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THIRD SESSION OF THE
TWENTY-FIFTH PARLIAMENT

121836

BILLS

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REPRINTS AND THIRD READINGS

121836

SESSION

JANUARY 28th to APRIL 3rd, 1957

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THIRD SESSION, TWENTY-FIFTH PARLIAMENT

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No. 70

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Teachers' Superannuation Act

MR. DUNLOP

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1—Subsection 1. The subsection is re-enacted in order to bring its terminology into line with *The Schools Administration Act, 1954*.

Subsection 2. The subsection is re-enacted in order (i) to bring its terminology into line with *The Schools Administration Act, 1954*, and (ii) to state completely the scope of the provision by adding the Lakehead College which in effect was brought under the Act by section 13 of *The Lakehead College of Arts, Science and Technology Act, 1956*, and (iii) to delete the terminal restrictive phrase "where the teacher has contributed to the fund for a period of at least one year".

Subsection 3. See note to section 3.

SECTION 2. The purpose of this new section is to provide a means of extending the benefits of the Act to teachers in independent and private schools.

BILL

An Act to amend The Teachers' Superannuation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subclause i of clause *d* of section 1 of *The Teachers' Superannuation Act*, as amended by subsection 1 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. i,
re-enacted

- (i) as a teacher in an elementary school or a secondary school.

(2) Subclause v of clause *d* of the said section 1, as amended by subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1951* and subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. v,
re-enacted

- (v) as a teacher in a teachers' college, a provincial technical or polytechnical institute, the Ontario College of Education, the University of Toronto Schools, the Ontario College of Art, the Ontario School for the Deaf, the Ontario School for the Blind, the Province of Ontario Correspondence Courses, the Royal Ontario Museum, The Lakehead College of Arts, Science and Technology, or any railway-car school.

- (3) Subclause x of clause *d* of the said section 1 is repealed.

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. x,
repealed

2. *The Teachers' Superannuation Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 384,
amended

- 16a.**—(1) Any school, college, academy or other educational institution,

Designated
private
schools

- (a) that is giving instruction equivalent to that given in elementary or secondary schools in Ontario;

- (b) that is not operated for personal profit or gain and where the profits, if any, are used to develop its objects;
- (c) that is not supported in any way by school taxes or by provincial or municipal grants; and
- (d) whose governing body has undertaken in writing,
 - (i) to make such annual reports to the Commission as the Commission may require and to supply such information as to its constitution, operations, teaching staff and otherwise as the Commission may require from time to time, and
 - (ii) to pay monthly to the Commission a sum equal to 6 per cent of the salaries of the persons on its teaching staff who are contributing to the fund under this section together with a sum calculated thereon at a rate equal to the rate of the contributions to the fund made by the Province from time to time under section 22,

may be designated by the Lieutenant-Governor in Council as a private school for the purposes of this Act, effective on the 1st day of September next following the designation, and thereupon this Act and the regulations apply to such designated private school as if it were specifically named in subclause v of clause *d* of subsection 1.

Determina-
tion of
salary

- (2) Where a person on the teaching staff of a designated private school who is contributing to the fund receives, in addition to his salary, board, lodging or any other perquisite, his salary shall, for the purposes of this Act, be determined by the Commission, regard being had to the value of such board, lodging or other perquisite.

What teach-
ing service
may count

- (3) Subject to the right of a person to establish credit in the fund in respect of war service under subsection 6, a person may establish credit in the fund under this section only in respect of teaching service rendered while qualified as a teacher under the Acts and regulations administered by the Department and only in respect of teaching service equivalent to that given in elementary or secondary schools in Ontario.



SECTION 3. Under the present Act teachers who teach music, art, physical and health education, home economics, industrial arts, and other special subjects for fewer than 20 hours a week may not contribute to the Teachers' Superannuation Fund, but if they teach for 20 or more hours a week in two or more schools they may contribute to the fund.

The effect of the repeal of these two provisions will be to require this special group of teachers to contribute to the fund in the same way as other teachers. Thus the distinction between this special group and regular teachers will be abolished and uniformity for all brought about.

SECTION 4. This amendment will enable the Teachers' Superannuation Fund to be given a government contribution, similar in scale to the usual government contribution to this fund, in the few cases where a temporary civil servant becomes a teacher and requests that his contributions to the Public Service Retirement Fund be transferred to the Teachers' Superannuation Fund.

SECTION 5. This new provision is similar in principle to that contained in sections 3 to 6 of *The Public Service Amendment Act, 1955*.

It is designed to avoid unnecessary delay and expense in making refunds of contributions in cases where a teacher dies intestate without sufficient assets to justify the appointment of an administrator.

SECTION 6. The purpose of the re-enactment of section 48 of the Act is to enlarge the conditions under which teachers may obtain pension credits in respect of earlier periods of teaching.

- (4) Subject to subsection 3 and except as provided in subsection 5, every person on the teaching staff of a designated private school shall be deemed to be employed within the meaning of this Act. Who must contribute for current service
- (5) Every person who commenced his duties on the teaching staff of a designated private school before the designation becomes effective may, by notice in writing to the governing body of the school and to the Commission given within three months after the designation becomes effective, exclude himself from the benefits and obligations of this Act so long as he remains on the teaching staff of a designated private school. Exception
- (6) Every person who comes within subsection 4 may establish credit in the fund in respect of past teaching service in any designated private school under regulation 1 of regulation 9 of the regulations or in any other school to which this Act applies under section 48, or in respect of war service under regulations 11, 12, 13 and 14 of the regulations. Establishment of credit for past service
- (7) The Lieutenant-Governor in Council may terminate the designation of any designated private school effective on the 31st day of August next following, and thereupon the persons on the teaching staff of that school who contributed to the fund shall, for the purposes of this Act, be deemed to have withdrawn from the profession. Termination of designation
- 3.** Clause *b* of section 20 of *The Teachers' Superannuation Act* is repealed. R.S.O. 1950, c. 384, s. 20, cl. b, repealed
- 4.** Section 22 of *The Teachers' Superannuation Act*, as enacted by section 2 of *The Teachers' Superannuation Amendment Act, 1955*, is amended by adding thereto the following clause: R.S.O. 1950, c. 384, s. 22 (1955, c. 86, s. 2), amended
- (aa) sums equal to two-thirds of those transferred from the Public Service Retirement Fund.
- 5.** Section 45 of *The Teachers' Superannuation Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 384, s. 45, amended
- (3) Where the person to whom a refund is payable dies and has no personal representative, the refund may be paid to such person as the Commission determines. Where no personal representative
- 6.** Section 48 of *The Teachers' Superannuation Act*, as enacted by section 17 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor: R.S.O. 1950, c. 384, s. 48 (1953, c. 103, s. 17), re-enacted

Repayment
of refunds
on re-
employment

48. (1) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund within five years from the date he commenced the subsequent period of employment the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of his return to employment until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Idem,
after
5 years

- (2) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund at any time after the expiration of the five-year period mentioned in subsection 1 the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of the withdrawal or from the 1st day of April, 1949, whichever is the later date, until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Eligibility
for "C",
"CB" or
"D" pension

- (3) No person who has withdrawn his contributions from the fund and is subsequently employed and elects to be reinstated in the fund under subsection 1 or 2 is eligible for a disability allowance under section 28 or 29 nor are his dependants eligible for a dependant's allowance under section 31 until he has been employed for two school years after his return to employment.

R.S.O. 1950,
c. 384, s. 57,
subs. 1,
amended

7. Subsection 1 of section 57 of *The Teachers' Superannuation Act* is amended by adding thereto the following clauses:

- 48.—(1) No change in principle.
- (2) This contains the new principle.
- (3) No change in principle.

SECTION 7. The first clause added (*qq*) will enable regulations to be made governing service credits where former civil servants become teachers and their contributions to the Public Service Retirement Fund or Public Service Superannuation Fund are transferred to the Teachers' Superannuation Fund. The proposed regulations will regularize the existing practices.

The second clause added (*qqq*) will enable regulations to be made governing service credits for part-time teaching.

(*qq*) prescribing the conditions under which credit in the fund may be given where moneys are transferred to the fund from the Public Service Retirement Fund or the Public Service Superannuation Fund and prescribing the method of determining the period for which credit shall be given;

(*qqq*) defining the meaning of "part-time employment" for the purpose of the regulations and prescribing the method of determining the period for which credit shall be given for part-time employment.

8. Subsection 3 of section 1 and section 3 come into force Commence-
ment on the 1st day of September, 1957.

9. This Act may be cited as *The Teachers' Superannuation* Short title *Amendment Act, 1957.*

BILL

An Act to amend
The Teachers' Superannuation Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. DUNLOP

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Teachers' Superannuation Act

MR. DUNLOP

(Reprinted as amended by the Committee on Education)

EXPLANATORY NOTES

SECTION 1—Subsection 1. The subsection is re-enacted in order to bring its terminology into line with *The Schools Administration Act, 1954*.

Subsection 2. The subsection is re-enacted in order (i) to bring its terminology into line with *The Schools Administration Act, 1954*, and (ii) to state completely the scope of the provision by adding the Lakehead College which in effect was brought under the Act by section 13 of *The Lakehead College of Arts, Science and Technology Act, 1956*, and (iii) to delete the terminal restrictive phrase "where the teacher has contributed to the fund for a period of at least one year".

Subsection 3. See note to section 3.

SECTION 2. The purpose of this new section is to provide a means of extending the benefits of the Act to teachers in independent and private schools.

BILL

An Act to amend The Teachers' Superannuation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subclause i of clause *d* of section 1 of *The Teachers' Superannuation Act*, as amended by subsection 1 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. *i*,
re-enacted

(i) as a teacher in an elementary school or a secondary school.

(2) Subclause v of clause *d* of the said section 1, as amended by subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1951* and subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. *v*,
re-enacted

(v) as a teacher in a teachers' college, a provincial technical or polytechnical institute, the Ontario College of Education, the University of Toronto Schools, the Ontario College of Art, the Ontario School for the Deaf, the Ontario School for the Blind, the Province of Ontario Correspondence Courses, the Royal Ontario Museum, The Lakehead College of Arts, Science and Technology, or any railway-car school.

(3) Subclause x of clause *d* of the said section 1 is repealed.

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. *x*,
repealed

2. *The Teachers' Superannuation Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 384,
amended

16a.—(1) Any school, college, academy or other educational institution,

Designated
private
schools

(a) that is giving instruction equivalent to that given in elementary or secondary schools in Ontario;

- (b) that is not operated for personal profit or gain and where the profits, if any, are used to develop its objects;
- (c) that is not supported in any way by school taxes or by provincial or municipal grants; and
- (d) whose governing body has undertaken in writing,
 - (i) to make such annual reports to the Commission as the Commission may require and to supply such information as to its constitution, operations, teaching staff and otherwise as the Commission may require from time to time, and
 - (ii) to pay monthly to the Commission a sum equal to 6 per cent of the salaries of the persons on its teaching staff who are contributing to the fund under this section together with a sum calculated thereon at a rate equal to the rate of the contributions to the fund made by the Province from time to time under section 22,

may be designated by the Lieutenant-Governor in Council as a private school for the purposes of this Act, effective on the 1st day of September next following the designation, and thereupon this Act and the regulations apply to such designated private school as if it were specifically named in subclause v of clause *d* of subsection 1.

**Determina-
tion of
salary**

- (2) Where a person on the teaching staff of a designated private school who is contributing to the fund receives, in addition to his salary, board, lodging or any other perquisite, his salary shall, for the purposes of this Act, be determined by the Commission, regard being had to the value of such board, lodging or other perquisite.

**What teach-
ing service
may count**

- (3) Subject to the right of a person to establish credit in the fund in respect of war service under subsection 6, a person may establish credit in the fund under this section only in respect of teaching service rendered while qualified as a teacher under the Acts and regulations administered by the Department and only in respect of teaching service equivalent to that given in elementary or secondary schools in Ontario.

SECTION 3. Under the present Act teachers who teach music, art, physical and health education, home economics, industrial arts, and other special subjects for fewer than 20 hours a week may not contribute to the Teachers' Superannuation Fund, but if they teach for 20 or more hours a week in two or more schools they may contribute to the fund.

The effect of the repeal of these two provisions will be to require this special group of teachers to contribute to the fund in the same way as other teachers. Thus the distinction between this special group and regular teachers will be abolished and uniformity for all brought about.

SECTION 4. This amendment will enable the Teachers' Superannuation Fund to be given a government contribution, similar in scale to the usual government contribution to this fund, in the few cases where a temporary civil servant becomes a teacher and requests that his contributions to the Public Service Retirement Fund be transferred to the Teachers' Superannuation Fund.

SECTION 5. This new provision is similar in principle to that contained in sections 3 to 6 of *The Public Service Amendment Act, 1955*.

It is designed to avoid unnecessary delay and expense in making refunds of contributions in cases where a teacher dies intestate without sufficient assets to justify the appointment of an administrator.

SECTION 6. The purpose of the re-enactment of section 48 of the Act is to enlarge the conditions under which teachers may obtain pension credits in respect of earlier periods of teaching.

- (4) Subject to subsection 3 and except as provided in subsection 5, every person on the teaching staff of a designated private school shall be deemed to be employed within the meaning of this Act. Who must contribute for current service
- (5) Every person who commenced his duties on the teaching staff of a designated private school before the designation becomes effective may, by notice in writing to the governing body of the school and to the Commission given within three months after the designation becomes effective, exclude himself from the benefits and obligations of this Act so long as he remains on the teaching staff of a designated private school. Exception
- (6) Every person who comes within subsection 4 may establish credit in the fund in respect of past teaching service in any designated private school under sub-regulation 1 of regulation 9 of the regulations or in any other school to which this Act applies under section 48, or in respect of war service under regulations 11, 12, 13 and 14 of the regulations. Establishment of credit for past service
- (7) The Lieutenant-Governor in Council may terminate the designation of any designated private school effective on the 31st day of August next following, and thereupon the persons on the teaching staff of that school who contributed to the fund shall, for the purposes of this Act, be deemed to have withdrawn from the profession. Termination of designation

3. Clause *b* of section 20 of *The Teachers' Superannuation Act* is repealed. R.S.O. 1950, c. 384, s. 20, cl. b, repealed

4. Section 22 of *The Teachers' Superannuation Act*, as re-enacted by section 2 of *The Teachers' Superannuation Amendment Act, 1955*, is amended by adding thereto the following clause: R.S.O. 1950, c. 384, s. 22 (1955, c. 86, s. 2), amended

(aa) sums equal to those transferred from the Public Service Retirement Fund.

5. Section 45 of *The Teachers' Superannuation Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 384, s. 45, amended

(3) Where the person to whom a refund is payable dies and has no personal representative, the refund may be paid to such person as the Commission determines. Where no personal representative

6. Section 48 of *The Teachers' Superannuation Act*, as re-enacted by section 17 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor: R.S.O. 1950, c. 384, s. 48 (1953, c. 103, s. 17), re-enacted

Repayment
of refunds
on re-
employment

48.—(1) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund within five years from the date he commenced the subsequent period of employment the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of his return to employment until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Idem,
after
5 years

(2) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund at any time after the expiration of the five-year period mentioned in subsection 1 the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of the withdrawal or from the 1st day of April, 1949, whichever is the later date, until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Eligibility
for "C",
"CB" or
"D" pension

(3) No person who has withdrawn his contributions from the fund and is subsequently employed and elects to be reinstated in the fund under subsection 1 or 2 is eligible for a disability allowance under section 28 or 29 nor are his dependants eligible for a dependant's allowance under section 31 until he has been employed for two school years after his return to employment.

R.S.O. 1950,
c. 384, s. 57,
subs. 1,
amended

7. Subsection 1 of section 57 of *The Teachers' Superannuation Act* is amended by adding thereto the following clauses:

- 48.—(1) No change in principle.
- (2) This contains the new principle.
- (3) No change in principle.

SECTION 7. The first clause added (*qq*) will enable regulations to be made governing service credits where former civil servants become teachers and their contributions to the Public Service Retirement Fund or Public Service Superannuation Fund are transferred to the Teachers' Superannuation Fund. The proposed regulations will regularize the existing practices.

The second clause added (*qqq*) will enable regulations to be made governing service credits for part-time teaching.



(*qq*) prescribing the conditions under which credit in the fund may be given where moneys are transferred to the fund from the Public Service Retirement Fund or the Public Service Superannuation Fund and prescribing the method of determining the period for which credit shall be given;

(*qqq*) defining the meaning of "part-time employment" for the purpose of the regulations and prescribing the method of determining the period for which credit shall be given for part-time employment.

8. Subsection 3 of section 1 and section 3 come into force Commence-
ment on the 1st day of September, 1957.

9. This Act may be cited as *The Teachers' Superannuation* Short title *Amendment Act, 1957.*

BILL

An Act to amend
The Teachers' Superannuation Act

1st Reading

February 5th, 1957

2nd Reading

February 19th, 1957

3rd Reading

MR. DUNLOP

*(Reprinted as amended by the
Committee on Education)*

No. 70

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Teachers' Superannuation Act

MR. DUNLOP

(Reprinted as amended by the Committee of the Whole House)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1—Subsection 1. The subsection is re-enacted in order to bring its terminology into line with *The Schools Administration Act, 1954*.

Subsection 2. The subsection is re-enacted in order (i) to bring its terminology into line with *The Schools Administration Act, 1954*, and (ii) to state completely the scope of the provision by adding the Lakehead College which in effect was brought under the Act by section 13 of *The Lakehead College of Arts, Science and Technology Act, 1956*, and (iii) to delete the terminal restrictive phrase "where the teacher has contributed to the fund for a period of at least one year".

Subsection 3. See note to section 3.

SECTION 2. The purpose of this new section is to provide a means of extending the benefits of the Act to teachers in independent and private schools.

BILL

An Act to amend The Teachers' Superannuation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subclause i of clause *d* of section 1 of *The Teachers' Superannuation Act*, as amended by subsection 1 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

(i) as a teacher in an elementary school or a secondary school.

(2) Subclause v of clause *d* of the said section 1, as amended by subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1951* and subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

(v) as a teacher in a teachers' college, a provincial technical or polytechnical institute, the Ontario College of Education, the University of Toronto Schools, the Ontario College of Art, the Ontario School for the Deaf, the Ontario School for the Blind, the Province of Ontario Correspondence Courses, the Royal Ontario Museum, The Lakehead College of Arts, Science and Technology, or any railway-car school.

(3) Subclause x of clause *d* of the said section 1 is repealed.

2. *The Teachers' Superannuation Act* is amended by adding thereto the following section:

16a.—(1) Any school, college, academy or other educational institution,

(a) that is giving instruction equivalent to that given in elementary or secondary schools in Ontario;

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. i,
re-enacted

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. v,
re-enacted

R.S.O. 1950,
c. 384, s. 1,
cl. *d*,
subcl. x,
repealed

R.S.O. 1950,
c. 384,
amended

Designated
private
schools

- (b) that is not operated for personal profit or gain and where the profits, if any, are used to develop its objects;
- (c) that is not supported in any way by school taxes or by provincial or municipal grants; and
- (d) whose governing body has undertaken in writing,
 - (i) to make such annual reports to the Commission as the Commission may require and to supply such information as to its constitution, operations, teaching staff and otherwise as the Commission may require from time to time, and
 - (ii) to pay monthly to the Commission a sum equal to 6 per cent of the salaries of the persons on its teaching staff who are contributing to the fund under this section together with a sum calculated thereon at a rate equal to the rate of the contributions to the fund made by the Province from time to time under section 22,

may be designated by the Lieutenant-Governor in Council as a private school for the purposes of this Act, effective on the 1st day of September next following the designation, and thereupon this Act and the regulations apply to such designated private school as if it were specifically named in subclause v of clause *d* of subsection 1.

**Determina-
tion of
salary**

- (2) Where a person on the teaching staff of a designated private school who is contributing to the fund receives, in addition to his salary, board, lodging or any other perquisite, his salary shall, for the purposes of this Act, be determined by the Commission, regard being had to the value of such board, lodging or other perquisite.

**What teach-
ing service
may count**

- (3) Subject to the right of a person to establish credit in the fund in respect of war service under subsection 6, a person may establish credit in the fund under this section only in respect of teaching service rendered while qualified as a teacher under the Acts and regulations administered by the Department and only in respect of teaching service equivalent to that given in elementary or secondary schools in Ontario.



SECTION 3. Under the present Act teachers who teach music, art, physical and health education, home economics, industrial arts, and other special subjects for fewer than 20 hours a week may not contribute to the Teachers' Superannuation Fund, but if they teach for 20 or more hours a week in two or more schools they may contribute to the fund.

The effect of the repeal of these two provisions will be to require this special group of teachers to contribute to the fund in the same way as other teachers. Thus the distinction between this special group and regular teachers will be abolished and uniformity for all brought about.

SECTION 4. This amendment will enable the Teachers' Superannuation Fund to be given a government contribution, similar in scale to the usual government contribution to this fund, in the few cases where a temporary civil servant becomes a teacher and requests that his contributions to the Public Service Retirement Fund be transferred to the Teachers' Superannuation Fund.

SECTION 5. This new provision is similar in principle to that contained in sections 3 to 6 of *The Public Service Amendment Act, 1955*.

It is designed to avoid unnecessary delay and expense in making refunds of contributions in cases where a teacher dies intestate without sufficient assets to justify the appointment of an administrator.

SECTION 6. The purpose of the re-enactment of section 48 of the Act is to enlarge the conditions under which teachers may obtain pension credits in respect of earlier periods of teaching.

- (4) Subject to subsection 3 and except as provided in subsection 5, every person on the teaching staff of a designated private school shall be deemed to be employed within the meaning of this Act. Who must contribute for current service
- (5) Every person who commenced his duties on the teaching staff of a designated private school before the designation becomes effective may, by notice in writing to the governing body of the school and to the Commission given within three months after the designation becomes effective, exclude himself from the benefits and obligations of this Act so long as he remains on the teaching staff of a designated private school. Exception
- (6) Every person who comes within subsection 4 may establish credit in the fund in respect of past teaching service in any designated private school in accordance with the regulations or in any other school to which this Act applies in accordance with section 48, or in respect of war service in accordance with the regulations. Establishment of credit for past service
- (7) The Lieutenant-Governor in Council may terminate the designation of any designated private school effective on the 31st day of August next following, and thereupon the persons on the teaching staff of that school who contributed to the fund shall, for the purposes of this Act, be deemed to have withdrawn from the profession. Termination of designation

3. Clause *b* of section 20 of *The Teachers' Superannuation Act* is repealed. R.S.O. 1950, c. 384, s. 20, cl. b, repealed

4. Section 22 of *The Teachers' Superannuation Act*, as re-enacted by section 2 of *The Teachers' Superannuation Amendment Act, 1955*, is amended by adding thereto the following clause: R.S.O. 1950, c. 384, s. 22 (1955, c. 36, s. 2), amended

(aa) sums equal to those transferred from the Public Service Retirement Fund.

5. Section 45 of *The Teachers' Superannuation Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 384, s. 45, amended

- (3) Where the person to whom a refund is payable dies and has no personal representative, the refund may be paid to such person as the Commission determines. Where no personal representative

6. Section 48 of *The Teachers' Superannuation Act*, as re-enacted by section 17 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor: R.S.O. 1950, c. 384, s. 48 (1953, c. 103, s. 17), re-enacted

Repayment
of refunds
on re-
employment

48.—(1) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund within five years from the date he commenced the subsequent period of employment the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of his return to employment until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Idem.
after
5 years

(2) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund at any time after the expiration of the five-year period mentioned in subsection 1 the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of the withdrawal or from the 1st day of April, 1949, whichever is the later date, until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Eligibility
for "C",
"CB" or
"D" pension

(3) No person who has withdrawn his contributions from the fund and is subsequently employed and elects to be reinstated in the fund under subsection 1 or 2 is eligible for a disability allowance under section 28 or 29 nor are his dependants eligible for a dependant's allowance under section 31 until he has been employed for two school years after his return to employment.

R.S.O. 1950,
c. 384, s. 57,
subs. 1,
amended

7. Subsection 1 of section 57 of *The Teachers' Superannuation Act* is amended by adding thereto the following clauses:

- 48.—(1) No change in principle.
- (2) This contains the new principle.
- (3) No change in principle.

SECTION 7. The first clause added (*qq*) will enable regulations to be made governing service credits where former civil servants become teachers and their contributions to the Public Service Retirement Fund or Public Service Superannuation Fund are transferred to the Teachers' Superannuation Fund. The proposed regulations will regularize the existing practices.

The second clause added (*qqq*) will enable regulations to be made governing service credits for part-time teaching.

(qq) prescribing the conditions under which credit in the fund may be given where moneys are transferred to the fund from the Public Service Retirement Fund or the Public Service Superannuation Fund and prescribing the method of determining the period for which credit shall be given;

(qqq) defining the meaning of "part-time employment" for the purpose of the regulations and prescribing the method of determining the period for which credit shall be given for part-time employment.

