parcel is mailed.

12. Export Entry Form B. 13 covering arms, ammunition, and implements or munitions of war for which an export permit is required must contain the same information in regard to the nature and value of the articles to be exported as that which appears on the application for a permit. If the person designated on the export entry as the actual shipper of the goods is not the person to whom the export permit has been issued, the name of this shipper should appear on the export permit as that of the consignor in Canada.

13. Articles entering or leaving a port in Canada in transit through Canada to a foreign country, will not be considered as exported within the meaning of Order in Council (P.C. 1838) of 30th July, 1937, unless they are destined to a country to which the exportation of arms, ammunition, and implements of war is subjected to special restrictions other than the requirement that an export permit be obtained.

14. The fact that arms, ammunition, and implements or munitions of war are laden for export on board vessels or aircraft as ship's stores or ship's equipment will not relieve the parties concerned from the necessity of obtaining an export permit in each case.

15. Arms and implements of war which have been legally exported from Canada and which are returned to Canada for repair of wear or damage and re-export may not be again exported except under permit. Similarly arms and implements of war imported into Canada for further manufacture, repairs, test or adjustment, or for any other purpose with the intention of subsequent exportation, shall also require an export permit.

16. Arms, ammunition, or implements or munitions of war which are shipped or transported from a port of exit in Canada for the exclusive use of Canadian armed forces will not be considered as exported within the meaning of Order in Council (P.C. 1838) of 30th July, 1937.

17. Export permits will not be required in respect of shipments of arms, ammunition, and implements or munitions of war of less than \$5.00 in value.

18. Arms and ammunition intended exclusively for sporting or scientific purposes, or for personal protection or use, when taken out of Canada by the owner thereof as hand or checked baggage, will not require an export permit.

19. Arms, ammunition, and implements or munitions of war which are more than one hundred years old will not be considered as arms, ammunition, or implements or munitions of war within the meaning of Order in Council (P.C. 1838) of 30th July, 1937.

20. Export permits are required for the export of those articles only which are specifically mentioned in the Annex to Order in Council (P.C. 1838) of 30th July, 1937. No permit is required for the export of the component parts of the articles or units enumerated in the annex, unless those parts are listed in the annex or are shipped in such a manner as to constitute, in fact, a complete unit or article in unassembled form. The only exceptions to this ruling are in the case of aircraft wheels and aircraft propeller blades (which will be found specifically listed in Category V), which are considered as constituting to such an unusual degree the main body of aircraft undercarriage units and aircraft propellers that a permit is required for the export of wheels and propeller blades, even when they are shipped alone.

21. Forgings or castings for any of the arms, ammunition, or implements or munitions of war referred to in the Annex to Order in Council (P.C. 1838) of 30th July, 1937, which have reached such a stage in manufacture that they are clearly identifiable as forgings or castings for arms, ammunition, or implements or munitions of war, are subject to export permit as arms, ammunition, or implements or munitions of war.

22. An export permit is required for all articles listed in subsection (5) of Category I of the Annex to Order in Council (P.C. 1838), dated 30th July, 1937, *which are intended or adapted for war purposes*. No permit is required for these articles as "not intended or adapted for war purposes", in the following circumstances:

- (a) When filled,—if they contain only a non-lethal gas or fluid having a common non-military use, the nature of the contents being accepted as prima facie evidence that the article exported is not intended for war purposes;
- (b) When empty,—on satisfactory proof being submitted that they are adapted or intended solely for a specified non-military use.

23. The term "propellant powders", as used in paragraph (1) of Category VII of the Annex to Order in Council (P.C. 1838) of 30th July, 1937, applies to propellant powders in bulk form. It does not apply to such powders when enclosed in cartridges of types not enumerated in the Annex, in pyrotechnics, in safety fuse, or in other similar devices, and permits will not, therefore, be required for the export of such cartridges or devices, even though they may contain propellant powder.

24. Airplanes flown or shipped from Canada will not be considered as exported within the meaning of Order in Council (P.C. 1838) of 30th July, 1937, when it is the intention of their owners that they shall remain under Canadian registry and shall be operated by a Canadian licensed pilot during the entire period of their sojourn abroad, and, further, when there is no intention on the part of their owners to dispose of them or of any of their essential parts listed in the Annex to the said Order in Council in any foreign country. Should the owners, after the departure of a plane flown or shipped from Canada without an export permit, propose to place the plane under foreign registry or to have it operated by a pilot not holding a Canadian licence, or to dispose of the plane or any of the essential parts referred to in any foreign country, the plane, or the part in question, must be returned to Canada and a permit obtained for its export to the country concerned. Airplanes of foreign registry which have entered Canada for a temporary sojourn will not on leaving Canada after such a sojourn be considered as exported within the meaning of the Order in Council referred to herein.