8. Subsection 3 of section 1 and section 3 come into force Commence-
ment on the 1st day of September, 1957.

9. This Act may be cited as *The Teachers' Superannuation* Short title *Amendment Act, 1957.*

BILL

An Act to amend
The Teachers' Superannuation Act

1st Reading

February 5th, 1957

2nd Reading

February 19th, 1957

3rd Reading

MR. DUNLOP

*(Reprinted as amended by the
Committee of the Whole House)*

No. 70

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Teachers' Superannuation Act

MR. DUNLOP

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Teachers' Superannuation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subclause i of clause d of section 1 of *The Teachers' Superannuation Act*, as amended by subsection 1 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 384, s. 1,
cl. d,
subcl. i,
re-enacted

- (i) as a teacher in an elementary school or a secondary school.

(2) Subclause v of clause d of the said section 1, as amended by subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1951* and subsection 2 of section 1 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 384, s. 1,
cl. d,
subcl. v,
re-enacted

- (v) as a teacher in a teachers' college, a provincial technical or polytechnical institute, the Ontario College of Education, the University of Toronto Schools, the Ontario College of Art, the Ontario School for the Deaf, the Ontario School for the Blind, the Province of Ontario Correspondence Courses, the Royal Ontario Museum, The Lakehead College of Arts, Science and Technology, or any railway-car school.

- (3) Subclause x of clause d of the said section 1 is repealed.

R.S.O. 1950,
c. 384, s. 1,
cl. d,
subcl. x,
repealed

2. *The Teachers' Superannuation Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 384,
amended

16a.—(1) Any school, college, academy or other educational institution,

Designated
private
schools

- (a) that is giving instruction equivalent to that given in elementary or secondary schools in Ontario;

- (b) that is not operated for personal profit or gain and where the profits, if any, are used to develop its objects;
- (c) that is not supported in any way by school taxes or by provincial or municipal grants; and
- (d) whose governing body has undertaken in writing,
 - (i) to make such annual reports to the Commission as the Commission may require and to supply such information as to its constitution, operations, teaching staff and otherwise as the Commission may require from time to time, and
 - (ii) to pay monthly to the Commission a sum equal to 6 per cent of the salaries of the persons on its teaching staff who are contributing to the fund under this section together with a sum calculated thereon at a rate equal to the rate of the contributions to the fund made by the Province from time to time under section 22,

may be designated by the Lieutenant-Governor in Council as a private school for the purposes of this Act, effective on the 1st day of September next following the designation, and thereupon this Act and the regulations apply to such designated private school as if it were specifically named in subclause v of clause *d* of section 1.

Determina-
tion of
salary

- (2) Where a person on the teaching staff of a designated private school who is contributing to the fund receives, in addition to his salary, board, lodging or any other perquisite, his salary shall, for the purposes of this Act, be determined by the Commission, regard being had to the value of such board, lodging or other perquisite.

What teach-
ing service
may count

- (3) Subject to the right of a person to establish credit in the fund in respect of war service under subsection 6, a person may establish credit in the fund under this section only in respect of teaching service rendered while qualified as a teacher under the Acts and regulations administered by the Department and only in respect of teaching service equivalent to that given in elementary or secondary schools in Ontario.

- (4) Subject to subsection 3 and except as provided in subsection 5, every person on the teaching staff of a designated private school shall be deemed to be employed within the meaning of this Act. Who must contribute for current service
- (5) Every person who commenced his duties on the teaching staff of a designated private school before the designation becomes effective may, by notice in writing to the governing body of the school and to the Commission given within three months after the designation becomes effective, exclude himself from the benefits and obligations of this Act so long as he remains on the teaching staff of a designated private school. Exception
- (6) Every person who comes within subsection 4 may establish credit in the fund in respect of past teaching service in any designated private school in accordance with the regulations or in any other school to which this Act applies in accordance with section 48, or in respect of war service in accordance with the regulations. Establishment of credit for past service
- (7) The Lieutenant-Governor in Council may terminate the designation of any designated private school effective on the 31st day of August next following, and thereupon the persons on the teaching staff of that school who contributed to the fund shall, for the purposes of this Act, be deemed to have withdrawn from the profession. Termination of designation

3. Clause *b* of section 20 of *The Teachers' Superannuation Act* is repealed. R.S.O. 1950, c. 384, s. 20, cl. b, repealed

4. Section 22 of *The Teachers' Superannuation Act*, as re-enacted by section 2 of *The Teachers' Superannuation Amendment Act, 1955*, is amended by adding thereto the following clause: R.S.O. 1950, c. 384, s. 22 (1955, c. 86, s. 2), amended

(*aa*) sums equal to those transferred from the Public Service Retirement Fund.

5. Section 45 of *The Teachers' Superannuation Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 384, s. 45, amended

(3) Where the person to whom a refund is payable dies and has no personal representative, the refund may be paid to such person as the Commission determines. Where no personal representative

6. Section 48 of *The Teachers' Superannuation Act*, as re-enacted by section 17 of *The Teachers' Superannuation Amendment Act, 1953*, is repealed and the following substituted therefor: R.S.O. 1950, c. 384, s. 48 (1953, c. 103, s. 17), re-enacted

Repayment
of refunds
on re-
employment

48.—(1) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund within five years from the date he commenced the subsequent period of employment the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of his return to employment until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Idem.
after
5 years

(2) A person who has withdrawn his contributions from the fund and subsequently is employed for not fewer than twenty days in a school year and desires to be reinstated in the fund in respect of his former period of employment may be so reinstated by paying into the fund at any time after the expiration of the five-year period mentioned in subsection 1 the amount of contributions previously refunded to him, with interest at the rate of $4\frac{3}{4}$ per cent per annum compounded half-yearly for the period from the date of the withdrawal or from the 1st day of April, 1949, whichever is the later date, until the date of the completion of his repayment of the withdrawal, and any disability or superannuation allowance or other payment out of the fund to which he may be entitled during the period of repayment shall be reduced actuarially during his lifetime by the amount withdrawn and not repaid.

Eligibility
for "C"
"CB" or
"D" pension

(3) No person who has withdrawn his contributions from the fund and is subsequently employed and elects to be reinstated in the fund under subsection 1 or 2 is eligible for a disability allowance under section 28 or 29 nor are his dependants eligible for a dependant's allowance under section 31 until he has been employed for two school years after his return to employment.

R.S.O. 1950,
c. 384, s. 57,
subs. 1,
amended

7. Subsection 1 of section 57 of *The Teachers' Superannuation Act* is amended by adding thereto the following clauses:

(qq) prescribing the conditions under which credit in the fund may be given where moneys are transferred to the fund from the Public Service Retirement Fund or the Public Service Superannuation Fund and prescribing the method of determining the period for which credit shall be given;

(qqq) defining the meaning of "part-time employment" for the purpose of the regulations and prescribing the method of determining the period for which credit shall be given for part-time employment.

8. Subsection 3 of section 1 and section 3 come into force Commence-
ment on the 1st day of September, 1957.

9. This Act may be cited as *The Teachers' Superannuation* Short title *Amendment Act, 1957.*

BILL

An Act to amend
The Teachers' Superannuation Act

1st Reading

February 5th, 1957

2nd Reading

February 19th, 1957

3rd Reading

March 4th, 1957

MR. DUNLOP

No. 71

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The County Courts Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The reference to "deputy judge" is deleted as there are no longer any deputy judges in these courts. Otherwise the section is unchanged in principle.

SECTION 2. The provision repealed, which deals with the situation where the regular judge is ill or absent, is dealt with in section 16 of *The County Judges Act*—see section 3 of Bill No. 72.

SECTION 3. The commencement days for the sittings with or without a jury in the county court of the county of Simcoe were changed by Ontario Regulations 43/56 from "the first Monday in May and the third Monday in October" to "the first Monday in June and the last Monday in October" and for sittings without a jury from "the first Monday in April and October" to "the first Monday in April and November". This amendment makes a corresponding change in the Act, thus bringing it up to date.

No. 71

1957

BILL

An Act to amend The County Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 2 of *The County Courts Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 75, s. 2, re-enacted

2. Every county court and district court shall be presided over by a judge, a junior judge or an acting judge in accordance with this Act and *The County Judges Act*. R.S.O. 1950, c. 76

2. Section 3 of *The County Courts Act* is repealed. R.S.O. 1950, c. 75, s. 3, repealed

3. Subsection 7 of section 12 of *The County Courts Act*, as re-enacted by section 1 of *The County Courts Amendment Act, 1955*, is amended by striking out "May" in the fourth line and inserting in lieu thereof "June", by striking out "third" in the fifth line and inserting in lieu thereof "last" and by striking out "October" in the sixth line and inserting in lieu thereof "November", so that the subsection shall read as follows: R.S.O. 1950, c. 75, s. 12 (1955, c. 11, s. 1), subs. 7, amended

(7) In each year the sittings of the county court of the county of Simcoe for the trial of issues of fact and assessments of damages shall commence with or without a jury on the first Monday in June and the last Monday in October and without a jury on the first Monday in April and November. Simcoe

4. This Act may be cited as *The County Courts Amendment Act, 1957*. Short title

BILL

An Act to amend
The County Courts Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 71

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The County Courts Act

MR. ROBERTS

(Reprinted as amended by the Committee on Legal Bills)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
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EXPLANATORY NOTES

SECTION 1. The reference to "deputy judge" is deleted as there are no longer any deputy judges in these courts. Otherwise the section is unchanged in principle.

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No. 71

1957

BILL

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HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 2 of *The County Courts Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 75, s. 2, re-enacted

2. Every county court and district court shall be Judges presided over by a judge, a junior judge or an acting judge in accordance with this Act and *The County Judges Act*. R.S.O. 1950, c. 76

2. Section 3 of *The County Courts Act* is repealed. R.S.O. 1950, c. 75, s. 3, repealed

3. Subsection 7 of section 12 of *The County Courts Act*, as re-enacted by section 1 of *The County Courts Amendment Act, 1955*, is amended by striking out "May and the third Monday in October" in the fourth and fifth lines and inserting in lieu thereof "June and the last Monday in November", so that the subsection shall read as follows: R.S.O. 1950, c. 75, s. 12 (1955, c. 11, s. 1), subs. 7, amended

(7) In each year the sittings of the county court of the county of Simcoe Simcoe for the trial of issues of fact and assessments of damages shall commence with or without a jury on the first Monday in June and the last Monday in November and without a jury on the first Monday in April and October. 

4. This Act may be cited as *The County Courts Amendment Act, 1957*. Short title

BILL

An Act to amend
The County Courts Act

1st Reading

February 5th, 1957

2nd Reading

February 20th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee on Legal Bills)*

No. 71

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The County Courts Act

MR. ROBERTS

TORONTO
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BILL

An Act to amend The County Courts Act

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1. Section 2 of *The County Courts Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 75, s. 2, re-enacted

2. Every county court and district court shall be presided over by a judge, a junior judge or an acting judge in accordance with this Act and *The County Judges Act*. R.S.O. 1950, c. 76

2. Section 3 of *The County Courts Act* is repealed. R.S.O. 1950, c. 75, s. 3, repealed

3. Subsection 7 of section 12 of *The County Courts Act*, as re-enacted by section 1 of *The County Courts Amendment Act, 1955*, is amended by striking out "May and the third Monday in October" in the fourth and fifth lines and inserting in lieu thereof "June and the last Monday in November", so that the subsection shall read as follows: R.S.O. 1950, c. 75, s. 12, (1955, c. 11, s. 1), subs. 7, amended

(7) In each year the sittings of the county court of the county of Simcoe for the trial of issues of fact and assessments of damages shall commence with or without a jury on the first Monday in June and the last Monday in November and without a jury on the first Monday in April and October. Simcoe

4. This Act may be cited as *The County Courts Amendment Act, 1957*. Short title

An Act to amend
The County Courts Act

1st Reading

February 5th, 1957

2nd Reading

February 20th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 72

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The County Judges Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The section is inserted to bring the Act into line with the following sections which set out the instances where junior judges may be appointed.

SECTION 2. Section 7 requires county and district court judges to reside in the county or district for which they are appointed unless it is otherwise provided by Order in Council. The same matter is dealt with more adequately in section 35 of the *Judges Act* (Canada).

SECTION 3. Section 16 is broadened and simplified in order to facilitate the movement of judges from court to court as the volume of judicial business requires, thus expediting the administration of justice.

BILL

An Act to amend The County Judges Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The County Judges Act* is amended by adding thereto the following section: R.S.O. 1950, c. 76, amended

3. A judge may be appointed for every county court and district court. Judges

2. Section 7 of *The County Judges Act* is repealed. R.S.O. 1950, c. 76, s. 7, repealed

3. Section 16 of *The County Judges Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 76, s. 16, re-enacted

16. The judge or a junior judge of a county or district court may perform any judicial duty in any county or district court, and while he is performing any judicial function in a county or district court other than the court for which he was appointed he shall be deemed to be a judge of that court and has all the powers of a judge of that court. Judge may act outside his county

4. This Act may be cited as *The County Judges Amendment Act, 1957*. Short title

BILL

An Act to amend
The County Judges Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 72

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The County Judges Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
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BILL

An Act to amend The County Judges Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The County Judges Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 76,
amended

3. A judge may be appointed for every county court and district court. Judges

2. Section 7 of *The County Judges Act* is repealed. R.S.O. 1950,
c. 76, s. 7,
repealed

3. Section 16 of *The County Judges Act* is repealed and the following substituted therefor: R.S.O. 1950,
c. 76, s. 16,
re-enacted

16. The judge or a junior judge of a county or district court may perform any judicial duty in any county or district court, and while he is performing any judicial function in a county or district court other than the court for which he was appointed he shall be deemed to be a judge of that court and has all the powers of a judge of that court. Judge may
act outside
his county

4. This Act may be cited as *The County Judges Amendment Act, 1957*. Short title

An Act to amend
The County Judges Act

1st Reading

February 5th, 1957

2nd Reading

February 20th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 73

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Execution Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTIONS 1, 2, 3. At the present time a farmer's live stock, implements, etc., are exempt from seizure to the extent of \$600. The effect of these amendments is to increase this exemption to \$2,000.

BILL

An Act to amend The Execution Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *e* of section 2 of *The Execution Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 120, s. 2,
cl. *e*, re-
enacted

(*e*) in the case of a debtor other than a person engaged in the tillage of the soil or farming, live stock, fowl, bees, books, tools and implements and other chattels necessary to and actually in use by the debtor in his business, profession or calling, to the extent of \$600;

(*ee*) in the case of a person engaged solely in the tillage of the soil or farming, live stock, fowl, bees, books, tools and implements and other chattels necessary to and actually in use by the debtor in his business, profession or calling, to the extent of \$2,000.

2. Section 3 of *The Execution Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 120, s. 3,
re-enacted

3. The debtor may in lieu of the chattels referred to in clause *ee* of section 2 elect to receive the proceeds of the sale thereof up to \$2,000, in which case the officer executing the writ shall pay the net proceeds of the sale if the same do not exceed \$2,000 or, if the same exceed \$2,000, shall pay that sum to the debtor in satisfaction of the debtor's right to exemption under clause *ee*.

Right of
debtor to
part pro-
ceeds of
sale of
implements

3. Section 4 of *The Execution Act* is amended by inserting after "*e*" in the first line "*or ee*", so that the section shall read as follows:

R.S.O. 1950,
c. 120, s. 4,
amended

4. The sum to which a debtor is entitled under clause *e* or *ee* of section 2 or under section 3 shall be exempt from attachment or seizure at the instance of a creditor.

Money
derived
from sale of
exempted
goods

R.S.O. 1950,
c. 120, s. 8,
amended

4. Section 8 of *The Execution Act* is amended by adding at the end thereof "and including any interest of the execution debtor in lands held in joint tenancy", so that the section shall read as follows:

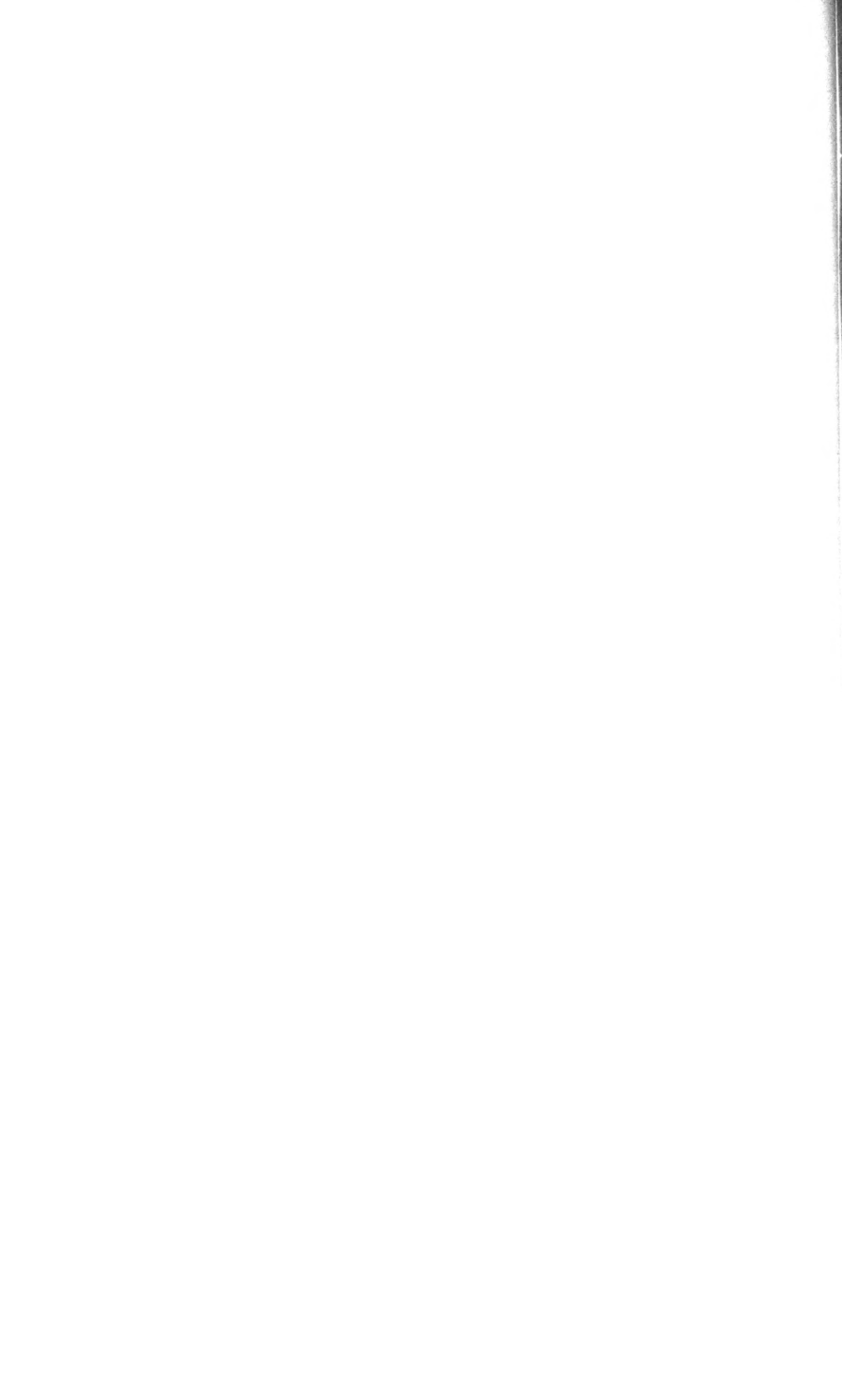
Sheriff may
sell any
lands of
execution
debtor

8. The sheriff to whom a writ of execution against lands is delivered for execution may seize and sell thereunder the lands of the execution debtor, including any lands whereof any other person is seized or possessed in trust for the execution debtor and including any interest of the execution debtor in lands held in joint tenancy.

Short title

5. This Act may be cited as *The Execution Amendment Act, 1957*.

SECTION 4. The words added are intended to make clear the proposition that the interest of the execution debtor in lands held in joint tenancy may be seized and sold by a sheriff under a writ of execution. Whether or not an execution debtor has any "interest" in land held in joint tenancy will depend upon the facts of each particular case.



BILL

An Act to amend The Execution Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 73

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Execution Act

MR. ROBERTS

(Reprinted as amended by the Committee on Legal Bills)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTIONS 1, 2, 3. At the present time a farmer's live stock, implements, etc., are exempt from seizure to the extent of \$600. The effect of these amendments is to increase this exemption to \$2,000. In addition, the general exemption is increased from \$200 to \$600.

BILL

An Act to amend The Execution Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *a* of section 2 of *The Execution Act* is amended by striking out "\$200" in the eleventh line and inserting in lieu thereof "\$600", so that the clause shall read as follows: R.S.O. 1950, c. 120, s. 2, cl. a, amended

- (a) the household furniture, utensils and equipment that are contained in and form part of the permanent home of the debtor, provided that this clause shall not apply to furniture, utensils or equipment purchased for defeating the claims of creditors, and provided further that in the case of a writ issued upon a judgment given upon a claim for clothing, food, fuel or shelter supplied for the debtor or his family the exemption under this clause shall be limited to household furniture, utensils and equipment not exceeding in value \$600.

(2) Clause *e* of the said section 2 is repealed and the following substituted therefor: R.S.O. 1950, c. 120, s. 2, cl. e, re-enacted

- (e) in the case of a debtor other than a person engaged in the tillage of the soil or farming, live stock, fowl, bees, books, tools and implements and other chattels necessary to and actually in use by the debtor in his business, profession or calling, to the extent of \$600;
- (ee) in the case of a person engaged solely in the tillage of the soil or farming, live stock, fowl, bees, books, tools and implements and other chattels necessary to and actually in use by the debtor in his business, profession or calling, to the extent of \$2,000.

2. Section 3 of *The Execution Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 120, s. 3, re-enacted

Right of debtor to part of proceeds of sale of implements

3. The debtor may in lieu of the chattels referred to in clause *ee* of section 2 elect to receive the proceeds of the sale thereof up to \$2,000, in which case the officer executing the writ shall pay the net proceeds of the sale if the same do not exceed \$2,000 or, if the same exceed \$2,000, shall pay that sum to the debtor in satisfaction of the debtor's right to exemption under clause *ee*.

R.S.O. 1950, c. 120, s. 4, amended

3. Section 4 of *The Execution Act* is amended by inserting after "e" in the first line "or *ee*", so that the section shall read as follows:

Money derived from sale of exempted goods

4. The sum to which a debtor is entitled under clause *e* or *ee* of section 2 or under section 3 shall be exempt from attachment or seizure at the instance of a creditor.

R.S.O. 1950, c. 120, s. 8, amended

4. Section 8 of *The Execution Act* is amended by adding at the end thereof "and including any interest of the execution debtor in lands held in joint tenancy", so that the section shall read as follows:

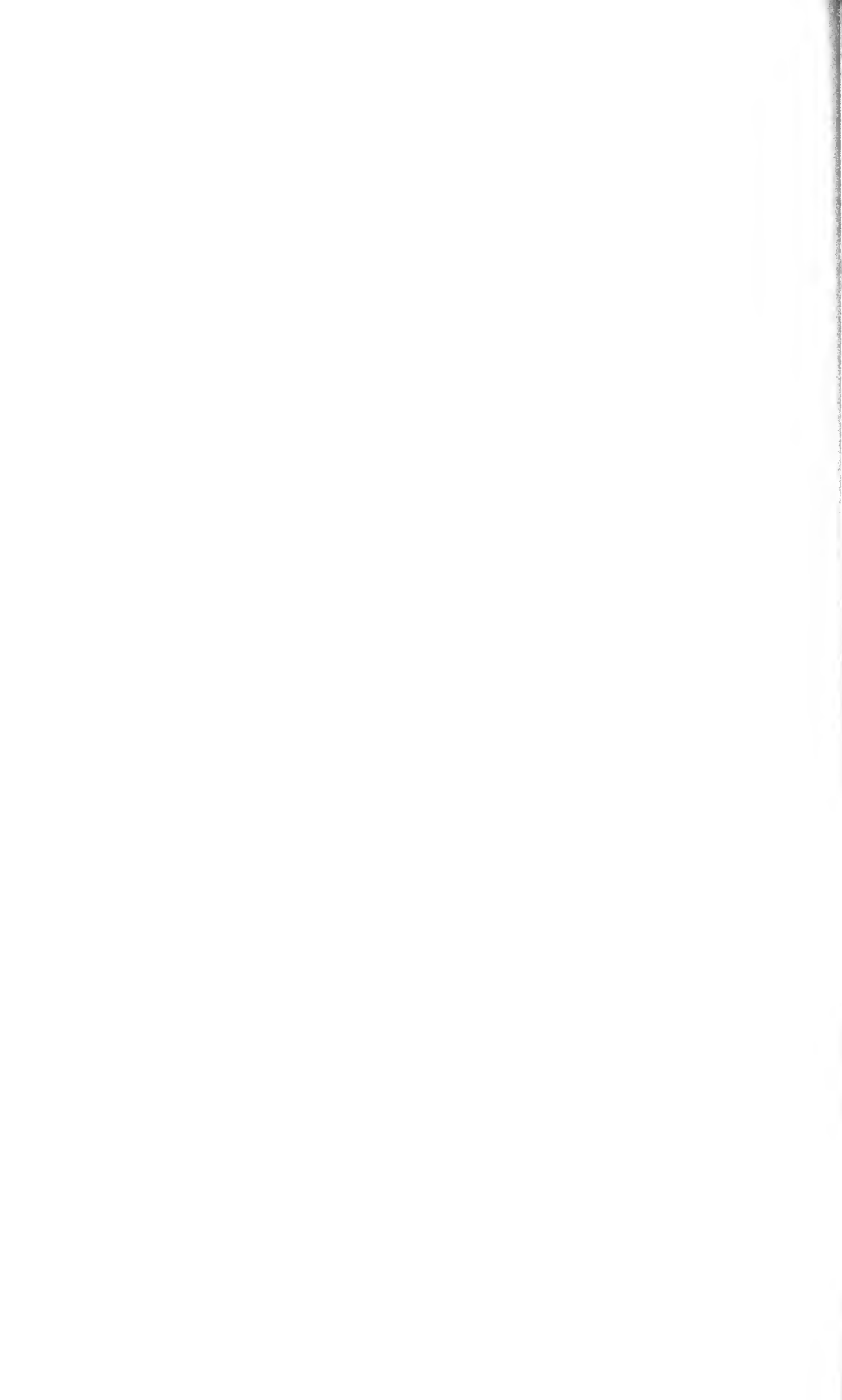
Sheriff may sell any lands of execution debtor

8. The sheriff to whom a writ of execution against lands is delivered for execution may seize and sell thereunder the lands of the execution debtor, including any lands whereof any other person is seized or possessed in trust for the execution debtor and including any interest of the execution debtor in lands held in joint tenancy.

Short title

5. This Act may be cited as *The Execution Amendment Act, 1957*.

SECTION 4. The words added are intended to make clear the proposition that the interest of the execution debtor in lands held in joint tenancy may be seized and sold by a sheriff under a writ of execution. Whether or not an execution debtor has any "interest" in land held in joint tenancy will depend upon the facts of each particular case.





BILL,

An Act to amend The Execution Act

1st Reading

February, 5th, 1957

2nd Reading

February, 20th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee on Legal Bills)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Execution Act

MR. ROBERTS



BILL

An Act to amend The Execution Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *a* of section 2 of *The Execution Act* is amended by striking out “\$200” in the eleventh line and inserting in lieu thereof “\$600”, so that the clause shall read as follows: R.S.O. 1950, c. 120, s. 2, cl. *a*, amended

- (a) the household furniture, utensils and equipment that are contained in and form part of the permanent home of the debtor, provided that this clause shall not apply to furniture, utensils or equipment purchased for defeating the claims of creditors, and provided further that in the case of a writ issued upon a judgment given upon a claim for clothing, food, fuel or shelter supplied for the debtor or his family the exemption under this clause shall be limited to household furniture, utensils and equipment not exceeding in value \$600.

(2) Clause *e* of the said section 2 is repealed and the following substituted therefor: R.S.O. 1950, c. 120, s. 2, cl. *e*, re-enacted

- (e) in the case of a debtor other than a person engaged in the tillage of the soil or farming, live stock, fowl, bees, books, tools and implements and other chattels necessary to and actually in use by the debtor in his business, profession or calling, to the extent of \$600;

- (ee) in the case of a person engaged solely in the tillage of the soil or farming, live stock, fowl, bees, books, tools and implements and other chattels necessary to and actually in use by the debtor in his business, profession or calling, to the extent of \$2,000.

2. Section 3 of *The Execution Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 120, s. 3, re-enacted

Right of
debtor to
part of pro-
ceeds of
sale of
implements

3. The debtor may in lieu of the chattels referred to in clause *ee* of section 2 elect to receive the proceeds of the sale thereof up to \$2,000, in which case the officer executing the writ shall pay the net proceeds of the sale if the same do not exceed \$2,000 or, if the same exceed \$2,000, shall pay that sum to the debtor in satisfaction of the debtor's right to exemption under clause *ee*.

R.S.O. 1950,
c. 120, s. 4,
amended

3. Section 4 of *The Execution Act* is amended by inserting after "*e*" in the first line "or *ee*", so that the section shall read as follows:

Money
derived
from sale of
exempted
goods

4. The sum to which a debtor is entitled under clause *e* or *ee* of section 2 or under section 3 shall be exempt from attachment or seizure at the instance of a creditor.

R.S.O. 1950,
c. 120, s. 8,
amended

4. Section 8 of *The Execution Act* is amended by adding at the end thereof "and including any interest of the execution debtor in lands held in joint tenancy", so that the section shall read as follows:

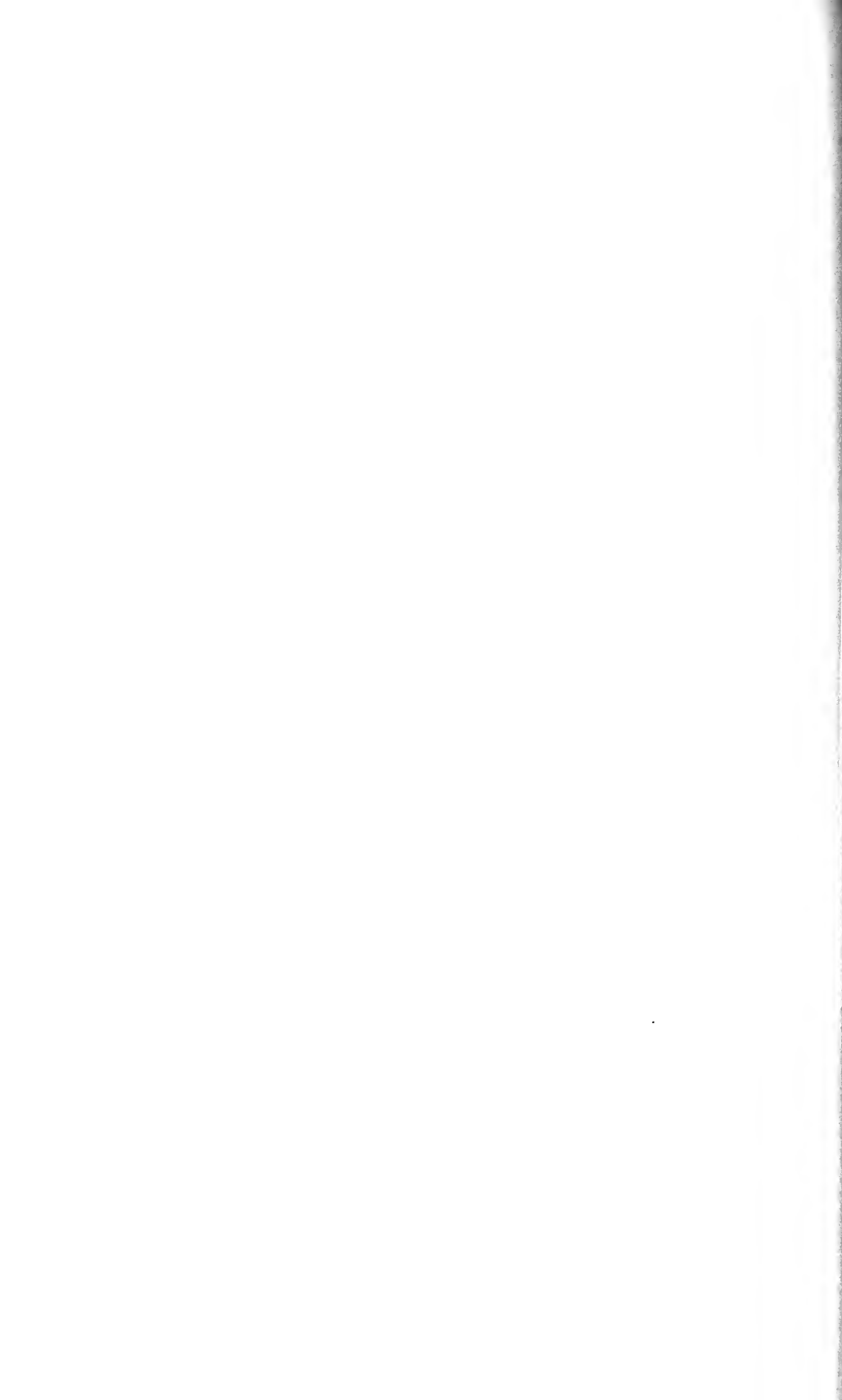
Sheriff may
sell any
lands of
execution
debtor

8. The sheriff to whom a writ of execution against lands is delivered for execution may seize and sell thereunder the lands of the execution debtor, including any lands whereof any other person is seized or possessed in trust for the execution debtor and including any interest of the execution debtor in lands held in joint tenancy.

Short title

5. This Act may be cited as *The Execution Amendment Act, 1957*.







BILL

An Act to amend The Execution Act

1st Reading

February 5th, 1957

2nd Reading

February 20th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 74

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Insurance Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

GENERAL. Sections 4, 5, 6, 8, 9 and 10 are recommended as uniform legislation throughout Canada by the Association of Provincial Superintendents of Insurance.

SECTION 1. The effect of these two amendments is to separate title insurance from guarantee insurance and thus make it possible to license companies that deal only in title insurance.

SECTION 2. These amendments will enable the Superintendent of Insurance to require a larger deposit than the maximum mentioned in the section in cases in which he thinks it desirable so to do in order to provide more adequate protection for the shareholders.

BILL

An Act to amend The Insurance Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 26 of section 1 of *The Insurance Act* is amended by striking out “and includes insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument or to any defect in such title or instrument” in the seventh, eighth, ninth and tenth lines, so that the paragraph shall read as follows:

R.S.O. 1950,
c. 183, s. 1,
par. 26,
amended

26. “guarantee insurance” means the undertaking to perform an agreement or contract or to discharge a trust, duty or obligation upon default of the person liable for such performance or discharge or to pay money upon such default or in lieu of such performance or discharge, or where there is loss or damage through such default, but does not include credit insurance.

(2) The said section 1 is amended by adding thereto the following paragraph:

R.S.O. 1950,
c. 183, s. 1,
amended

60a. “title insurance” means insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument, or to any defect in such title or instrument.

2.—(1) Section 41 of *The Insurance Act* is amended by adding thereto the following subsection:

R.S.O. 1950,
c. 183, s. 41,
amended

(1a) The Superintendent may require the deposit referred to in subsection 1 to be increased, either before or after granting the licence, to such amount as he considers necessary.

Increase
in amount
of deposit

(2) Subsection 2 of the said section 41 is amended by striking out “The maximum deposit required from an insurer shall be \$50,000, but” in the first and second lines, so that the subsection shall read as follows:

R.S.O. 1950,
c. 183, s. 41,
subs. 2,
amended

Excess
deposit

- (2) An insurer may voluntarily make a deposit in excess of the amount prescribed by this section but no part of a voluntary deposit shall be withdrawn without the sanction of the Minister.

R.S.O. 1950,
c. 183, s. 86,
subs. 3,
amended

3. Subsection 3 of section 86 of *The Insurance Act* is amended by adding thereto the following clause:

- (bb) prescribing the limitations and conditions subject to which a licence to an insurer may be issued.

R.S.O. 1950,
c. 183,
amended

4. *The Insurance Act* is amended by adding thereto the following section:

Right to
refund of
premium
on termi-
nation of
contract

- 98a.—(1) Where an insured assigns the right to refund of premium that may accrue by reason of the cancellation or termination of a contract of insurance under the terms thereof and notice of the assignment is given by the assignee to the insurer, the insurer shall pay any such refund to the assignee notwithstanding any condition in the contract, whether prescribed under this Act or not, requiring the refund to be paid to the insured or to accompany any notice of cancellation or termination to the insured.

Idem

- (2) Where the condition in the contract dealing with cancellation or termination by the insurer provides that the refund shall accompany the notice of cancellation or termination, the insurer shall include in the notice a statement that in lieu of payment of the refund in accordance with the condition the refund is being paid to the assignee under this section.

R.S.O. 1950,
c. 183, s. 105
(1956, c. 32,
s. 9), subs. 1,
cl. c,
re-enacted

5. Clause c of subsection 1 of section 105 of *The Insurance Act*, as re-enacted by section 9 of *The Insurance Amendment Act, 1956*, is repealed and the following substituted therefor:

- (c) against explosion (not occasioned by or happening through any of the perils specified in subclause ii of clause a) of natural, coal or manufactured gas in a building not forming part of a gas works, whether fire ensues therefrom or not.

R.S.O. 1950,
c. 183, s. 197,
subss. 2, 3,
repealed

- 6.—(1) Subsections 2 and 3 of section 197 of *The Insurance Act* are repealed.

R.S.O. 1950,
c. 183, s. 197,
stat. con. 4
(1951, c. 39,
s. 9, subs. 3),
re-enacted

- (2) Statutory condition 4 in the said section 197, as re-enacted by subsection 3 of section 9 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor:

SECTION 3. The new clause will enable a regulation to be made prescribing the limitations and conditions which may be attached to insurers' licences.

SECTION 4. In the event of the cancellation of an insurance policy under the present law the insurer must refund any unearned premium to the insured.

The new section 98*a* is designed to enable the insurer to pay such a refund to a person to whom it has been assigned by the insured.

The re-enacted clause is designed to broaden the coverage for "explosion" under fire insurance policies by removing the reference to "gas used for domestic purposes" and by removing the limiting words "explosion due to ignition".

SECTION 6—Subsection 1. See note to section 8 of this bill.

Subsection 2. Under the present law applicable to motor vehicle liability policies there is a prohibition against the insured using a trailer hired by him as well as a trailer owned by him. Under statutory condition 4 as re-enacted the present prohibition against the insured using a trailer which is hired by him is removed thus giving the insured broader coverage.

SECTION 7. Self-explanatory.

SECTION 8. The repeal of subsections 2 and 3 of section 197 of the Act by subsection 1 of section 6 of this bill and the re-enactment of section 213 of the Act by this section of this bill are designed to simplify the situation in which the Superintendent of Insurance may approve special forms of automobile insurance policies to cover special cases.

Trailers

4. Unless otherwise provided in this policy, in respect of the indemnity provided therein against liability for loss or damage to persons or property,

- (a) an automobile covered by the policy shall not be used for towing a trailer owned by the insured unless like indemnity is also provided by the insurer in respect of the trailer; and
- (b) a trailer covered by the policy shall not be towed by an automobile owned by the insured unless like indemnity is also provided by the insurer in respect of the automobile.

7. Section 211 of *The Insurance Act* is amended by striking out "\$5,000" in the second line and inserting in lieu thereof "\$10,000", by striking out "\$10,000" in the sixth line and inserting in lieu thereof "\$20,000" and by striking out "\$1,000" in the ninth line and inserting in lieu thereof "\$5,000", so that the section shall read as follows:

211. Every owner's policy and driver's policy shall insure, in case of bodily injury or death, to the limit of at least \$10,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or the death of any one person, and, subject to such limit, for any one person so injured or killed, of at least \$20,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or death of two or more persons in any one accident, or, in case of property damage, to the limit of at least \$5,000 (exclusive of interest and costs) for damage to property resulting from any one accident.

8. Section 213 of *The Insurance Act*, as amended by section 16 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor:

213.—(1) Where any provision of this Part, including any statutory condition, is wholly or partly inapplicable by reason of the requirements of any Act or, in the opinion of the Superintendent, is unsuitable to any special form of contract, he may approve a form of policy sufficient or appropriate to insure the risks required or proposed to be insured.

(2) Where a form of policy is so approved, the Superintendent shall specify in writing the statutory condition or other provision to which subsection 1 refers and send a copy of the writing to the insurer, and thereafter the contract in the form so approved shall have effect according to its terms notwithstanding that those terms conflict with or omit the condition or other provision so specified.

R.S.O. 1950, c. 183, s. 226k (1956, c. 32, s. 17), amended

9. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956*, is amended by striking out "the" where it occurs the first time in the third line and inserting in lieu thereof "a", so that the section shall read as follows:

Presumption of death

226k. Where a contract provides for the payment of moneys upon the death by accident of the person insured and the person insured and a beneficiary perish in the same disaster, it shall be *prima facie* presumed that the beneficiary died first.

Application of R.S.O. 1950, c. 183, s. 226k

10. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956* and amended by section 9 of this Act, applies to contracts in effect on the day it comes into force.

Commencement

11. Section 5, subsection 2 of section 6 and sections 7 and 9 come into force on a day to be named by the Lieutenant-Governor by his Proclamation.

Short title

12. This Act may be cited as *The Insurance Amendment Act, 1957*.

SECTION 9. This amendment is designed to provide for the case where more than one beneficiary perishes in the same disaster as the insured.

SECTION 10. Self-explanatory.





BILL

An Act to amend
The Insurance Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Insurance Act

MR. ROBERTS

(Reprinted as amended by the Committee on Legal Bills)

EXPLANATORY NOTES

GENERAL. Sections 4, 5, 6, 8, 9 and 10 are recommended as uniform legislation throughout Canada by the Association of Provincial Superintendents of Insurance.

SECTION 1. The effect of these two amendments is to separate title insurance from guarantee insurance and thus make it possible to license companies that deal only in title insurance.

SECTION 2. These amendments will enable the Superintendent of Insurance to require a larger deposit than the maximum mentioned in the section in cases in which he thinks it desirable so to do in order to provide more adequate protection for the shareholders.

BILL

An Act to amend The Insurance Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 26 of section 1 of *The Insurance Act* is amended by striking out “and includes insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument or to any defect in such title or instrument” in the seventh, eighth, ninth and tenth lines, so that the paragraph shall read as follows:

R.S.O. 1950,
c. 183, s. 1,
par. 26,
amended

26. “guarantee insurance” means the undertaking to perform an agreement or contract or to discharge a trust, duty or obligation upon default of the person liable for such performance or discharge or to pay money upon such default or in lieu of such performance or discharge, or where there is loss or damage through such default, but does not include credit insurance.

(2) The said section 1 is amended by adding thereto the following paragraph:

R.S.O. 1950,
c. 183, s. 1,
amended

60a. “title insurance” means insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument, or to any defect in such title or instrument.

2.—(1) Section 41 of *The Insurance Act* is amended by adding thereto the following subsection:

R.S.O. 1950,
c. 183, s. 41,
amended

(1a) The Superintendent may require the deposit referred to in subsection 1 to be increased, either before or after granting the licence, to such amount as he considers necessary.

Increase
in amount
of deposit

(2) Subsection 2 of the said section 41 is amended by striking out “The maximum deposit required from an insurer shall be \$50,000, but” in the first and second lines, so that the subsection shall read as follows:

R.S.O. 1950,
c. 183, s. 41,
subs. 2,
amended

Excess deposit

- (2) An insurer may voluntarily make a deposit in excess of the amount prescribed by this section but no part of a voluntary deposit shall be withdrawn without the sanction of the Minister.

R.S.O. 1950,
c. 183, s. 86,
subs. 3,
amended

3. Subsection 3 of section 86 of *The Insurance Act* is amended by adding thereto the following clause:

- (bb) prescribing the limitations and conditions subject to which a licence to an insurer may be issued.

R.S.O. 1950,
c. 183,
amended

4. *The Insurance Act* is amended by adding thereto the following section:

Right to
refund of
premium
on termi-
nation of
contract

- 98a.—(1) Where an insured assigns the right to refund of premium that may accrue by reason of the cancellation or termination of a contract of insurance under the terms thereof and notice of the assignment is given by the assignee to the insurer, the insurer shall pay any such refund to the assignee notwithstanding any condition in the contract, whether prescribed under this Act or not, requiring the refund to be paid to the insured or to accompany any notice of cancellation or termination to the insured.

Idem

- (2) Where the condition in the contract dealing with cancellation or termination by the insurer provides that the refund shall accompany the notice of cancellation or termination, the insurer shall include in the notice a statement that in lieu of payment of the refund in accordance with the condition the refund is being paid to the assignee under this section.

R.S.O. 1950,
c. 183, s. 105
(1956, c. 32,
s. 9), subs. 1,
cl. c,
re-enacted

5. Clause *c* of subsection 1 of section 105 of *The Insurance Act*, as re-enacted by section 9 of *The Insurance Amendment Act, 1956*, is repealed and the following substituted therefor:

- (c) against explosion (not occasioned by or happening through any of the perils specified in subclause ii of clause *a*) of natural, coal or manufactured gas in a building not forming part of a gas works, whether fire ensues therefrom or not.

R.S.O. 1950,
c. 183, s. 197,
subs. 1,
amended

- 6.—(1) Subsection 1 of section 197 of *The Insurance Act* is amended by striking out "Subject to subsections 2 and 3 and sections 198 and 216" in the first and second lines and inserting in lieu thereof "Subject to sections 198, 213 and 216", so that the subsection, exclusive of the clauses, shall read as follows:

Statutory
conditions

- (1) Subject to sections 198, 213 and 216,

SECTION 3. The new clause will enable a regulation to be made prescribing the limitations and conditions which may be attached to insurers' licences.

SECTION 4. In the event of the cancellation of an insurance policy under the present law the insurer must refund any unearned premium to the insured.

The new section 98*a* is designed to enable the insurer to pay such a refund to a person to whom it has been assigned by the insured.

The re-enacted clause is designed to broaden the coverage for "explosion" under fire insurance policies by removing the reference to "gas used for domestic purposes" and by removing the limiting words "explosion due to ignition".

SECTION 6—Subsection 1. The cross references are brought up to date.

Subsection 2. See note to section 8 of this bill.

Subsection 3. Under the present law applicable to motor vehicle liability policies there is a prohibition against the insured using a trailer hired by him as well as a trailer owned by him. Under statutory condition 4 as re-enacted the present prohibition against the insured using a trailer which is hired by him is removed thus giving the insured broader coverage.

SECTION 7. Self-explanatory.

SECTION 8. The repeal of subsections 2 and 3 of section 197 of the Act by subsection 1 of section 6 of this bill and the re-enactment of section 213 of the Act by this section of this bill are designed to simplify the situation in which the Superintendent of Insurance may approve special forms of automobile insurance policies to cover special cases.

(2) Subsections 2 and 3 of the said section 197 are repealed. R.S.O. 1950, c. 183, s. 197, subss. 2, 3, repealed

(3) Statutory condition 4 in the said section 197, as re-enacted by subsection 3 of section 9 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor: R.S.O. 1950, c. 183, s. 197, stat. con. 4 (1951, c. 39, s. 9, subss. 3), re-enacted

Trailers 4. Unless otherwise provided in this policy, in respect of the indemnity provided therein against liability for loss or damage to persons or property,

- (a) an automobile covered by the policy shall not be used for towing a trailer owned by the insured unless like indemnity is also provided by the insurer in respect of the trailer; and
- (b) a trailer covered by the policy shall not be towed by an automobile owned by the insured unless like indemnity is also provided by the insurer in respect of the automobile.

7. Section 211 of *The Insurance Act* is amended by striking out "\$5,000" in the second line and inserting in lieu thereof "\$10,000", by striking out "\$10,000" in the sixth line and inserting in lieu thereof "\$20,000" and by striking out "\$1,000" in the ninth line and inserting in lieu thereof "\$5,000", so that the section shall read as follows: R.S.O. 1950, c. 183, s. 211, amended

211. Every owner's policy and driver's policy shall insure, in case of bodily injury or death, to the limit of at least \$10,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or the death of any one person, and, subject to such limit, for any one person so injured or killed, of at least \$20,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or death of two or more persons in any one accident, or, in case of property damage, to the limit of at least \$5,000 (exclusive of interest and costs) for damage to property resulting from any one accident. Minimum liability under policy

8. Section 213 of *The Insurance Act*, as amended by section 16 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor: R.S.O. 1950, c. 183, s. 213, re-enacted

213.—(1) Where any provision of this Part, including any statutory condition, is wholly or partly inapplicable by reason of the requirements of any Act or, in the opinion of the Superintendent, is unsuitable to any special form of contract, he may approve a form of policy sufficient or appropriate to insure the risks required or proposed to be insured. Approval of policies in specified cases

(2) Where a form of policy is so approved, the Superintendent shall specify in writing the statutory condition or other provision to which subsection 1 refers Idem

and send a copy of the writing to the insurer, and thereafter the contract in the form so approved shall have effect according to its terms notwithstanding that those terms conflict with or omit the condition or other provision so specified.

R.S.O. 1950, c. 183, s. 226k (1956, c. 32, s. 17), amended

9. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956*, is amended by striking out "the" where it occurs the first time in the third line and inserting in lieu thereof "a", so that the section shall read as follows:

Presumption of death

226k. Where a contract provides for the payment of moneys upon the death by accident of the person insured and the person insured and a beneficiary perish in the same disaster, it shall be *prima facie* presumed that the beneficiary died first.

Application of R.S.O. 1950, c. 183, s. 226k

10. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956* and amended by section 9 of this Act, applies to contracts in effect on the day it comes into force.

Commencement

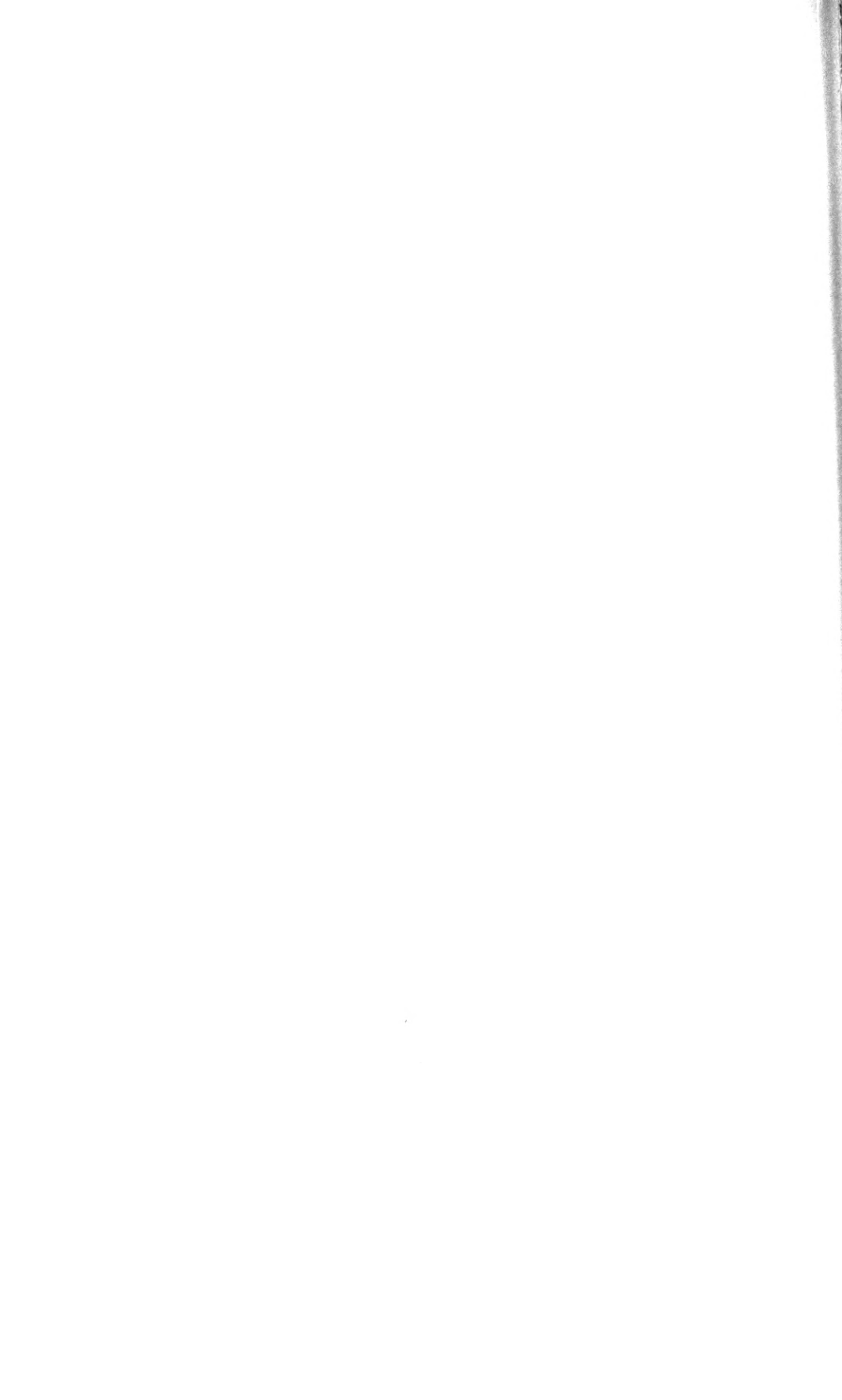
11. Section 5, subsection 2 of section 6 and sections 7 and 9 come into force on a day to be named by the Lieutenant-Governor by his Proclamation.

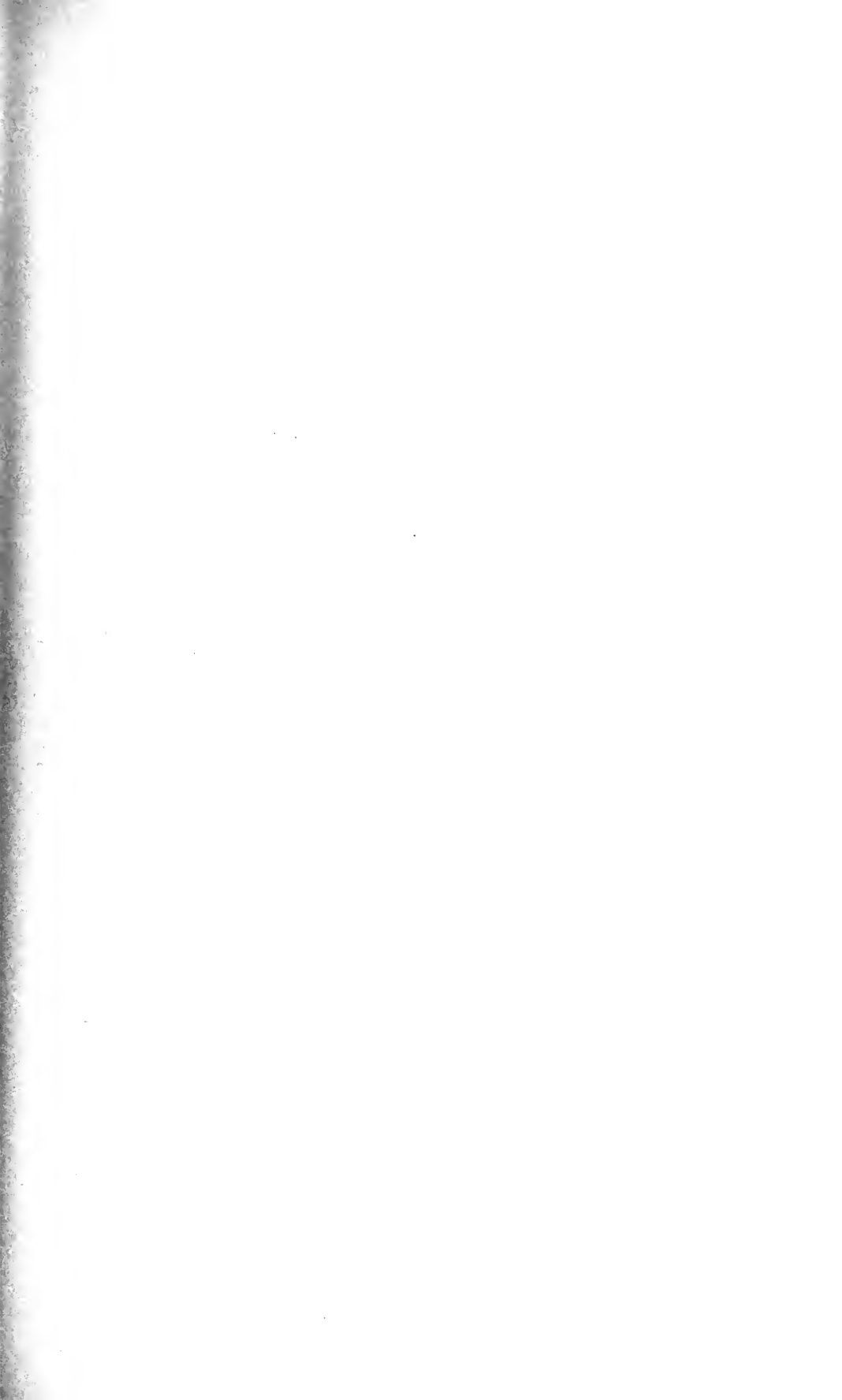
Short title

12. This Act may be cited as *The Insurance Amendment Act, 1957*.

SECTION 9. This amendment is designed to provide for the case where more than one beneficiary perishes in the same disaster as the insured.

SECTION 10. Self-explanatory.





BILL

An Act to amend
The Insurance Act

1st Reading

February 5th, 1957

2nd Reading

February 20th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee on Legal Bills)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Insurance Act

MR. ROBERTS

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

GENERAL. Sections 4, 5, 6, 8, 9 and 10 are recommended as uniform legislation throughout Canada by the Association of Provincial Superintendents of Insurance.

SECTION 1. The effect of these two amendments is to separate title insurance from guarantee insurance and thus make it possible to license companies that deal only in title insurance.

SECTION 2. These amendments will enable the Superintendent of Insurance to require a larger deposit than the maximum mentioned in the section in cases in which he thinks it desirable so to do in order to provide more adequate protection for the shareholders.

BILL

An Act to amend The Insurance Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 26 of section 1 of *The Insurance Act* is amended by striking out “and includes insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument or to any defect in such title or instrument” in the seventh, eighth, ninth and tenth lines, so that the paragraph shall read as follows:

R.S.O. 1950,
c. 183, s. 1,
par. 26,
amended

26. “guarantee insurance” means the undertaking to perform an agreement or contract or to discharge a trust, duty or obligation upon default of the person liable for such performance or discharge or to pay money upon such default or in lieu of such performance or discharge, or where there is loss or damage through such default, but does not include credit insurance.

(2) The said section 1 is amended by adding thereto the following paragraph:

R.S.O. 1950,
c. 183, s. 1,
amended

60a. “title insurance” means insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument, or to any defect in such title or instrument.

2.—(1) Section 41 of *The Insurance Act* is amended by adding thereto the following subsection:

R.S.O. 1950,
c. 183, s. 41,
amended

(1a) The Superintendent may require the deposit referred to in subsection 1 to be increased, either before or after granting the licence, to such amount as he considers necessary.

Increase
in amount
of deposit

(2) Subsection 2 of the said section 41 is amended by striking out “The maximum deposit required from an insurer shall be \$50,000, but” in the first and second lines, so that the subsection shall read as follows:

R.S.O. 1950,
c. 183, s. 41,
subs. 2,
amended

Excess
deposit

- (2) An insurer may voluntarily make a deposit in excess of the amount prescribed by this section but no part of a voluntary deposit shall be withdrawn without the sanction of the Minister.

R.S.O. 1950,
c. 183, s. 86,
subs. 3,
amended

3. Subsection 3 of section 86 of *The Insurance Act* is amended by adding thereto the following clause:

- (bb) prescribing the limitations and conditions subject to which a licence to an insurer may be issued.

R.S.O. 1950,
c. 183,
amended

4. *The Insurance Act* is amended by adding thereto the following section:

Right to
refund of
premium
on termi-
nation of
contract

- 98a.—(1) Where an insured assigns the right to refund of premium that may accrue by reason of the cancellation or termination of a contract of insurance under the terms thereof and notice of the assignment is given by the assignee to the insurer, the insurer shall pay any such refund to the assignee notwithstanding any condition in the contract, whether prescribed under this Act or not, requiring the refund to be paid to the insured or to accompany any notice of cancellation or termination to the insured.

Idem

- (2) Where the condition in the contract dealing with cancellation or termination by the insurer provides that the refund shall accompany the notice of cancellation or termination, the insurer shall include in the notice a statement that in lieu of payment of the refund in accordance with the condition the refund is being paid to the assignee under this section.

R.S.O. 1950,
c. 183, s. 105
(1956, c. 32,
s. 9), subs. 1,
cl. c,
re-enacted

5. Clause *c* of subsection 1 of section 105 of *The Insurance Act*, as re-enacted by section 9 of *The Insurance Amendment Act, 1956*, is repealed and the following substituted therefor:

- (c) against explosion (not occasioned by or happening through any of the perils specified in subclause ii of clause *a*) of natural, coal or manufactured gas in a building not forming part of a gas works, whether fire ensues therefrom or not.

R.S.O. 1950,
c. 183, s. 197,
subs. 1,
amended

- 6.—(1) Subsection 1 of section 197 of *The Insurance Act* is amended by striking out "Subject to subsections 2 and 3 and sections 198 and 216" in the first and second lines and inserting in lieu thereof "Subject to sections 198, 213 and 216", so that the subsection, exclusive of the clauses, shall read as follows:

Statutory
conditions

- (1) Subject to sections 198, 213 and 216,

SECTION 3. The new clause will enable a regulation to be made prescribing the limitations and conditions which may be attached to insurers' licences.

SECTION 4. In the event of the cancellation of an insurance policy under the present law the insurer must refund any unearned premium to the insured.

The new section 98a is designed to enable the insurer to pay such a refund to a person to whom it has been assigned by the insured.

The re-enacted clause is designed to broaden the coverage for "explosion" under fire insurance policies by removing the reference to "gas used for domestic purposes" and by removing the limiting words "explosion due to ignition".

SECTION 6—Subsection 1. The cross references are brought up to date.

Subsection 2. See note to section 8 of this bill.

Subsection 3. Under the present law applicable to motor vehicle liability policies there is a prohibition against the insured using a trailer hired by him as well as a trailer owned by him. Under statutory condition 4 as re-enacted the present prohibition against the insured using a trailer which is hired by him is removed thus giving the insured broader coverage.

SECTION 7. Self-explanatory.

SECTION 8. The repeal of subsections 2 and 3 of section 197 of the Act by subsection 1 of section 6 of this bill and the re-enactment of section 213 of the Act by this section of this bill are designed to simplify the situation in which the Superintendent of Insurance may approve special forms of automobile insurance policies to cover special cases.

(2) Subsections 2 and 3 of the said section 197 are repealed.

R.S.O. 1950, c. 183, s. 197, subs. 2, 3, repealed

(3) Statutory condition 4 in the said section 197, as re-enacted by subsection 3 of section 9 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor:

R.S.O. 1950, c. 183, s. 197, stat. con. 4 (1951, c. 39, s. 9, subs. 3), re-enacted

Trailers

4. Unless otherwise provided in this policy, in respect of the indemnity provided therein against liability for loss or damage to persons or property,

- (a) an automobile covered by the policy shall not be used for towing a trailer owned by the insured unless like indemnity is also provided by the insurer in respect of the trailer; and
- (b) a trailer covered by the policy shall not be towed by an automobile owned by the insured unless like indemnity is also provided by the insurer in respect of the automobile.

7.—(1) Section 211 of *The Insurance Act* is amended by striking out “\$5,000” in the second line and inserting in lieu thereof “\$10,000”, by striking out “\$10,000” in the sixth line and inserting in lieu thereof “\$20,000” and by striking out “\$1,000” in the ninth line and inserting in lieu thereof “\$5,000”, so that the section shall read as follows:

R.S.O. 1950, c. 183, s. 211, amended

211. Every owner's policy and driver's policy shall insure, in case of bodily injury or death, to the limit of at least \$10,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or the death of any one person, and, subject to such limit, for any one person so injured or killed, of at least \$20,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or death of two or more persons in any one accident, or, in case of property damage, to the limit of at least \$5,000 (exclusive of interest and costs) for damage to property resulting from any one accident.

Minimum liability under policy

(2) Section 211 of *The Insurance Act*, as amended by subsection 1, applies to every owner's policy and every driver's policy within the meaning of Part VI of *The Insurance Act* that is written or renewed effective on or after the 1st day of May, 1957.

Application of sec. 211 as amended R.S.O. 1950, c. 183

8. Section 213 of *The Insurance Act*, as amended by section 16 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor:

R.S.O. 1950, c. 183, s. 213, re-enacted

213.—(1) Where any provision of this Part, including any statutory condition, is wholly or partly inapplicable by reason of the requirements of any Act or, in the opinion of the Superintendent, is unsuitable to any special form of contract, he may

Approval of policies in specified cases

approve a form of policy sufficient or appropriate to insure the risks required or proposed to be insured.

Idem

- (2) Where a form of policy is so approved, the Superintendent shall specify in writing the statutory condition or other provision to which subsection 1 refers and send a copy of the writing to the insurer, and thereafter the contract in the form so approved shall have effect according to its terms notwithstanding that those terms conflict with or omit the condition or other provision so specified.

R.S.O. 1950,
c. 183,
s. 226k
(1956, c. 32,
s. 17),
amended

9. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956*, is amended by striking out "the" where it occurs the first time in the third line and inserting in lieu thereof "a", so that the section shall read as follows:

Presumption
of death

226k. Where a contract provides for the payment of moneys upon the death by accident of the person insured and the person insured and a beneficiary perish in the same disaster, it shall be *prima facie* presumed that the beneficiary died first.

Application
of R.S.O.
1950, c. 183,
s. 226k

10. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956* and amended by section 9 of this Act, applies to contracts in effect on the day it comes into force.

Commence-
ment

11. (1) Section 7 comes into force on the day this Act receives Royal Assent.

Idem

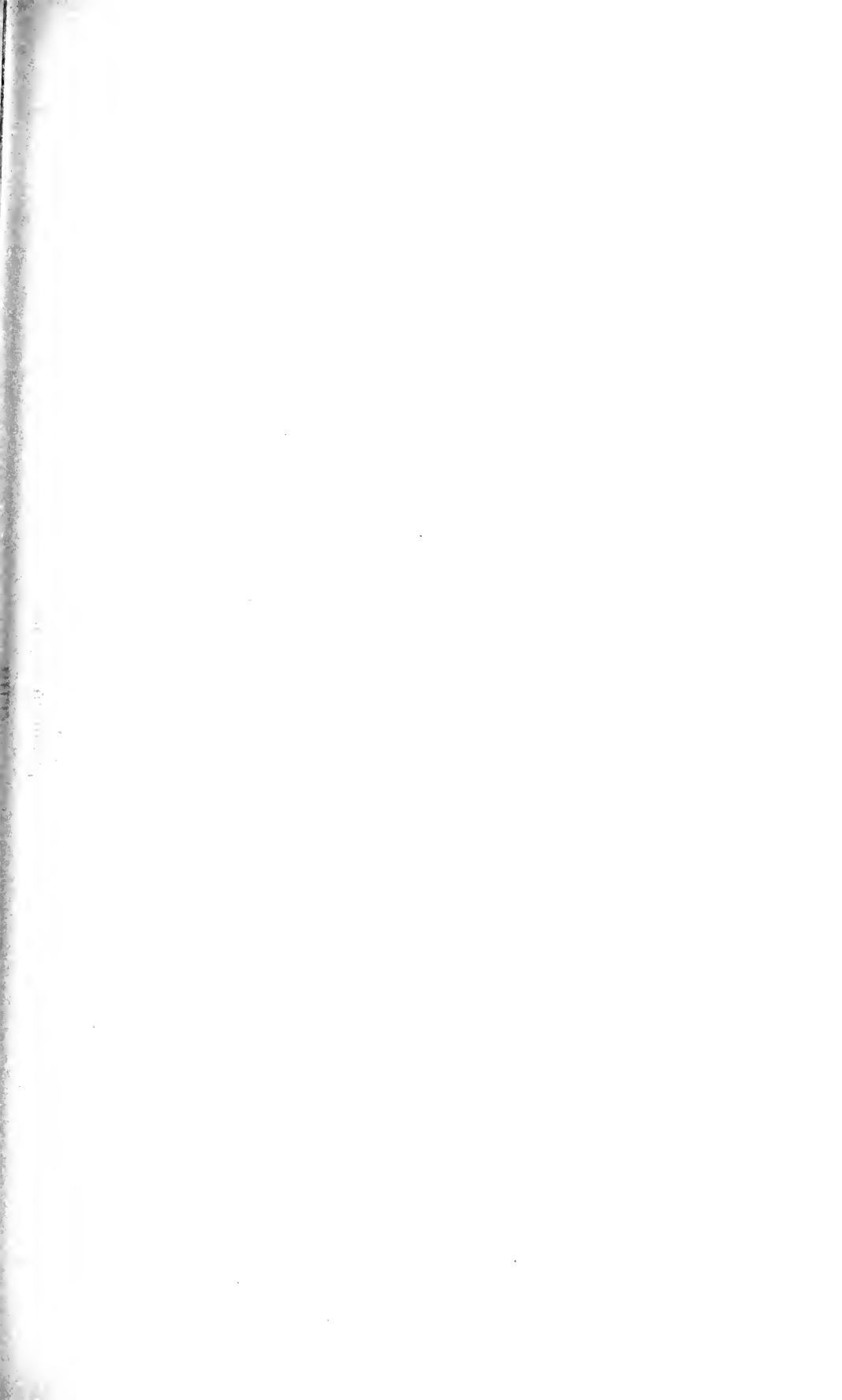
(2) Section 5, subsection 3 of section 6 and section 9 come into force on a day to be named by the Lieutenant-Governor by his Proclamation.

Short title

12. This Act may be cited as *The Insurance Amendment Act, 1957*.

SECTION 9. This amendment is designed to provide for the case where more than one beneficiary perishes in the same disaster as the insured.

SECTION 10. Self-explanatory.



BILL

An Act to amend
The Insurance Act

1st Reading

February 5th, 1957

2nd Reading

February 20th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee of the Whole House)*

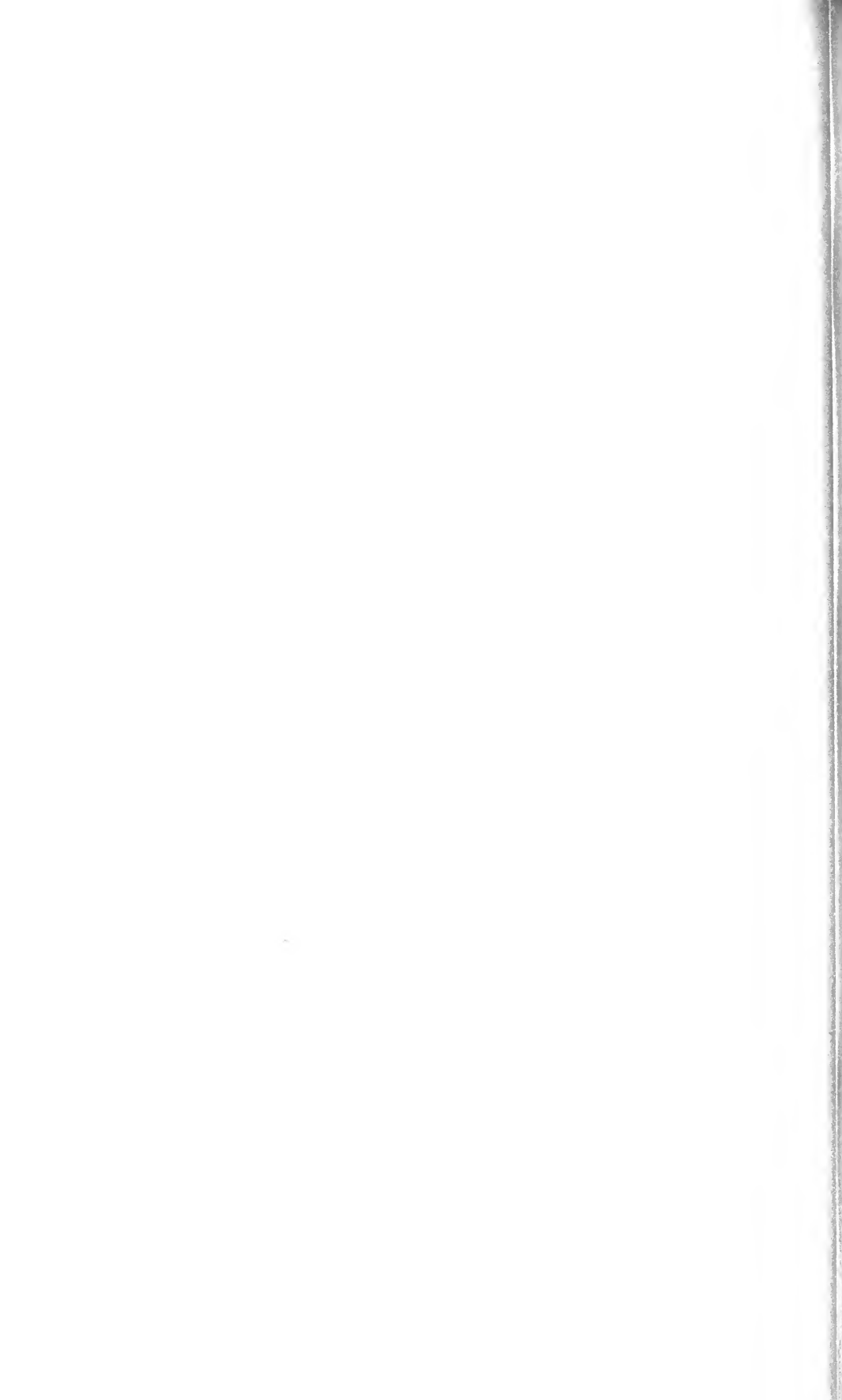
No. 74

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Insurance Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Insurance Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Paragraph 26 of section 1 of *The Insurance Act* is amended by striking out “and includes insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument or to any defect in such title or instrument” in the seventh, eighth, ninth and tenth lines, so that the paragraph shall read as follows: R.S.O. 1950, c. 183, s. 1, par. 26, amended

26. “guarantee insurance” means the undertaking to perform an agreement or contract or to discharge a trust, duty or obligation upon default of the person liable for such performance or discharge or to pay money upon such default or in lieu of such performance or discharge, or where there is loss or damage through such default, but does not include credit insurance.

(2) The said section 1 is amended by adding thereto the following paragraph: R.S.O. 1950, c. 183, s. 1, amended

60a. “title insurance” means insurance against loss or liability for loss due to the invalidity of the title to any property or of any instrument, or to any defect in such title or instrument.

2.—(1) Section 41 of *The Insurance Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 183, s. 41, amended

(1a) The Superintendent may require the deposit referred to in subsection 1 to be increased, either before or after granting the licence, to such amount as he considers necessary. Increase in amount of deposit

(2) Subsection 2 of the said section 41 is amended by striking out “The maximum deposit required from an insurer shall be \$50,000, but” in the first and second lines, so that the subsection shall read as follows: R.S.O. 1950, c. 183, s. 41, subs. 2, amended

Excess
deposit

- (2) An insurer may voluntarily make a deposit in excess of the amount prescribed by this section but no part of a voluntary deposit shall be withdrawn without the sanction of the Minister.

R.S.O. 1950,
c. 183, s. 86,
subs. 3,
amended

3. Subsection 3 of section 86 of *The Insurance Act* is amended by adding thereto the following clause:

- (bb) prescribing the limitations and conditions subject to which a licence to an insurer may be issued.

R.S.O. 1950,
c. 183,
amended

4. *The Insurance Act* is amended by adding thereto the following section:

Right to
refund of
premium
on termi-
nation of
contract

- 98a.—(1) Where an insured assigns the right to refund of premium that may accrue by reason of the cancellation or termination of a contract of insurance under the terms thereof and notice of the assignment is given by the assignee to the insurer, the insurer shall pay any such refund to the assignee notwithstanding any condition in the contract, whether prescribed under this Act or not, requiring the refund to be paid to the insured or to accompany any notice of cancellation or termination to the insured.

Idem

- (2) Where the condition in the contract dealing with cancellation or termination by the insurer provides that the refund shall accompany the notice of cancellation or termination, the insurer shall include in the notice a statement that in lieu of payment of the refund in accordance with the condition the refund is being paid to the assignee under this section.

R.S.O. 1950,
c. 183, s. 105
(1956, c. 32,
s. 9), subs. 1,
cl. c,
re-enacted

5. Clause *c* of subsection 1 of section 105 of *The Insurance Act*, as re-enacted by section 9 of *The Insurance Amendment Act, 1956*, is repealed and the following substituted therefor:

- (c) against explosion (not occasioned by or happening through any of the perils specified in subclause ii of clause *a*) of natural, coal or manufactured gas in a building not forming part of a gas works, whether fire ensues therefrom or not.

R.S.O. 1950,
c. 183, s. 197,
subs. 1,
amended

- 6.—(1) Subsection 1 of section 197 of *The Insurance Act* is amended by striking out "Subject to subsections 2 and 3 and sections 198 and 216" in the first and second lines and inserting in lieu thereof "Subject to sections 198, 213 and 216", so that the subsection, exclusive of the clauses, shall read as follows:

Statutory
conditions

- (1) Subject to sections 198, 213 and 216,

(2) Subsections 2 and 3 of the said section 197 are repealed.

R.S.O. 1950, c. 183, s. 197, subss. 2, 3, repealed

(3) Statutory condition 4 in the said section 197, as enacted by subsection 3 of section 9 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor:

R.S.O. 1950, c. 183, s. 197, stat. con. 4 (1951, c. 39, s. 9, subss. 3), re-enacted

Trailers

4. Unless otherwise provided in this policy, in respect of the indemnity provided therein against liability for loss or damage to persons or property,

- (a) an automobile covered by the policy shall not be used for towing a trailer owned by the insured unless like indemnity is also provided by the insurer in respect of the trailer; and
- (b) a trailer covered by the policy shall not be towed by an automobile owned by the insured unless like indemnity is also provided by the insurer in respect of the automobile.

7.—(1) Section 211 of *The Insurance Act* is amended by striking out “\$5,000” in the second line and inserting in lieu thereof “\$10,000”, by striking out “\$10,000” in the sixth line and inserting in lieu thereof “\$20,000” and by striking out “\$1,000” in the ninth line and inserting in lieu thereof “\$5,000”, so that the section shall read as follows:

R.S.O. 1950, c. 183, s. 211, amended

211. Every owner’s policy and driver’s policy shall insure, in case of bodily injury or death, to the limit of at least \$10,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or the death of any one person, and, subject to such limit, for any one person so injured or killed, of at least \$20,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or death of two or more persons in any one accident, or, in case of property damage, to the limit of at least \$5,000 (exclusive of interest and costs) for damage to property resulting from any one accident.

Minimum liability under policy

(2) Section 211 of *The Insurance Act*, as amended by subsection 1, applies to every owner’s policy and every driver’s policy within the meaning of Part VI of *The Insurance Act* that is written or renewed effective on or after the 1st day of May, 1957.

Application of sec. 211 as amended R.S.O. 1950, c. 183

8. Section 213 of *The Insurance Act*, as amended by section 16 of *The Insurance Amendment Act, 1951*, is repealed and the following substituted therefor:

R.S.O. 1950, c. 183, s. 213, re-enacted

213.—(1) Where any provision of this Part, including any statutory condition, is wholly or partly inapplicable by reason of the requirements of any Act or, in the opinion of the Superintendent, is unsuitable to any special form of contract, he may

Approval of policies in specified cases

approve a form of policy sufficient or appropriate to insure the risks required or proposed to be insured.

Idem

- (2) Where a form of policy is so approved, the Superintendent shall specify in writing the statutory condition or other provision to which subsection 1 refers and send a copy of the writing to the insurer, and thereafter the contract in the form so approved shall have effect according to its terms notwithstanding that those terms conflict with or omit the condition or other provision so specified.

R.S.O. 1950,
o. 183,
s. 226k
(1956, c. 32,
s. 17),
amended

9. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956*, is amended by striking out "the" where it occurs the first time in the third line and inserting in lieu thereof "a", so that the section shall read as follows:

Presumption
of death

226k. Where a contract provides for the payment of moneys upon the death by accident of the person insured and the person insured and a beneficiary perish in the same disaster, it shall be *prima facie* presumed that the beneficiary died first.

Application
of R.S.O.
1950, c. 183,
s. 226k

10. Section 226k of *The Insurance Act*, as enacted by section 17 of *The Insurance Amendment Act, 1956* and amended by section 9 of this Act, applies to contracts in effect on the day it comes into force.

Commence-
ment

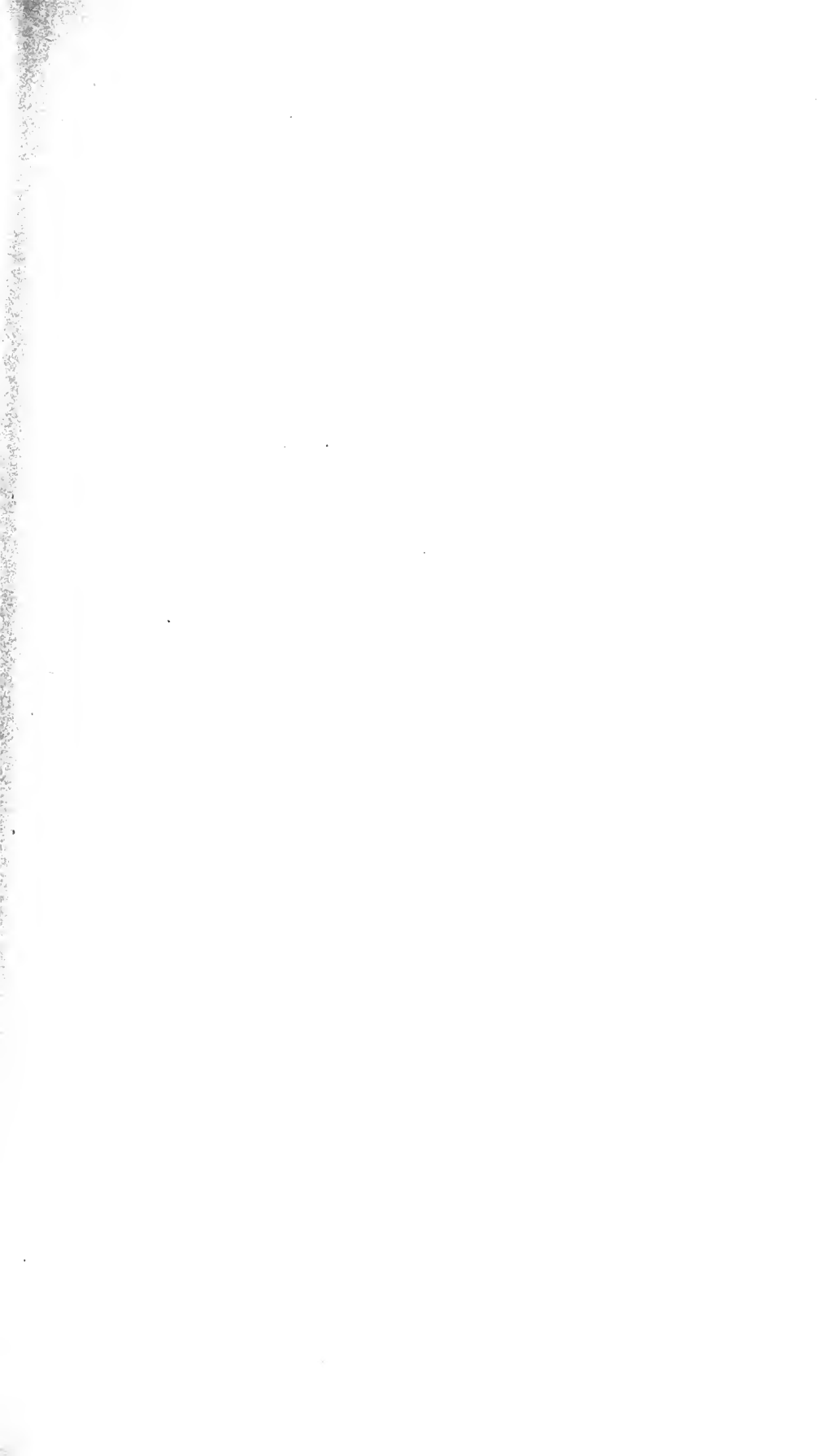
11.—(1) Section 7 comes into force on the day this Act receives Royal Assent.

Idem

(2) Section 5, subsection 3 of section 6 and section 9 come into force on a day to be named by the Lieutenant-Governor by his Proclamation.

Short title

12. This Act may be cited as *The Insurance Amendment Act, 1957*.



An Act to amend
The Insurance Act

1st Reading

February 5th, 1957

2nd Reading

February 20th, 1957

3rd Reading

March 22nd, 1957

Mr. ROBERTS

No. 75

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Land Titles Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The purpose of this amendment is to draw attention to the fact that land in the land titles system is subject to the subdivision control area provisions of *The Planning Act, 1955*.

SECTION 2. The provision repealed states that where a charge that contains a power of sale is registered, the fact that it does contain a power of sale must be entered on the register, but the particulars and other matters relating to the power of sale need not be so entered.

This requirement serves no real purpose and is therefore deleted leaving subsection 2 to say what particulars must be entered on the register.

SECTION 3. Some modern inks do not have lasting qualities so that signatures made with these inks soon become illegible. The amendments are designed to prevent such inks being used on plans of subdivision.

SECTION 4. The new section 107a is designed to provide a more practical procedure under which the director of titles may apply to a judge to correct difficulties caused by inadequate or inaccurate descriptions of land.

The new section 107b is designed as an administrative aid in dealing with summer resort areas where no plans of subdivision are registered.

The new section 107c is designed to properly control dealings with parts of parcels in order to ensure that land so dealt with will be adequately described.

BILL

An Act to amend The Land Titles Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 23 of *The Land Titles Act*, as amended by section 1 of *The Land Titles Amendment Act, 1953* and section 1 of *The Land Titles Amendment Act, 1954*, is further amended by adding thereto the following clause:

R.S.O. 1950,
c. 197, s. 23,
subs. 1,
amended

(k) the provisions of *The Planning Act, 1955* with respect to any area of subdivision control, but this clause does not apply to land in a subdivision plan area under section 107a or in a composite plan under section 107b.

1955, c. 61

2. Subsection 3 of section 29 of *The Land Titles Act* is repealed.

R.S.O. 1950,
c. 197, s. 29,
subs. 3,
repealed

3. Subsection 9 of section 107 of *The Land Titles Act* is amended by inserting after "signed" in the first line "in black India ink" and by inserting after "certified" in the third line "in black India ink", so that the subsection shall read as follows:

R.S.O. 1950,
c. 197, s. 107,
subs. 9,
amended

(9) The plan before being registered shall be signed in black India ink by the person or the chief officer of the corporation by whom or on whose behalf the same is deposited, and shall be certified in black India ink by an Ontario land surveyor in the prescribed form.

To be
signed by
owner and
certified
by land
surveyor

4. Section 107a, as enacted by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 6 of *The Land Titles Amendment Act, 1956*, and section 107b, as enacted by section 1 of *The Land Titles Amendment Act, 1951*, renumbered by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 7 of *The Land Titles Amendment Act, 1956*, of *The Land Titles Act* are repealed and the following substituted therefor:

R.S.O. 1950,
c. 197,
ss. 107a
(1953, c. 54,
s. 2), 107b
(1951, c. 43,
s. 1),
re-enacted

Subdivision
plan areas,
designation

107a. (1) Where part of a parcel has been transferred by metes and bounds or as a part of a lot or block and the description of that part is, in the opinion of the director of titles, inadequate or inaccurate with respect to the common boundaries of that part and the adjacent parcels, he may issue a direction designating that parcel and any adjacent parcels as a subdivision plan area, and after the entry of the direction in the registers for the parcels affected, no transfer of any land in any of those parcels shall be registered without the consent in writing of the director of titles or his deputy until a plan of subdivision of the subdivision plan area has been registered.

Withdrawal

(2) Where a plan of subdivision of a subdivision plan area has been registered, the director of titles shall withdraw the direction issued in respect of that subdivision plan area and thereupon the registers for the parcels affected shall be amended accordingly.

Draft plan
of sub-
division

(3) Upon a direction being issued and entered under subsection 1, the director of titles may apply *ex parte* to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that a draft plan of subdivision of the subdivision plan area be prepared by an Ontario land surveyor and the judge may make such order.

Hearing

(4) When the draft plan of subdivision has been prepared pursuant to an order made under subsection 3, the director of titles shall, upon notice to all persons interested, apply to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that the draft plan of subdivision be registered as a plan of subdivision with such amendments as the judge thinks fit, and the judge may make such order and it shall be endorsed on or attached to the plan of subdivision.

Costs and
expenses

(5) The costs and expenses of and incidental to the applications and the preparation and registration of the plan of subdivision shall be borne by the person or municipality named by the judge in the order made under subsection 4, and where the costs and expenses are ordered to be borne by a municipality, the judge may by his order direct repayment of them to the municipality by levy of a special rate by assessment on all the lots or blocks included in the plan.

SECTION 5. The provision repealed which deals with law stamps is obsolete as law stamps are no longer used anywhere in the land titles system. Fees for registration, etc., are paid in cash.

- (6) Upon the registration of a plan of subdivision under this section, the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks. Effect of registration of plan
- 107b.—(1) Where lands have been or are granted by the Crown under *The Public Lands Act* and a plan of subdivision of such lands has not been registered, an application on behalf of the Minister of Lands and Forests may be made to the proper master of titles to register a composite plan showing such lands, and the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks. Composite plan R.S.O. 1950, c. 309
- (2) Every composite plan shall conform as nearly as may be to a plan of subdivision under section 107 except that it shall be signed by the Surveyor General or his deputy on behalf of all persons having any interest in the land shown thereon. Idem
- 107c.—(1) No transfer or charge of a part of a parcel shall be registered unless the transfer or charge is accompanied by a plan or sketch drawn to an appropriate scale and showing the dimensions and bearings of the boundaries of such part and their relation to the boundaries of the remainder of the parcel. When sketch required
- (2) Where a part of a parcel has been transferred or charged, a notice to that effect shall be entered on the register by the proper master of titles and thereupon no part of the remainder of the parcel shall be transferred unless a plan of subdivision of the parcel prepared under section 107 has been registered or unless a plan of the parcel prepared under section 109 has been deposited. Transfer of remainder
- (3) Subsection 1 does not apply where the part of the parcel to be transferred or charged is a half or other like fractional or aliquot part of an unbroken lot or section. Exception as to fractional or aliquot parts
- (4) The director of titles may dispense with the sketch required by subsection 1 or the plan required by subsection 2. Power to dispense with requirements of subs. 1 or 2
- 5.** Subsection 2 of section 143 of *The Land Titles Act* is repealed. R.S.O. 1950, c. 197, s. 143, subs. 2, repealed
- 6.** This Act comes into force on the day it receives Royal Assent. Commencement
- 7.** This Act may be cited as *The Land Titles Amendment Act, 1957*. Short title

Bill
An Act to amend
The Land Titles Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 75

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Land Titles Act

MR. ROBERTS

(Reprinted for consideration by the Committee on Legal Bills)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The purpose of this amendment is to draw attention to the fact that land in the land titles system is subject to the subdivision control area provisions of *The Planning Act, 1955*.

SECTION 2. The provision repealed states that where a charge that contains a power of sale is registered, the fact that it does contain a power of sale must be entered on the register, but the particulars and other matters relating to the power of sale need not be so entered.

This requirement serves no real purpose and is therefore deleted leaving subsection 2 to say what particulars must be entered on the register.

SECTION 3—Subsection 1. This brings *The Land Titles Act* into line with the corresponding provision of *The Registry Act* (see section 2 of Bill No. 79) and will allow plans on a smaller scale to be registered in proper cases.

Subsection 2. Some modern inks do not have lasting qualities so that signatures made with these inks soon become illegible. The amendments are designed to prevent such inks being used on plans of subdivision.

BILL

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HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 23 of *The Land Titles Act*, as amended by section 1 of *The Land Titles Amendment Act, 1953* and section 1 of *The Land Titles Amendment Act, 1954*, is further amended by adding thereto the following clause:

R.S.O. 1950,
c. 197, s. 23,
subs. 1,
amended

(k) the provisions of *The Planning Act, 1955* with respect to any area of subdivision control, but this clause does not apply to land in a subdivision plan area under section 107a or in a composite plan under section 107b.

1955, c. 61

2. Subsection 3 of section 29 of *The Land Titles Act* is repealed.

R.S.O. 1950,
c. 197, s. 29,
subs. 3,
repealed

3.—(1) Subsection 1 of section 107 of *The Land Titles Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 197, s. 107,
subs. 1,
re-enacted

(1) Where land is surveyed and subdivided for the purpose of being sold or conveyed in lots by reference to a plan which has not been already registered, the person making the survey and subdivision shall register in the proper land titles office a plan of the land on a scale not less than 100 feet to the inch and where the proper master of titles consents the plan may be registered on a scale of not less than 200 feet to the inch and where the Director consents the plan may be registered on a scale of not less than 400 feet to the inch.

Scale of
plans

(2) Subsection 9 of the said section 107 is amended by inserting after "signed" in the first line "in black India ink" and by inserting after "certified" in the third line "in black India ink", so that the subsection shall read as follows:

R.S.O. 1950,
c. 197, s. 107,
subs. 9,
amended

To be signed by owner and certified by land surveyor

- (9) The plan before being registered shall be signed in black India ink by the person or the chief officer of the corporation by whom or on whose behalf the same is deposited, and shall be certified in black India ink by an Ontario land surveyor in the prescribed form.

R.S.O. 1950, c. 197, s. 107, amended

- (3) The said section 107 is amended by adding thereto the following subsection:

No part of plan to be stamped or typewritten

- (9a) The proper master of titles shall not register a plan any part of which is stamped or typewritten.

R.S.O. 1950, c. 197, ss. 107a (1953, c. 54, s. 2), 107b (1951, c. 43, s. 1), re-enacted

4. Section 107a, as enacted by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 6 of *The Land Titles Amendment Act, 1956*, and section 107b, as enacted by section 1 of *The Land Titles Amendment Act, 1951*, renumbered by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 7 of *The Land Titles Amendment Act, 1956*, of *The Land Titles Act* are repealed and the following substituted therefor:

Subdivision plan areas, designation

- 107a.—(1) Where part of a parcel has been transferred by metes and bounds or as a part of a lot or block and the description of that part is, in the opinion of the director of titles, inadequate or inaccurate with respect to the common boundaries of that part and the adjacent parcels, he may issue a direction designating that parcel and any adjacent parcels as a subdivision plan area, and after the entry of the direction in the registers for the parcels affected, no transfer of any land in any of those parcels shall be registered without the consent in writing of the director of titles or his deputy until a plan of subdivision of the subdivision plan area has been registered.

Withdrawal

- (2) Where a plan of subdivision of a subdivision plan area has been registered, the director of titles shall withdraw the direction issued in respect of that subdivision plan area and thereupon the registers for the parcels affected shall be amended accordingly.

Draft plan of subdivision

- (3) Upon a direction being issued and entered under subsection 1, the director of titles may apply *ex parte* to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that a draft plan of subdivision of the subdivision plan area be prepared by an Ontario land surveyor and the judge may make such order.

Subsection 3. Self-explanatory.

SECTION 4. The new section 107*a* is designed to provide a more practical procedure under which the director of titles may apply to a judge to correct difficulties caused by inadequate or inaccurate descriptions of land.

The new section 107*b* is designed as an administrative aid in dealing with summer resort areas where no plans of subdivision are registered.

The new section 107*c* is designed to properly control dealings with parts of parcels in order to ensure that land so dealt with will be adequately described. The words added to subsection 3 are designed to clarify the intent.



- (4) When the draft plan of subdivision has been prepared pursuant to an order made under subsection 3, the director of titles shall, upon notice to all persons interested, apply to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that the draft plan of subdivision be registered as a plan of subdivision with such amendments as the judge thinks fit, and the judge may make such order and it shall be endorsed on or attached to the plan of subdivision. ^{Hearing}
- (5) The costs and expenses of and incidental to the applications and the preparation and registration of the plan of subdivision shall be borne by the person or municipality named by the judge in the order made under subsection 4, and where the costs and expenses are ordered to be borne by a municipality, the judge may by his order direct repayment of them to the municipality by levy of a special rate by assessment on all the lots or blocks included in the plan. ^{Costs and expenses}
- (6) Upon the registration of a plan of subdivision under this section, the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks. ^{Effect of registration of plan}
- 107b.—(1) Where lands have been or are granted by the Crown under *The Public Lands Act* and a plan of subdivision of such lands has not been registered, an application on behalf of the Minister of Lands and Forests may be made to the proper master of titles to register a composite plan showing such lands, and the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks. ^{Composite plan R.S.O. 1950, c. 309}
- (2) Every composite plan shall conform as nearly as may be to a plan of subdivision under section 107 except that it shall be signed by the Surveyor General or his deputy on behalf of all persons having any interest in the land shown thereon. ^{Idem}
- 107c.—(1) No transfer or charge of a part of a parcel shall be registered unless the transfer or charge is accompanied by a plan or sketch drawn to an appropriate scale and showing the dimensions and bearings of the boundaries of such part and their relation to the boundaries of the remainder of the parcel. ^{When sketch required}

Transfer of
remainder

- (2) Where a part of a parcel has been transferred or charged, a notice to that effect shall be entered on the register by the proper master of titles and thereupon no part of the remainder of the parcel shall be transferred unless a plan of subdivision of the parcel prepared under section 107 has been registered or unless a plan of the parcel prepared under section 109 has been deposited.

Exception
as to
fractional
or aliquot
parts

- (3) Subsections 1 and 2 do not apply where the part of the parcel to be transferred or charged is a half or other like fractional or aliquot part of an unbroken lot or section or where the part of the parcel to be transferred or charged is an easement, right-of-way or other limited right.

Power to
dispense
with require-
ments of
subs. 1 or 2

- (4) The director of titles may dispense with the sketch required by subsection 1 or the plan required by subsection 2.

R.S.O. 1950,
c. 197, s. 143,
subs. 2,
repealed

5. Subsection 2 of section 143 of *The Land Titles Act* is repealed.

R.S.O. 1950,
c. 197, s. 150,
amended

6. Section 150 of *The Land Titles Act* is amended by adding thereto the following subsections:

Applications
by counties,
cities and
separated
towns

- (6) Where the operation of this Act has been extended to a county, city or town under subsection 4, the council of the county, city or town may pass a by-law authorizing an application to the proper master of titles that any designated area of land in the municipality that has been surveyed by an Ontario land surveyor be registered under this Act.

No consent
required

- (7) For the purpose of an application under subsection 6, the municipality shall be deemed to be the agent of the owners and other persons having an interest in the land designated in the by-law and it is not necessary to obtain the consent of such owners and other persons to the application.

Costs

- (8) The costs of an application under subsection 6 shall be borne and paid by the municipality making the application.

Commence-
ment

7. This Act comes into force on the day it receives Royal Assent.

Short title

8. This Act may be cited as *The Land Titles Amendment Act, 1957*.

SECTION 5. The provision repealed which deals with law stamps is obsolete as law stamps are no longer used anywhere in the land titles system. Fees for registration, etc., are paid in cash.

SECTION 6. These subsections are new. They are designed to expedite the extension of the land titles system.



BILL

An Act to amend
The Land Titles Act

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted for consideration by the
Committee on Legal Bills)*

No. 75

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

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SECTION 2. The provision repealed states that where a charge that contains a power of sale is registered, the fact that it does contain a power of sale must be entered on the register, but the particulars and other matters relating to the power of sale need not be so entered.

This requirement serves no real purpose and is therefore deleted leaving subsection 2 to say what particulars must be entered on the register.

SECTION 3—Subsection 1. This brings *The Land Titles Act* into line with the corresponding provision of *The Registry Act* (see section 4 of Bill No. 79) and will allow plans on a smaller scale to be registered in proper cases.

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1. Subsection 1 of section 23 of *The Land Titles Act*, as amended by section 1 of *The Land Titles Amendment Act, 1953* and section 1 of *The Land Titles Amendment Act, 1954*, is further amended by adding thereto the following clause:

(k) the provisions of *The Planning Act, 1955* with respect to any area of subdivision control, but this clause does not apply to land in a subdivision plan area under section 107a or in a composite plan under section 107b.

2. Subsection 3 of section 29 of *The Land Titles Act* is repealed.

3.—(1) Subsection 1 of section 107 of *The Land Titles Act* is repealed and the following substituted therefor:

(1) Where land is surveyed and subdivided for the purpose of being sold or conveyed in lots by reference to a plan which has not been already registered, the person making the survey and subdivision shall register in the proper land titles office a plan of the land on a scale not less than 100 feet to the inch and where the proper master of titles consents the plan may be registered on a scale of not less than 200 feet to the inch and where the Director consents the plan may be registered on a scale of not less than 400 feet to the inch.

(2) Subsection 9 of the said section 107 is amended by inserting after "signed" in the first line "in black India ink" and by inserting after "certified" in the third line "in black India ink", so that the subsection shall read as follows:

To be signed by owner and certified by land surveyor

- (9) The plan before being registered shall be signed in black India ink by the person or the chief officer of the corporation by whom or on whose behalf the same is deposited, and shall be certified in black India ink by an Ontario land surveyor in the prescribed form.

R.S.O. 1950, c. 197, s. 107, amended

- (3) The said section 107 is amended by adding thereto the following subsection:

No part of plan to be stamped or typewritten

- (9a) The proper master of titles shall not register a plan any part of which is stamped or typewritten.

R.S.O. 1950, c. 197, ss. 107a (1953, c. 54, s. 2), 107b (1951, c. 43, s. 1), re-enacted

4. Section 107a, as enacted by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 6 of *The Land Titles Amendment Act, 1956*, and section 107b, as enacted by section 1 of *The Land Titles Amendment Act, 1951*, renumbered by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 7 of *The Land Titles Amendment Act, 1956*, of *The Land Titles Act* are repealed and the following substituted therefor:

Subdivision plan areas, designation

- 107a.—(1) Where part of a parcel has been transferred by metes and bounds or as a part of a lot or block and the description of that part is, in the opinion of the director of titles, inadequate or inaccurate with respect to the common boundaries of that part and the adjacent parcels, he may issue a direction designating that parcel and any adjacent parcels as a subdivision plan area, and after the entry of the direction in the registers for the parcels affected, no transfer of any land in any of those parcels shall be registered without the consent in writing of the director of titles or his deputy until a plan of subdivision of the subdivision plan area has been registered.

Withdrawal

- (2) Where a plan of subdivision of a subdivision plan area has been registered, the director of titles shall withdraw the direction issued in respect of that subdivision plan area and thereupon the registers for the parcels affected shall be amended accordingly.

Draft plan of subdivision

- (3) Upon a direction being issued and entered under subsection 1, the director of titles, on behalf of the Attorney General, shall apply *ex parte* to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that a draft plan of subdivision of the subdivision plan area be prepared by an Ontario land surveyor and the judge may make such order.

Subsection 3. Self-explanatory.

SECTION 4. The new section 107*a* is designed to provide a more practical procedure under which the director of titles may apply to a judge to correct difficulties caused by inadequate or inaccurate descriptions of land.

The new section 107*b* is designed as an administrative aid in dealing with summer resort areas where no plans of subdivision are registered.



- (4) When the draft plan of subdivision has been prepared pursuant to an order made under subsection 3, the director of titles shall, upon notice to all persons interested, apply to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that the draft plan of subdivision be registered as a plan of subdivision with such amendments as the judge thinks fit, and the judge may make such order and it shall be endorsed on or attached to the plan of subdivision. ^{Hearing}
- (5) No order shall be made under subsection 4 unless the Ontario land surveyor who prepared the draft plan of subdivision is available for examination and cross-examination at the hearing. ^{Examination of Ontario land surveyor}
- (6) The costs and expenses of and incidental to the application and the preparation and registration of the plan of subdivision shall in the discretion of the judge be borne in whole or in part by the Crown or such person or municipality as may be named by the judge in the order made under subsection 4, and where the costs and expenses are ordered to be borne by a municipality, the judge may by his order direct repayment of them to the municipality by levy of a special rate by assessment on all the lots or blocks included in the plan. ^{Costs and expenses}
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- (2) Every composite plan shall conform as nearly as may be to a plan of subdivision under section 107 except that it shall be signed by the Surveyor General or his deputy on behalf of all persons having any interest in the land shown thereon. ^{Idem}
- 107c. Plans of subdivision registered under section 107a and composite plans registered under section 107b ^{When 1955, c. 61, not to apply}

are not subject to the provisions of *The Planning Act, 1955* with respect to areas of subdivision control.

R.S.O. 1950,
c. 197, s. 143,
subs. 2,
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5. Subsection 2 of section 143 of *The Land Titles Act* is repealed.

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(6) Where the operation of this Act has been extended to a county, city or town under subsection 4, the council of the county, city or town may pass a by-law authorizing an application to the proper master of titles that any designated area of land in the municipality that has been surveyed by an Ontario land surveyor be registered under this Act.

No consent
required

(7) For the purpose of an application under subsection 6, the municipality shall be deemed to be the agent of the owners and other persons having an interest in the land designated in the by-law and it is not necessary to obtain the consent of such owners and other persons to the application.

Costs

(8) The costs of an application under subsection 6 shall be borne and paid by the municipality making the application.

Commence-
ment

7. This Act comes into force on the day it receives Royal Assent.

Short title

8. This Act may be cited as *The Land Titles Amendment Act, 1957*.

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Scale of
plans

(2) Subsection 9 of the said section 107 is amended by inserting after "signed" in the first line "in black India ink" and by inserting after "certified" in the third line "in black India ink", so that the subsection shall read as follows:

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R.S.O. 1950, c. 197, s. 107, amended

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No part of plan to be stamped or typewritten

- (9a) The proper master of titles shall not register a plan any part of which is stamped or typewritten.

R.S.O. 1950, c. 197, ss. 107a (1953, c. 54, s. 2), 107b (1951, c. 43, s. 1), re-enacted

4. Section 107a, as enacted by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 6 of *The Land Titles Amendment Act, 1956*, and section 107b, as enacted by section 1 of *The Land Titles Amendment Act, 1951*, renumbered by section 2 of *The Land Titles Amendment Act, 1953* and amended by section 7 of *The Land Titles Amendment Act, 1956*, of *The Land Titles Act* are repealed and the following substituted therefor:

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Withdrawal

- (2) Where a plan of subdivision of a subdivision plan area has been registered, the director of titles shall withdraw the direction issued in respect of that subdivision plan area and thereupon the registers for the parcels affected shall be amended accordingly.

Draft plan of subdivision

- (3) Upon a direction being issued and entered under subsection 1, the director of titles, on behalf of the Attorney General, shall apply *ex parte* to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that a draft plan of subdivision of the subdivision plan area be prepared by an Ontario land surveyor and the judge may make such order.

- (4) When the draft plan of subdivision has been prepared pursuant to an order made under subsection 3, the director of titles shall, upon notice to all persons interested, apply to a judge of the county or district court of the county or district in which the subdivision plan area is situate for an order that the draft plan of subdivision be registered as a plan of subdivision with such amendments as the judge thinks fit, and the judge may make such order and it shall be endorsed on or attached to the plan of subdivision. ^{Hearing}
- (5) No order shall be made under subsection 4 unless the Ontario land surveyor who prepared the draft plan of subdivision is available for examination and cross-examination at the hearing. ^{Examination of Ontario land surveyor}
- (6) The costs and expenses of and incidental to the application and the preparation and registration of the plan of subdivision shall in the discretion of the judge be borne in whole or in part by the Crown or such person or municipality as may be named by the judge in the order made under subsection 4, and where the costs and expenses are ordered to be borne by a municipality, the judge may by his order direct repayment of them to the municipality by levy of a special rate by assessment on all the lots or blocks included in the plan. ^{Costs and expenses}
- (7) Upon the registration of a plan of subdivision under this section, the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks. ^{Effect of registration of plan}
- 107b.—(1) Where lands have been or are granted by the Crown under *The Public Lands Act* and a plan of subdivision of such lands has not been registered, an application on behalf of the Minister of Lands and Forests may be made to the proper master of titles to register a composite plan showing such lands, and the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks. ^{Composite plan R.S.O. 1950, c. 309}
- (2) Every composite plan shall conform as nearly as may be to a plan of subdivision under section 107 except that it shall be signed by the Surveyor General or his deputy on behalf of all persons having any interest in the land shown thereon. ^{Idem}
- 107c. Plans of subdivision registered under section 107a and composite plans registered under section 107b ^{When 1955, c. 61, not to apply}

are not subject to the provisions of *The Planning Act, 1955* with respect to areas of subdivision control.

R.S.O. 1950,
c. 197, s. 143,
subs. 2,
repealed

5. Subsection 2 of section 143 of *The Land Titles Act* is repealed.

R.S.O. 1950,
c. 197, s. 150,
amended

6. Section 150 of *The Land Titles Act* is amended by adding thereto the following subsections:

Applications
by counties,
cities and
separated
towns

(6) Where the operation of this Act has been extended to a county, city or town under subsection 4, the council of the county, city or town may pass a by-law authorizing an application to the proper master of titles that any designated area of land in the municipality that has been surveyed by an Ontario land surveyor be registered under this Act.

No consent
required

(7) For the purpose of an application under subsection 6, the municipality shall be deemed to be the agent of the owners and other persons having an interest in the land designated in the by-law and it is not necessary to obtain the consent of such owners and other persons to the application.

Costs

(8) The costs of an application under subsection 6 shall be borne and paid by the municipality making the application.

Commence-
ment

7. This Act comes into force on the day it receives Royal Assent.

Short title

8. This Act may be cited as *The Land Titles Amendment Act, 1957*.



BILL
An Act to amend
The Land Titles Act

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 76

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Magistrates Act, 1952

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

The purpose of these amendments is to restrict the security-of-tenure provisions to magistrates who receive an annual salary under the Act.

No. 76

1957

BILL

An Act to amend The Magistrates Act, 1952

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *b* of section 1 of *The Magistrates Act, 1952* is ^{1952, c. 53,} amended by adding at the commencement thereof "except in ^{s. 1, cl. *b*,} section 3", so that the clause shall read as follows:

(*b*) except in section 3, "magistrate" includes a deputy magistrate.

2. Subsection 5 of section 3 of *The Magistrates Act, 1952* ^{1952, c. 53,} is repealed and the following substituted therefor: ^{s. 3, subs. 5,} ^{re-enacted}

(5) Subsections 2, 3 and 4 apply only to magistrates ^{Application} who receive an annual salary under this Act. ^{of subs.} ^{2, 3, 4}

3. This Act may be cited as *The Magistrates Amendment* ^{Short title} *Act, 1957*.

An Act to amend
The Magistrates Act, 1952

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 76

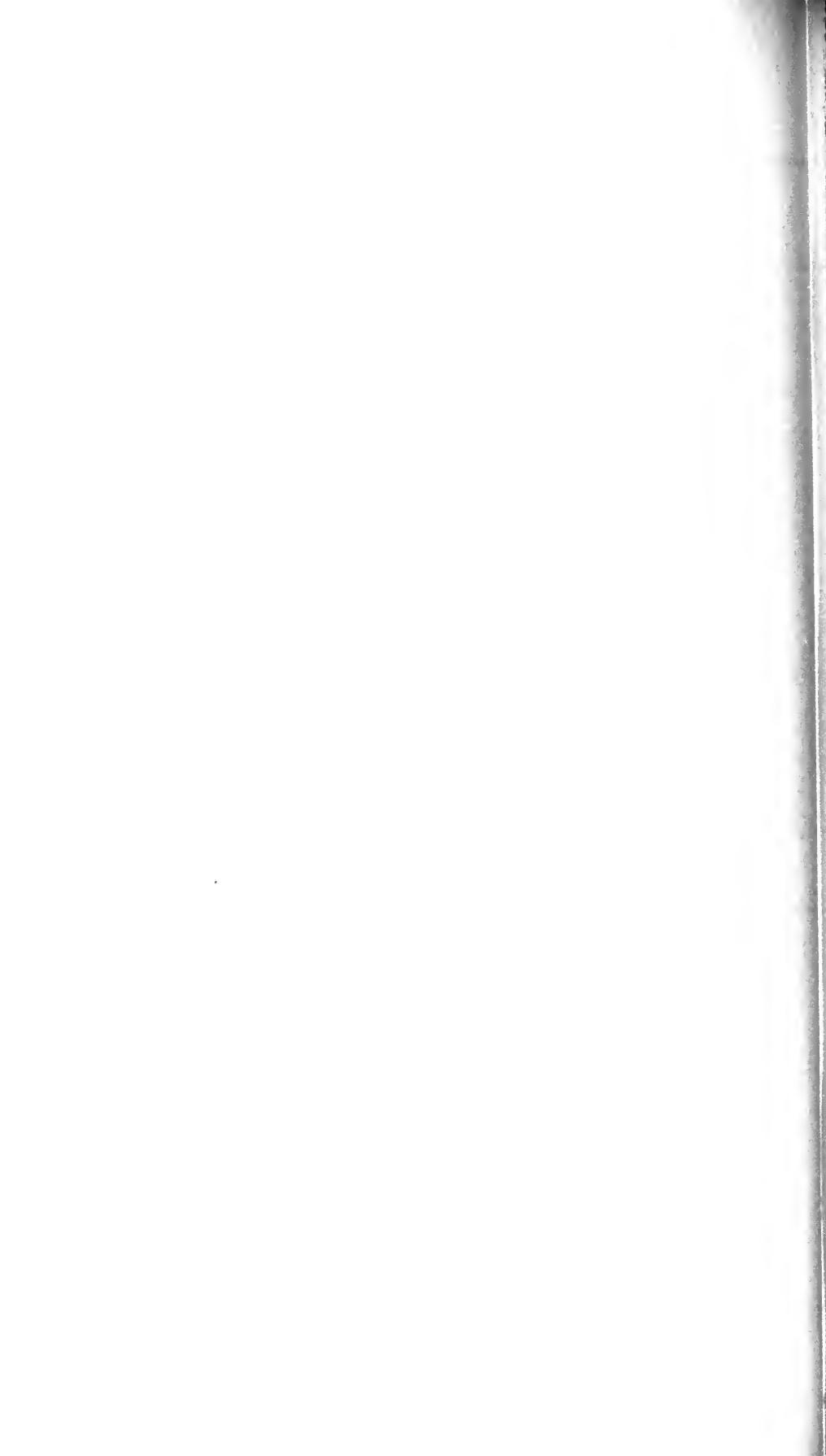
3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Magistrates Act, 1952

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



No. 76

1957

BILL

An Act to amend The Magistrates Act, 1952

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *b* of section 1 of *The Magistrates Act, 1952* is ^{1952, c. 53,} amended by adding at the commencement thereof "except in ^{s. 1, cl. *b*,} section 3", so that the clause shall read as follows: ^{amended}

(*b*) except in section 3, "magistrate" includes a deputy magistrate.

2. Subsection 5 of section 3 of *The Magistrates Act, 1952* ^{1952, c. 53,} is repealed and the following substituted therefor: ^{s. 3, subs. 5,} ^{re-enacted}

(5) Subsections 2, 3 and 4 apply only to magistrates ^{Application} who receive an annual salary under this Act. ^{of subs.} ^{2, 3, 4}

3. This Act may be cited as *The Magistrates Amendment* ^{Short title} *Act, 1957.*

An Act to amend
The Magistrates Act, 1952

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 77

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Mechanics' Lien Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. This amendment is corrective only. ¶It brings the provision into line with subsection 2 of section 11 of the Act which allows a hold-back of 20 per cent where the contract price is less than \$15,000.

SECTION 2. This amendment corrects the cross-reference. Subsection 5 was repealed in 1954.

BILL

An Act to amend The Mechanics' Lien Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2a of section 11 of *The Mechanics' Lien Act*, R.S.O. 1950, as enacted by subsection 2 of section 3 of *The Mechanics' Lien Amendment Act, 1952*, is amended by inserting after c. 227, s. 11, subs. 2a (1952, c. 54, s. 3, subs. 2), amended "15 per cent" in the twelfth and fourteenth lines respectively "or 20 per cent, as the case may be", so that the subsection shall read as follows:

(2a) In the case of a contract that is under the super-Reduction in amount retained vision of an architect, engineer or other person upon whose certificates payments are to be made, where thirty-seven days have elapsed after a certificate issued by that architect, engineer or other person to the effect that the subcontract has been completed to his satisfaction has been given to the person primarily liable upon that contract and to the person who became a subcontractor by a subcontract made directly under that contract, the amount to be retained by the person primarily liable upon that contract shall be reduced by 15 per cent or 20 per cent, as the case may be, of the subcontract price or, if there is no specific subcontract price, by 15 per cent or 20 per cent, as the case may be, of the actual value of the work, service performed or materials furnished or placed under that subcontract, but this subsection shall not operate if and so long as any lien derived under that subcontract is preserved by anything done under this Act.

2. Subsection 7 of section 32 of *The Mechanics' Lien Act* R.S.O. 1950, is amended by striking out "or 5" in the second line, so that c. 227, s. 32, subs. 7, amended the subsection shall read as follows:

(7) The proceeds of any sale made by a trustee under Proceeds to be paid into court subsection 4 shall be paid into court and be subject to the claims of all lien holders, mortgagees or other

parties interested in the property so sold as their respective rights may be determined, and in so far as applicable section 36 shall apply.

Short title

3. This Act may be cited as *The Mechanics' Lien Amendment Act, 1957*.

1411
An Act to amend
The Mechanics' Lien Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 77

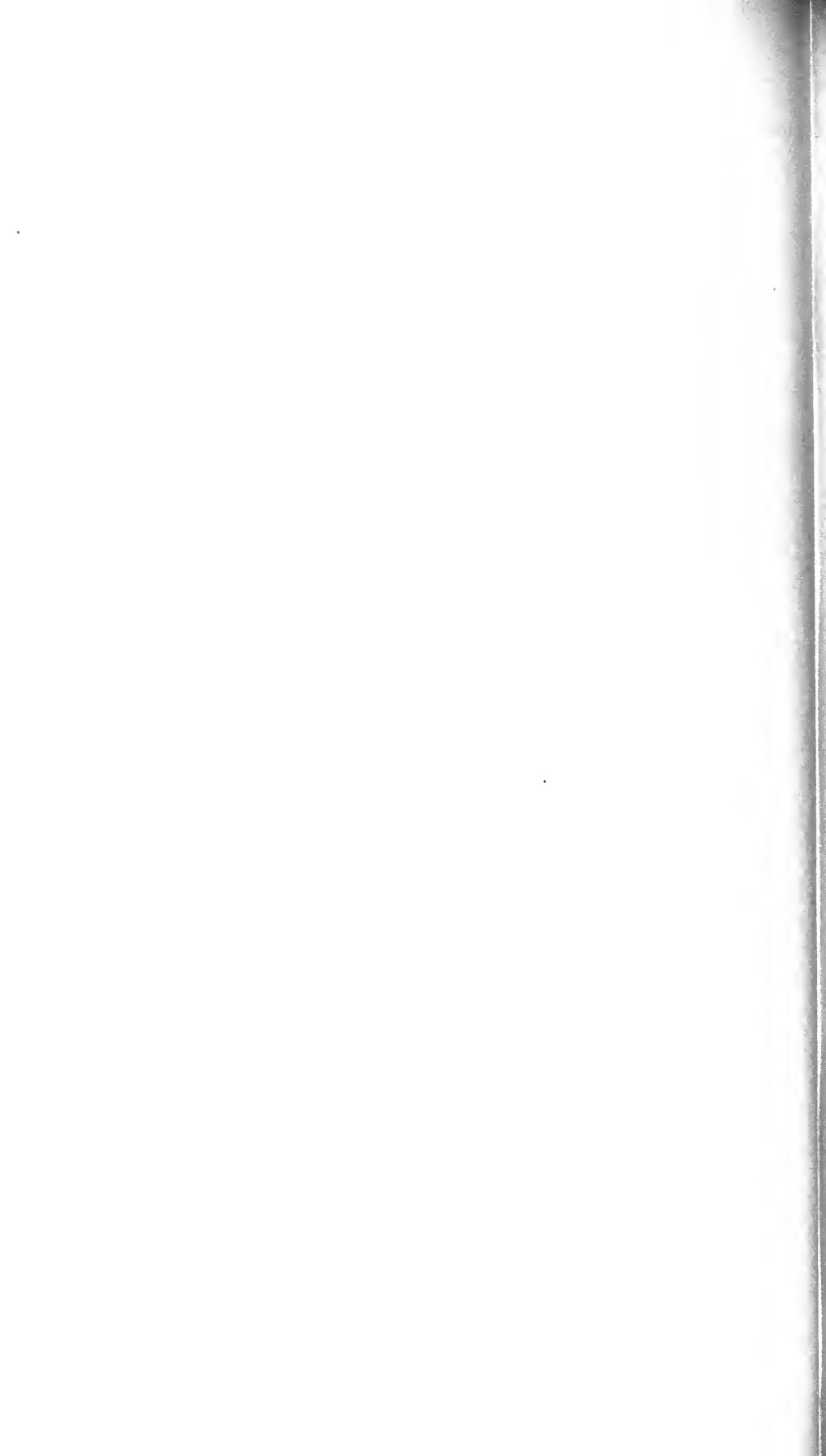
3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Mechanics' Lien Act

MR. ROBERTS

TORONTO
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PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Mechanics' Lien Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2a of section 11 of *The Mechanics' Lien Act*, R.S.O. 1950, as enacted by subsection 2 of section 3 of *The Mechanics' Lien Amendment Act, 1952*, is amended by inserting after subs. 2a (1952, c. 54, s. 3, subs. 2), "15 per cent" in the twelfth and fourteenth lines respectively "or 20 per cent, as the case may be", so that the subsection shall read as follows: amended

- (2a) In the case of a contract that is under the supervision of an architect, engineer or other person upon whose certificates payments are to be made, where thirty-seven days have elapsed after a certificate issued by that architect, engineer or other person to the effect that the subcontract has been completed to his satisfaction has been given to the person primarily liable upon that contract and to the person who became a subcontractor by a subcontract made directly under that contract, the amount to be retained by the person primarily liable upon that contract shall be reduced by 15 per cent or 20 per cent, as the case may be, of the subcontract price or, if there is no specific subcontract price, by 15 per cent or 20 per cent, as the case may be, of the actual value of the work, service performed or materials furnished or placed under that subcontract, but this subsection shall not operate if and so long as any lien derived under that subcontract is preserved by anything done under this Act. Reduction in amount retained

2. Subsection 7 of section 32 of *The Mechanics' Lien Act* R.S.O. 1950, is amended by striking out "or 5" in the second line, so that subs. 7, amended the subsection shall read as follows:

- (7) The proceeds of any sale made by a trustee under subsection 4 shall be paid into court and be subject to the claims of all lien holders, mortgagees or other Proceeds to be paid into court

parties interested in the property so sold as their respective rights may be determined, and in so far as applicable section 36 shall apply.

Short title **3.** This Act may be cited as *The Mechanics' Lien Amendment Act, 1957*.





An Act to amend
The Mechanics' Lien Act

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 78

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Parents' Maintenance Act, 1954

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

Section 4 is re-enacted to clarify the language used and to bring it into line with present practice.

BILL

An Act to amend The Parents' Maintenance Act, 1954

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 4 of *The Parents' Maintenance Act, 1954* is ^{1954, c. 68,} repealed and the following substituted therefor: _{s. 4, re-enacted}

4.—(1) Where it appears that a parent is dependent, an ^{Proceedings} information may be laid before a justice of the peace and the justice of the peace may issue a summons (Form 1) against one or more sons or daughters of the parent and if upon the hearing it is found that the parent is dependent and that one or more sons or daughters have sufficient means to provide in whole or in part for the support of the parent, the judge or magistrate, as the case may be, having regard to all the circumstances of the case, may make an order (Form 2) requiring any one or more of the sons and daughters to pay for the support of the parent from the date of the hearing or any date thereafter such sums at such intervals, not exceeding thirty-one days, as may be deemed proper but such sums shall not exceed the rate of \$20 per week, with or without costs.

(2) The judge or magistrate, in addition to the payment ^{Order for additional payment} ordered under subsection 1, may order on such terms as he deems proper any one or more of the sons and daughters to pay for the support of the dependent parent in respect of the period from the date on which the information was laid until the date of the hearing such sums at a rate not exceeding \$20 per week as he deems proper having regard to all the circumstances of the case.

2. Form 1 of *The Parents' Maintenance Act, 1954* is ^{1954, c. 68,} amended by striking out "such weekly sum, not exceeding ^{Form 1,} amended

\$20" in the twelfth and thirteenth lines and inserting in lieu thereof "such sum, not exceeding the rate of \$20 per week".

1954, c. 68,
Form 2,
re-enacted

3. Form 2 of *The Parents' Maintenance Act, 1954* is repealed and the following substituted therefor:

FORM 2

(Section 4 (1))

ORDER

under

The Parents' Maintenance Act, 1954

Upon reading the information and summons dated the day of, 19...., issued by, justice of the peace, upon the application of on behalf of under *The Parents' Maintenance Act, 1954*, and upon hearing the evidence adduced at the hearing, it appears that the said is entitled to the benefit of the said Act.

Therefore I, the undersigned, do hereby order that do hereafter pay to his (or her) the sum of \$..... per week (or bi-weekly, or monthly, as the case may be) for his (or her) support, the first payment to be made on the day of 19...., and the further sum of \$..... to be paid on or before the day of 19...., together with the costs of these proceedings which amount to \$..... which shall be paid on or before the day of 19....

Given under my hand at, this day of 19....

.....
Judge (or Magistrate)

Short title

4. This Act may be cited as *The Parents' Maintenance Amendment Act, 1957*.



An Act to amend
The Parents' Maintenance Act, 1954

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 78

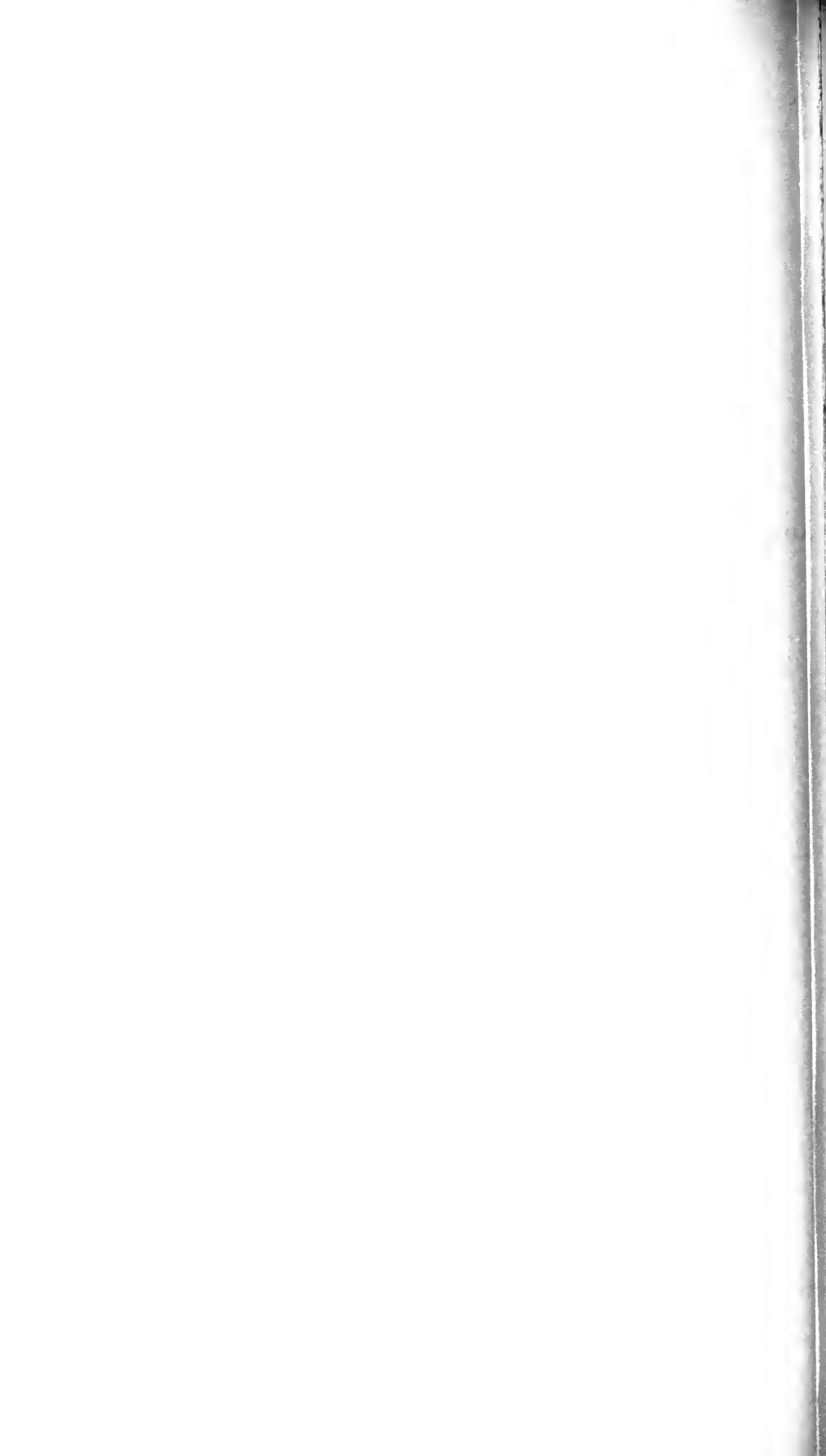
3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Parents' Maintenance Act, 1954

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Parents' Maintenance Act, 1954

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 4 of *The Parents' Maintenance Act, 1954* is ^{1954, c. 68,} repealed and the following substituted therefor: ^{s. 4, re-enacted}

- 4.—(1) Where it appears that a parent is dependent, an ^{Proceedings} information may be laid before a justice of the peace and the justice of the peace may issue a summons (Form 1) against one or more sons or daughters of the parent and if upon the hearing it is found that the parent is dependent and that one or more sons or daughters have sufficient means to provide in whole or in part for the support of the parent, the judge or magistrate, as the case may be, having regard to all the circumstances of the case, may make an order (Form 2) requiring any one or more of the sons and daughters to pay for the support of the parent from the date of the hearing or any date thereafter such sums at such intervals, not exceeding thirty-one days, as may be deemed proper but such sums shall not exceed the rate of \$20 per week, with or without costs.
- (2) The judge or magistrate, in addition to the payment ^{Order for additional payment} ordered under subsection 1, may order on such terms as he deems proper any one or more of the sons and daughters to pay for the support of the dependent parent in respect of the period from the date on which the information was laid until the date of the hearing such sums at a rate not exceeding \$20 per week as he deems proper having regard to all the circumstances of the case.

2. Form 1 of *The Parents' Maintenance Act, 1954* is ^{1954, c. 68,} amended by striking out "such weekly sum, not exceeding ^{Form 1,} amended

\$20" in the twelfth and thirteenth lines and inserting in lieu thereof "such sum, not exceeding the rate of \$20 per week".

1954, c. 68,
Form 2,
re-enacted

3. Form 2 of *The Parents' Maintenance Act, 1954* is repealed and the following substituted therefor:

FORM 2

(Section 4 (1))

ORDER

under

The Parents' Maintenance Act, 1954

Upon reading the information and summons dated the day of, 19...., issued by justice of the peace, upon the application of on behalf of under *The Parents' Maintenance Act, 1954*, and upon hearing the evidence adduced at the hearing, it appears that the said is entitled to the benefit of the said Act.

Therefore I, the undersigned, do hereby order that do hereafter pay to his (or her) the sum of \$..... per week (or bi-weekly, or monthly, as the case may be) for his (or her) support, the first payment to be made on the day of 19...., and the further sum of \$..... to be paid on or before the day of 19.... together with the costs of these proceedings which amount to \$..... which shall be paid on or before the day of 19....

Given under my hand at, this day of, 19....

.....
Judge (or Magistrate)

Short title

4. This Act may be cited as *The Parents' Maintenance Amendment Act, 1957*.



An Act to amend
The Parents' Maintenance Act, 1954

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 79

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Registry Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The provisions repealed prescribe the fees that are payable to registrars of deeds in certain circumstances. These fees are provided for in section 97 of the Act, which is re-enacted by section 3 of this bill.

SECTION 2. The added words will be helpful in preparing plans of subdivisions made up of many small parcels in limited areas, such as the area affected by the St. Lawrence Power Project.

SECTION 3. The section is greatly simplified by making one fee applicable to many types of registrations, searches, etc.

BILL

An Act to amend The Registry Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 3, as amended by section 5 of *The Registry Amendment Act, 1952*, and subsection 4 of section 48 of *The Registry Act* are repealed. R.S.O. 1950, c. 336, s. 48, subss. 3, 4, repealed

2. Subsection 1 of section 84 of *The Registry Act*, as re-enacted by subsection 1 of section 12 of *The Registry Amendment Act, 1954*, is amended by adding at the end thereof "and where the Inspector consents the plan may be registered on a scale of not less than 400 feet to the inch", so that the subsection shall read as follows: R.S.O. 1950, c. 336, s. 84, subss. 1 (1954, c. 83, s. 12, subss. 1), amended

- (1) Where land is surveyed and subdivided for the purpose of being sold or conveyed in lots by reference to a plan which has not been already registered, the person making the survey and subdivision shall within three months thereafter register a plan of the land on a scale not less than 100 feet to the inch and where the registrar consents the plan may be registered on a scale of not less than 200 feet to the inch and where the Inspector consents the plan may be registered on a scale of not less than 400 feet to the inch. Registration of plans where land subdivided

3. Section 97 of *The Registry Act*, as amended by section 6 of *The Registry Amendment Act, 1952* and section 4 of *The Registry Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950, c. 336, s. 97, re-enacted

97. Except where otherwise provided, a registrar shall be entitled to the following fees:

- (a) For registering every certificate of discharge of mortgage including the certificate of registration, \$2.50, and for registering every other instrument including the certificate of registration, \$4.50. Registering instruments

If the instrument embraces lots or parcels of land situate in different municipalities in the same registry division, the registration and copying of the instrument, together with all necessary entries and certificates in connection therewith, shall be considered separate and distinct registrations for each municipality in which the land is situate.

If the instrument embraces more than four lots or parcels of land in the same municipality, the registrar shall be allowed a fee of 5 cents for entering each lot or parcel in excess of four.

Searching
lots

- (b) For searching the registry books and indexes relating to the title of any lot or part of a lot, 50 cents.

Searching
alphabetical
index

- (c) For searching the alphabetical index of names referred to in section 30, as to each name in the books of any one township or other municipality in the registry division, 50 cents; but if a general search as to any such name is made throughout the registry division, the aggregate of fees for the search shall not exceed \$2.

Searching
general
register

- (d) For searching the general register referred to in section 21, as to each name, 50 cents.

Abstract
of title

- (e) For an abstract of title to any parcel of land containing such particulars as to any number of registered instruments affecting the parcel as the applicant may require, a minimum fee of \$3 including the fee for search and certificate, and in addition, for each instrument that requires inspection, 10 cents.

Where the abstract exceeds 100 words, 20 cents for each additional 100 words or part thereof.

Certificates

- (f) For each certificate furnished by the registrar, except a certificate under clause *a*, 50 cents.

Register-
ing plan

- (g) For registering every plan of subdivision, including all necessary entries connected therewith, \$8; but if the plan embraces more than twenty lots, the registrar shall be allowed a fee of 10 cents for each lot in excess of twenty lots.



SECTION 4. These amendments bring the emoluments of registrars of deeds on fees into line with registrars of deeds on salary.

- (h) For searching for the names of registered owners and for mortgagees under subsection 16 of section 84 in connection with the registration of a plan, \$1; but if the search embraces more than twenty lots, 5 cents for each lot in excess of twenty lots. Searches in connection with registering a plan
- (i) For furnishing copies required under section 24 or 26, 10 cents for each 100 words or fraction thereof. Statement under s. 24 or 26
- (j) For repairing under section 26 any book, or copying, mounting or binding plans, or for new plans and surveys, or for new abstract indexes, such sums as the Inspector may order in writing, specifying the nature of the service. Repairing books, etc.
- (k) For registering certificate of payment of taxes, 25 cents. On payment of taxes
- (l) For registering notice of sale of land under power in mortgage, 50 cents. Notices of sale
- (m) For registering a declaration for registering instrument entered in general register, 50 cents. Affidavit for general register
- (n) For entering notice of liability to taxation and forfeiture under *The Mining Tax Act*, 50 cents a lot. Notice of liability under R.S.O. 1950, c. 237

4.—(1) Subsection 1 of section 107 of *The Registry Act*, as amended by subsection 1 of section 5 of *The Registry Amendment Act, 1955*, is further amended by striking out "\$4,500" in the amendment of 1955 and inserting in lieu thereof "\$5,000", so that the subsection shall read as follows: R.S.O. 1950, c. 336, s. 107, subs. 1, amended

(1) Every registrar shall be entitled to retain to his own use in each year his net income up to \$5,000. Registrar's emoluments

(2) Subsection 2 of the said section 107, as amended by subsection 2 of section 5 of *The Registry Amendment Act, 1955*, is further amended by striking out "\$4,500" in the amendments of 1955 and inserting in lieu thereof "\$5,000", so that the subsection shall read as follows: R.S.O. 1950, c. 336, s. 107, subs. 2, amended

(2) Subject to section 111 of this Act and to section 152 of *The Land Titles Act*, every registrar shall, of the net income of each year over \$5,000, pay to the treasurer of the county or city for which or for part of which he is registrar, the following percentages: Where net income exceeds \$5,000 R.S.O. 1950, c. 197

(a) On the excess over \$5,000 up to \$6,000, 50 per cent.

(b) On the excess over \$6,000, 90 per cent.

R.S.O. 1950,
c. 336, s. 108,
amended

5. Section 108 of *The Registry Act*, as amended by section 3 of *The Registry Amendment Act, 1951*, is further amended by striking out "\$3,200" in the amendments of 1951 and inserting in lieu thereof "his fixed annual salary", so that the section shall read as follows:

Additional
grants in
certain
cases

108. Where it appears by return to the Lieutenant-Governor or to any department of the Government that in any year a registrar of deeds or an officer holding the office of registrar of deeds and local master of titles has derived from the fees, emoluments and salary, if any, of his office, after deducting necessary disbursements, an income which is less than his fixed annual salary, there may be paid on the report of the Inspector to such registrar or officer, out of the Consolidated Revenue Fund, an amount sufficient to make up the income for the year to his fixed annual salary, if the Lieutenant-Governor in Council so directs.

R.S.O. 1950,
c. 336, s. 115,
re-enacted

6. Section 115 of *The Registry Act* is repealed and the following substituted therefor:

Inspection
of registry
books by
municipal
officers

115. The head of a municipal council or the treasurer or the auditor of a municipality may inspect the books including bank books of any registry office for the purpose of testing the accuracy of the returns or computations of fees received by the registrar to a share or percentage of which the municipality is or may become entitled, and the registrar shall at all convenient times allow such books to be inspected for that purpose free of charge.

Commence-
ment

7.—(1) This Act, except sections 1 and 3, comes into force on the day it receives Royal Assent.

Idem

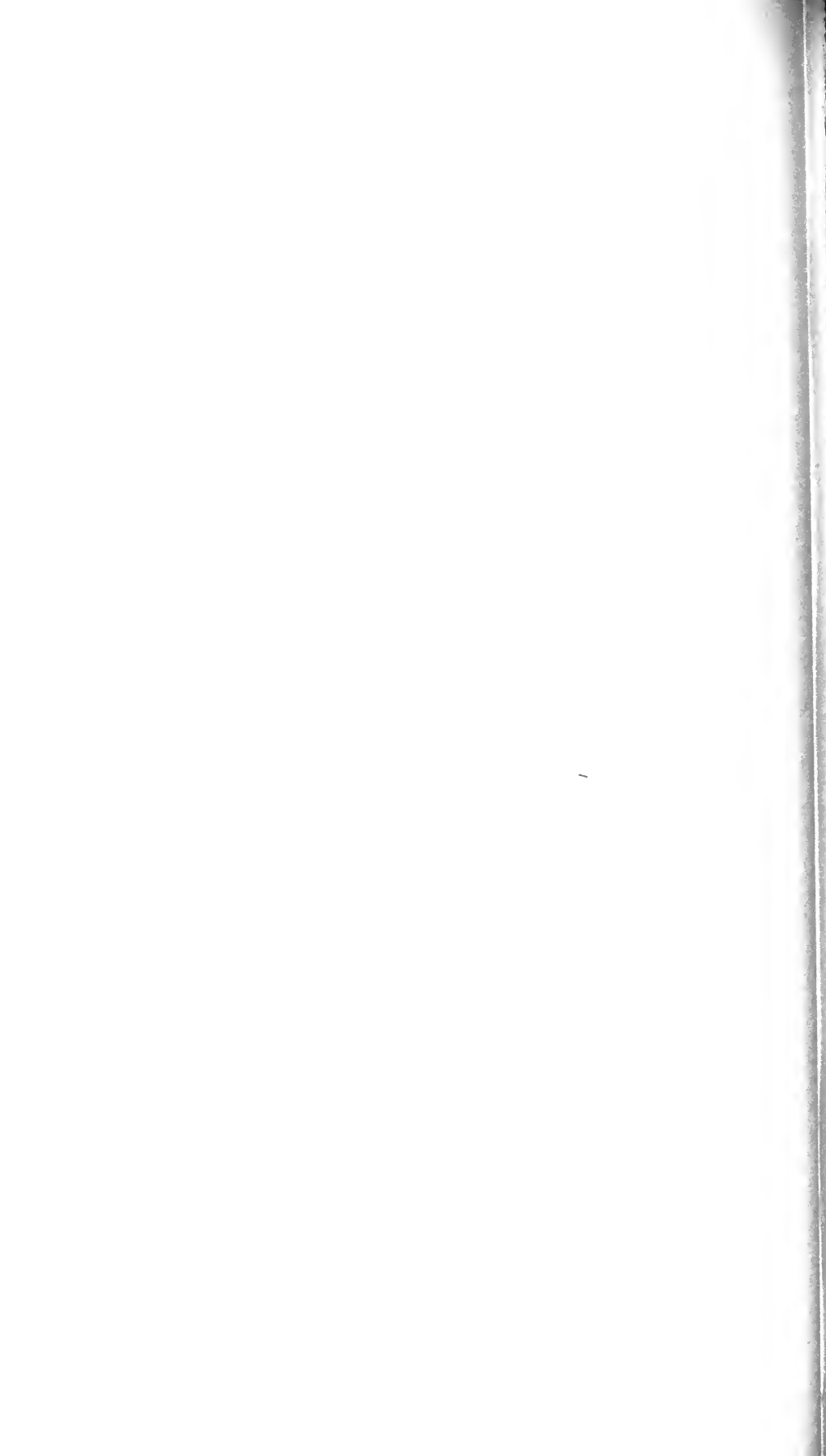
(2) Sections 1 and 3 come into force on the 1st day of June, 1957.

Short title

8. This Act may be cited as *The Registry Amendment Act, 1957*.

SECTION 5. This amendment will permit a registrar of deeds to receive a supplement out of the Consolidated Revenue Fund if the income for the year from fees is below his annual salary. The amount of the supplement will be the difference between his annual salary and the income received.

SECTION 6. For greater accuracy and convenience, municipal auditors are authorized to inspect the books in any registry office to ensure that the municipality is receiving its correct share of registry fees. At present, only a warden, mayor or treasurer of a municipality may do so.



BILL
An Act to amend The Registry Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 79

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Registry Act

MR. ROBERTS

(Reprinted as amended by the Committee on Legal Bills)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The provisions repealed prescribe the fees that are payable to registrars of deeds in certain circumstances. These fees are provided for in section 97 of the Act, which is re-enacted by section 5 of this bill.

BILL

An Act to amend The Registry Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 3, as amended by section 5 of *The Registry Amendment Act, 1952*, and subsection 4 of section 48 of *The Registry Act* are repealed. R.S.O. 1950, c. 336, s. 48, subs. 3, 4, repealed

2.—(1) Subsection 1 of section 52 of *The Registry Act* is amended by striking out “and of the full age of 21 years,” in the fifth and sixth lines, so that the subsection shall read as follows: R.S.O. 1950, c. 336, s. 52, subs. 1, amended

(1) Where a conveyance or mortgage is made by a man and no one joins therein as his wife it shall not be registered unless there is made on or securely attached to it an affidavit or statutory declaration by the man that he is married, unmarried, or a widower, as the case may be. Affidavit or declaration as to condition of grantor

(2) The said section 52 is amended by adding thereto the following subsection: R.S.O. 1950, c. 336, s. 52, amended

(1a) Where a conveyance or mortgage is made by any person, it shall not be registered unless there is made on or securely attached to it an affidavit or statutory declaration by the person that he or she is of the full age of 21 years. Affidavit or declaration as to age

3. Subsection 8 of section 57 of *The Registry Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 336, s. 57, subs. 8, re-enacted

(8) A certificate to be registered under subsection 7 shall contain a local description of the lands mentioned therein or a description by reference to a registered instrument and registration thereof shall be made by production of the original certificate and deposit of a notarial copy thereof or of so much thereof as relates to the lands situate in the registry division for which the same is to be registered.

R.S.O. 1950,
c. 336, s. 84,
subs. 1
(1954, c. 83,
s. 12,
subs. 1),
amended

4. Subsection 1 of section 84 of *The Registry Act*, as re-enacted by subsection 1 of section 12 of *The Registry Amendment Act, 1954*, is amended by adding at the end thereof "and where the Inspector consents the plan may be registered on a scale of not less than 400 feet to the inch", so that the subsection shall read as follows:

Registration
of plans
where land
subdivided

- (1) Where land is surveyed and subdivided for the purpose of being sold or conveyed in lots by reference to a plan which has not been already registered, the person making the survey and subdivision shall within three months thereafter register a plan of the land on a scale not less than 100 feet to the inch and where the registrar consents the plan may be registered on a scale of not less than 200 feet to the inch and where the Inspector consents the plan may be registered on a scale of not less than 400 feet to the inch.

R.S.O. 1950,
c. 336, s. 97,
re-enacted

5. Section 97 of *The Registry Act*, as amended by section 6 of *The Registry Amendment Act, 1952* and section 4 of *The Registry Amendment Act, 1955*, is repealed and the following substituted therefor:

Fees:

97. Except where otherwise provided, a registrar shall be entitled to the following fees:

Registering
instruments

- (a) For registering every certificate of discharge of mortgage including the certificate of registration, \$2.50, and for registering every other instrument and one duplicate, if any, including the certificate of registration, \$4.50.

If the instrument embraces lots or parcels of land situate in different municipalities in the same registry division, the registration and copying of the instrument, together with all necessary entries and certificates in connection therewith, shall be considered separate and distinct registrations for each municipality in which the land is situate.

If the instrument embraces more than four lots or parcels of land in the same municipality, the registrar shall be allowed a fee of 5 cents for entering each lot or parcel in excess of four.

Searching
lots

- (b) For searching the registry books and indexes relating to the title of any lot or part of a lot, 50 cents.

SECTION 4. The added words will be helpful in preparing plans of subdivisions made up of many small parcels in limited areas, such as the area affected by the St. Lawrence Power Project.

SECTION 5. The section is greatly simplified by making one fee applicable to many types of registrations, searches, etc.

- (c) For searching the alphabetical index of names referred to in section 30, as to each name in the books of any one township or other municipality in the registry division, 50 cents; but if a general search as to any such name is made throughout the registry division, the aggregate of fees for the search shall not exceed \$2. Searching alphabetical index
- (d) For searching the general register referred to in section 21, as to each name, 50 cents. Searching general register
- (e) For an abstract of title to any parcel of land containing such particulars as to any number of registered instruments affecting the parcel as the applicant may require, a minimum fee of \$3 including the fee for search and certificate, and in addition, for each instrument that requires inspection, 10 cents. Abstract of title
- Where the abstract exceeds 100 words, 20 cents for each additional 100 words or part thereof.
- (f) For each certificate furnished by the registrar, except a certificate under clause a, 50 cents. Certificates
- (g) For registering every plan of subdivision, including all necessary entries connected therewith, \$8; but if the plan embraces more than twenty lots, the registrar shall be allowed a fee of 10 cents for each lot in excess of twenty lots. Registering plan
- (h) For searching for the names of registered owners and for mortgagees under subsection 16 of section 84 in connection with the registration of a plan, \$1; but if the search embraces more than twenty lots, 5 cents for each lot in excess of twenty lots. Searches in connection with registering a plan
- (i) For furnishing copies required under section 24 or 26, 10 cents for each 100 words or fraction thereof. Statement under s. 24 or 26
- (j) For repairing under section 26 any book, or copying, mounting or binding plans, or for new plans and surveys, or for new abstract indexes, such sums as the Inspector may order in writing, specifying the nature of the service. Repairing books, etc.

- On payment of taxes (k) For registering certificate of payment of taxes, 25 cents.
- Notices of sale (l) For registering notice of sale of land under power in mortgage, 50 cents.
- Affidavit for general register (m) For registering a declaration for registering instrument entered in general register, 50 cents.
- Notice of liability under R.S.O. 1950, c. 237 (n) For entering notice of liability to taxation and forfeiture under *The Mining Tax Act*, 50 cents a lot.
- Instruments (o) For copies of instruments when required, 15 cents for each 100 words or fraction thereof.
- Production of instruments (p) For exhibiting in the office each original registered instrument including search therefor, 10 cents, and for producing each original registered instrument including search therefor in pursuance of a judge's order or subpoena, 10 cents in addition to the registrar's ordinary witness fees.

R.S.O. 1950, c. 336, s. 107, subs. 1, amended. **6.**—(1) Subsection 1 of section 107 of *The Registry Act*, as amended by subsection 1 of section 5 of *The Registry Amendment Act, 1955*, is further amended by striking out "\$4,500" in the amendment of 1955 and inserting in lieu thereof "\$5,000", so that the subsection shall read as follows:

Registrar's emoluments (1) Every registrar shall be entitled to retain to his own use in each year his net income up to \$5,000.

R.S.O. 1950, c. 336, s. 107, subs. 2, amended. (2) Subsection 2 of the said section 107, as amended by subsection 2 of section 5 of *The Registry Amendment Act, 1955*, is further amended by striking out "\$4,500" in the amendments of 1955 and inserting in lieu thereof "\$5,000", so that the subsection shall read as follows:

Where net income exceeds \$5,000. R.S.O. 1950, c. 197. (2) Subject to section 111 of this Act and to section 152 of *The Land Titles Act*, every registrar shall, of the net income of each year over \$5,000, pay to the treasurer of the county or city for which or for part of which he is registrar, the following percentages:

(a) On the excess over \$5,000 up to \$6,000, 50 per cent.

(b) On the excess over \$6,000, 90 per cent.

SECTION 6. These amendments bring the emoluments of registrars of deeds on fees into line with registrars of deeds on salary.

SECTION 7. This amendment will permit a registrar of deeds to receive a supplement out of the Consolidated Revenue Fund if the income for the year from fees is below his annual salary. The amount of the supplement will be the difference between his annual salary and the income received.

SECTION 8. For greater accuracy and convenience, municipal auditors are authorized to inspect the books in any registry office to ensure that the municipality is receiving its correct share of registry fees. At present, only a warden, mayor or treasurer of a municipality may do so.

R.S.O. 1950,
c. 336, s. 108,
amended

7. Section 108 of *The Registry Act*, as amended by section 3 of *The Registry Amendment Act, 1951*, is further amended by striking out "\$3,200" in the amendments of 1951 and inserting in lieu thereof "his fixed annual salary", so that the section shall read as follows:

Additional
grants in
certain
cases

108. Where it appears by return to the Lieutenant-Governor or to any department of the Government that in any year a registrar of deeds or an officer holding the office of registrar of deeds and local master of titles has derived from the fees, emoluments and salary, if any, of his office, after deducting necessary disbursements, an income which is less than his fixed annual salary, there may be paid on the report of the Inspector to such registrar or officer, out of the Consolidated Revenue Fund, an amount sufficient to make up the income for the year to his fixed annual salary, if the Lieutenant-Governor in Council so directs.

R.S.O. 1950,
c. 336, s. 115,
re-enacted

8. Section 115 of *The Registry Act* is repealed and the following substituted therefor:

Inspection
of registry
books by
municipal
officers

115. The head of a municipal council or the treasurer or the auditor of a municipality may inspect the books including bank books of any registry office for the purpose of testing the accuracy of the returns or computations of fees received by the registrar to a share or percentage of which the municipality is or may become entitled, and the registrar shall at all convenient times allow such books to be inspected for that purpose free of charge.

Commence-
ment

9.—(1) This Act, except sections 1 and 5, comes into force on the day it receives Royal Assent.

Idem

(2) Sections 1 and 5 come into force on the 1st day of June, 1957.

Short title

10. This Act may be cited as *The Registry Amendment Act, 1957*.

An Act to amend The Registry Act

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee on Legal Bills)*

No. 79

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Registry Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

BILL

An Act to amend The Registry Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 3, as amended by section 5 of *The Registry Amendment Act, 1952*, and subsection 4 of section 48 of *The Registry Act* are repealed. R.S.O. 1950, c. 336, s. 48, subs. 3, 4, repealed

2.—(1) Subsection 1 of section 52 of *The Registry Act* is amended by striking out “and of the full age of 21 years” in the fifth and sixth lines, so that the subsection shall read as follows: R.S.O. 1950, c. 336, s. 52, subs. 1, amended

(1) Where a conveyance or mortgage is made by a man and no one joins therein as his wife it shall not be registered unless there is made on or securely attached to it an affidavit or statutory declaration by the man that he is married, unmarried, or a widower, as the case may be. Affidavit or declaration as to condition of grantor

(2) The said section 52 is amended by adding thereto the following subsection: R.S.O. 1950, c. 336, s. 52, amended

(1a) Where a conveyance or mortgage is made by any person, it shall not be registered unless there is made on or securely attached to it an affidavit or statutory declaration by the person that he or she is of the full age of 21 years. Affidavit or declaration as to age

3. Subsection 8 of section 57 of *The Registry Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 336, s. 57, subs. 8, re-enacted

(8) A certificate to be registered under subsection 7 shall contain a local description of the lands mentioned therein or a description by reference to a registered instrument and registration thereof shall be made by production of the original certificate and deposit of a notarial copy thereof or of so much thereof as relates to the lands situate in the registry division for which the same is to be registered.

R.S.O. 1950, c. 336, s. 84, subs. 1 (1954, c. 83, s. 12, subs. 1), amended

4. Subsection 1 of section 84 of *The Registry Act*, as re-enacted by subsection 1 of section 12 of *The Registry Amendment Act, 1954*, is amended by adding at the end thereof "and where the Inspector consents the plan may be registered on a scale of not less than 400 feet to the inch", so that the subsection shall read as follows:

Registration of plans where land subdivided

- (1) Where land is surveyed and subdivided for the purpose of being sold or conveyed in lots by reference to a plan which has not been already registered, the person making the survey and subdivision shall within three months thereafter register a plan of the land on a scale not less than 100 feet to the inch and where the registrar consents the plan may be registered on a scale of not less than 200 feet to the inch and where the Inspector consents the plan may be registered on a scale of not less than 400 feet to the inch.

R.S.O. 1950, c. 336, s. 97, re-enacted

5. Section 97 of *The Registry Act*, as amended by section 6 of *The Registry Amendment Act, 1952* and section 4 of *The Registry Amendment Act, 1955*, is repealed and the following substituted therefor:

Fees:

97. Except where otherwise provided, a registrar shall be entitled to the following fees:

Registering instruments

- (a) For registering every certificate of discharge of mortgage including the certificate of registration, \$2.50, and for registering every other instrument and one duplicate, if any, including the certificate of registration, \$4.50.

If the instrument embraces lots or parcels of land situate in different municipalities in the same registry division, the registration and copying of the instrument, together with all necessary entries and certificates in connection therewith, shall be considered separate and distinct registrations for each municipality in which the land is situate.

If the instrument embraces more than four lots or parcels of land in the same municipality, the registrar shall be allowed a fee of 5 cents for entering each lot or parcel in excess of four.

Searching lots

- (b) For searching the registry books and indexes relating to the title of any lot or part of a lot, 50 cents.

- (c) For searching the alphabetical index of names referred to in section 30, as to each name in the books of any one township or other municipality in the registry division, 50 cents; but if a general search as to any such name is made throughout the registry division, the aggregate of fees for the search shall not exceed \$2. Searching alphabetical index
- (d) For searching the general register referred to in section 21, as to each name, 50 cents. Searching general register
- (e) For an abstract of title to any parcel of land containing such particulars as to any number of registered instruments affecting the parcel as the applicant may require, a minimum fee of \$3 including the fee for search and certificate, and in addition, for each instrument that requires inspection, 10 cents. Abstract of title
- Where the abstract exceeds 100 words, 20 cents for each additional 100 words or part thereof.
- (f) For each certificate furnished by the registrar, except a certificate under clause a, 50 cents. Certificates
- (g) For registering every plan of subdivision, including all necessary entries connected therewith, \$8; but if the plan embraces more than twenty lots, the registrar shall be allowed a fee of 10 cents for each lot in excess of twenty lots. Registering plan
- (h) For searching for the names of registered owners and for mortgagees under subsection 16 of section 84 in connection with the registration of a plan, \$1; but if the search embraces more than twenty lots, 5 cents for each lot in excess of twenty lots. Searches in connection with registering a plan
- (i) For furnishing copies required under section 24 or 26, 10 cents for each 100 words or fraction thereof. Statement under s. 24 or 26
- (j) For repairing under section 26 any book, or copying, mounting or binding plans, or for new plans and surveys, or for new abstract indexes, such sums as the Inspector may order in writing, specifying the nature of the service. Repairing books, etc.

- On payment of taxes (k) For registering certificate of payment of taxes, 25 cents.
- Notices of sale (l) For registering notice of sale of land under power in mortgage, 50 cents.
- Affidavit for general register (m) For registering a declaration for registering instrument entered in general register, 50 cents.
- Notice of liability under R.S.O. 1950, c. 237 (n) For entering notice of liability to taxation and forfeiture under *The Mining Tax Act*, 50 cents a lot.
- Instruments (o) For copies of instruments when required, 15 cents for each 100 words or fraction thereof.
- Production of instruments (p) For exhibiting in the office each original registered instrument including search therefor, 10 cents, and for producing each original registered instrument including search therefor in pursuance of a judge's order or subpoena, 10 cents in addition to the registrar's ordinary witness fees.

R.S.O. 1950, c. 336, s. 107, subs. 1, amended **6.**—(1) Subsection 1 of section 107 of *The Registry Act*, as amended by subsection 1 of section 5 of *The Registry Amendment Act, 1955*, is further amended by striking out “\$4,500” in the amendment of 1955 and inserting in lieu thereof “\$5,000”, so that the subsection shall read as follows:

Registrar's emoluments (1) Every registrar shall be entitled to retain to his own use in each year his net income up to \$5,000.

R.S.O. 1950, c. 336, s. 107, subs. 2, amended (2) Subsection 2 of the said section 107, as amended by subsection 2 of section 5 of *The Registry Amendment Act, 1955*, is further amended by striking out “\$4,500” in the amendments of 1955 and inserting in lieu thereof “\$5,000”, so that the subsection shall read as follows:

Where net income exceeds \$5,000 R.S.O. 1950, c. 197 (2) Subject to section 111 of this Act and to section 152 of *The Land Titles Act*, every registrar shall, of the net income of each year over \$5,000, pay to the treasurer of the county or city for which or for part of which he is registrar, the following percentages:

(a) On the excess over \$5,000 up to \$6,000, 50 per cent.

(b) On the excess over \$6,000, 90 per cent.

7. Section 108 of *The Registry Act*, as amended by section 3 of *The Registry Amendment Act, 1951*, is further amended by striking out "\$3,200" in the amendments of 1951 and inserting in lieu thereof "his fixed annual salary", so that the section shall read as follows: R.S.O. 1950,
c. 336, s. 108,
amended

108. Where it appears by return to the Lieutenant-Governor or to any department of the Government that in any year a registrar of deeds or an officer holding the office of registrar of deeds and local master of titles has derived from the fees, emoluments and salary, if any, of his office, after deducting necessary disbursements, an income which is less than his fixed annual salary, there may be paid on the report of the Inspector to such registrar or officer, out of the Consolidated Revenue Fund, an amount sufficient to make up the income for the year to his fixed annual salary, if the Lieutenant-Governor in Council so directs. Additional
grants in
certain
cases

8. Section 115 of *The Registry Act* is repealed and the following substituted therefor: R.S.O. 1950,
c. 336, s. 115,
re-enacted

115. The head of a municipal council or the treasurer or the auditor of a municipality may inspect the books including bank books of any registry office for the purpose of testing the accuracy of the returns or computations of fees received by the registrar to a share or percentage of which the municipality is or may become entitled, and the registrar shall at all convenient times allow such books to be inspected for that purpose free of charge. Inspection
of registry
books by
municipal
officers

9.—(1) This Act, except sections 1 and 5, comes into force on the day it receives Royal Assent. Commence-
ment

(2) Sections 1 and 5 come into force on the 1st day of June, 1957. Idem

10. This Act may be cited as *The Registry Amendment Act, 1957*. Short title

An Act to amend The Registry Act

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 80

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Power Commission Act

MR. CONNELL

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The effect of the clause as re-enacted is to authorize the Commission, subject to the approval of the Lieutenant-Governor in Council, to convert to 60 cycle the remaining 25-cycle areas and generating stations in Northern Ontario.

SECTION 2. This new subsection provides that the cost of constructing the Northern Ontario Properties shall be charged to that operation.

BILL

An Act to amend The Power Commission Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 26 of *The Power Commission Act*,^{R.S.O. 1950, c. 281, s. 26, cl. a, re-enacted} as amended by section 2 of *The Power Commission Amendment Act, 1956*, is repealed and the following substituted therefor:

- (a) for the purposes of standardizing and making uniform the periodicity in alternations of current at which it supplies power, alter, reconstruct, rebuild, reassemble, construct, extend, replace or do whatever else may be necessary in respect of its works, works held by it under section 84, works held by it in trust for Her Majesty in right of Ontario under sections 59 and 59a and, with their consent, works wherever situate of other persons who are supplying or purchasing or otherwise delivering or accepting delivery of power to or from the Commission.

2. Section 59 of *The Power Commission Act* is amended by adding thereto the following subsection:^{R.S.O. 1950, c. 281, s. 59, amended}

- (2a) In subsection 2, "the annual costs and charges in connection therewith as determined by the Commission" includes for the purposes of subsection 2 and of every agreement heretofore or hereafter entered into between Her Majesty and the Commission thereunder all costs, charges and expenditures incurred or to be incurred for the provision of a reserve for, and the amortization of the cost of, standardizing and making uniform the periodicity in alternations of current at which power is generated and supplied by the Commission from works held by it in trust for Her Majesty in right of Ontario and at which such power is utilized.^{Definition of annual costs and charges}

3. This Act comes into force on the day it receives Royal Assent.^{Commencement}

4. This Act may be cited as *The Power Commission Amendment Act, 1957*.^{Short title}

An Act to amend
The Power Commission Act

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. CONNELL

No. 80

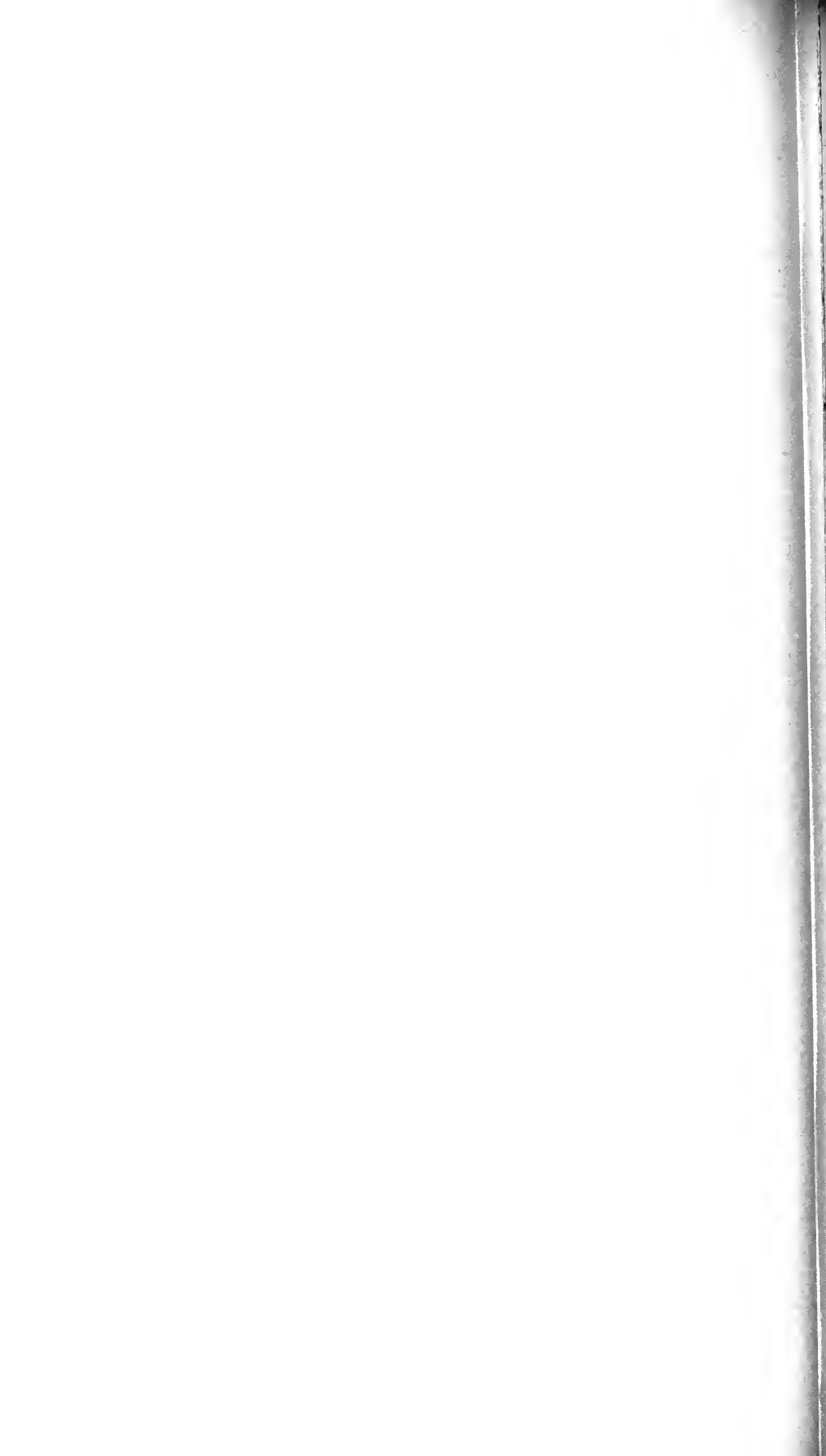
3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Power Commission Act

MR. CONNELL

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Power Commission Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 26 of *The Power Commission Act*,^{R.S.O. 1950, c. 281, s. 26, cl. a, re-enacted} as amended by section 2 of *The Power Commission Amendment Act, 1956*, is repealed and the following substituted therefor:

(a) for the purposes of standardizing and making uniform the periodicity in alternations of current at which it supplies power, alter, reconstruct, rebuild, reassemble, construct, extend, replace or do whatever else may be necessary in respect of its works, works held by it under section 84, works held by it in trust for Her Majesty in right of Ontario under sections 59 and 59*a* and, with their consent, works wherever situate of other persons who are supplying or purchasing or otherwise delivering or accepting delivery of power to or from the Commission.

2. Section 59 of *The Power Commission Act* is amended by adding thereto the following subsection:^{R.S.O. 1950, c. 281, s. 59, amended}

(2a) In subsection 2, "the annual costs and charges in connection therewith as determined by the Commission" includes for the purposes of subsection 2 and of every agreement heretofore or hereafter entered into between Her Majesty and the Commission thereunder all costs, charges and expenditures incurred or to be incurred for the provision of a reserve for, and the amortization of the cost of, standardizing and making uniform the periodicity in alternations of current at which power is generated and supplied by the Commission from works held by it in trust for Her Majesty in right of Ontario and at which such power is utilized.^{Definition of annual costs and charges}

3. This Act comes into force on the day it receives Royal Assent.^{Commencement}

4. This Act may be cited as *The Power Commission Amendment Act, 1957*.^{Short title}

An Act to amend
The Power Commission Act

1st Reading

February 5th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 29th, 1957

MR. CONNELL.

No. 81

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

**An Act to amend The St. Lawrence Development Act,
1952 (No. 2)**

MR. CONNELL

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. Self-explanatory.

SECTION 2. This new section is required in order to provide an expeditious and inexpensive method of closing roads affected by the St. Lawrence power project.

No. 81

1957

BILL

An Act to amend

The St. Lawrence Development Act, 1952 (No. 2)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The St. Lawrence Development Act, 1952* (No. 2) is amended by adding thereto the following clause: 1952 (2nd Sess.), c. 3, s. 1, amended

(f) "road" means, whether opened or unopened, any common, public or other highway, road, street, road allowances, way, thoroughfare or any part thereof or any public means of access, ingress, egress or passage for persons or vehicles and includes bridges and structures forming part of a road.

2. *The St. Lawrence Development Act, 1952* (No. 2) is amended by adding thereto the following section: 1952 (2nd Sess.), c. 3, amended

8a. Notwithstanding anything in any general or special Act, where under subsection 1 of section 8 a road has been or is expropriated and the councils of the municipalities whose action or approval would under any Act be required for the closing thereof consent by by-law to such closing, such road shall be deemed to be stopped up and closed as of the date of the deposit in the proper registry or land titles office of a plan and description thereof in the manner provided in section 9. Certain roads closed

3. This Act comes into force on the day it receives Royal Assent. Commencement

4. This Act may be cited as *The St. Lawrence Development Amendment Act, 1957*. Short title

An Act to amend
The St. Lawrence Development
Act, 1952 (No. 2)

1st Reading

February 5th, 1957

2nd Reading

3rd Reading

MR. CONNELL

No. 81

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The St. Lawrence Development Act,
1952 (No. 2)

MR. CONNELL

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The St. Lawrence Development Act, 1952 (No. 2)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The St. Lawrence Development Act, 1952* (No. 2) is amended by adding thereto the following clause: 1952 (2nd Sess.), c. 3, s. 1, amended

(ff) "road" means, whether opened or unopened, any common, public or other highway, road, street, road allowances, way, thoroughfare or any part thereof or any public means of access, ingress, egress or passage for persons or vehicles and includes bridges and structures forming part of a road.

2. *The St. Lawrence Development Act, 1952* (No. 2) is amended by adding thereto the following section: 1952 (2nd Sess.), c. 3, amended

8a. Notwithstanding anything in any general or special Act, where under subsection 1 of section 8 a road has been or is expropriated and the councils of the municipalities whose action or approval would under any Act be required for the closing thereof consent by by-law to such closing, such road shall be deemed to be stopped up and closed as of the date of the deposit in the proper registry or land titles office of a plan and description thereof in the manner provided in section 9. Certain roads closed

3. This Act comes into force on the day it receives Royal Assent. Commencement

4. This Act may be cited as *The St. Lawrence Development Amendment Act, 1957*. Short title

An Act to amend
The St. Lawrence Development
Act, 1952 (No. 2)

1st Reading

February 5th, 1957

2nd Reading

March 26th, 1957

3rd Reading

March 29th, 1957

MR. CONNELL

No. 82

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Corporations Information Act, 1953

MR. DUNBAR

EXPLANATORY NOTES

SECTION 1—Subsection 1. This amendment requires a corporation to *file* annual returns instead of *deliver* them in order to bring the language into line with other sections of the Act and *The Corporations Act, 1953*.

Subsection 2. The new subsection 6a provides for the recovery in the civil courts of a penalty for failure to file annual returns.

The new subsection 11 is self-explanatory.

The new subsection 12 is self-explanatory.

BILL

An Act to amend The Corporations Information Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subsection 1 of section 3 of *The Corporations Information Act, 1953* is amended by striking out “deliver to” in the eighth line and inserting in lieu thereof “file with”. 1953, c. 21, s. 3, subs. 1, amended

(2) The said section 3 is amended by adding thereto the following subsections: 1953, c. 21, s. 3, amended

(6a) Notwithstanding the imposition of any other penalty under this Act, every corporation that has failed to comply with a predecessor of this section and every corporation that fails to comply with this section is liable to a penalty of \$200 and every director or officer of the corporation and, where the corporation is an extra-provincial corporation, every person acting as its representative in Ontario, who authorized, permitted or acquiesced in, or who authorizes, permits or acquiesces in, any such failure is liable to a penalty of \$200, and any such penalty is recoverable in any court of competent jurisdiction by action at the suit of the Crown to be tried by a judge without a jury. Civil penalty

(11) Notwithstanding that a corporation has delivered or filed the return mentioned in this section or a predecessor of this section, the corporation shall be deemed to be in default in filing such return until the prescribed fee payable on the delivery or filing of such return has been paid. Where default deemed to continue

(12) A certificate purporting to be under the seal of office of the Provincial Secretary and the hand of the Provincial Secretary or his deputy that the return Proof of default

mentioned in this section or a predecessor of this section was not delivered or filed as required by this section or a predecessor of this section is *prima facie* evidence in a prosecution or action under this section that such return was not so filed, without proof of the seal of office of the Provincial Secretary or of the signature or of the official character of the person appearing to have signed the same.

Short title

2. This Act may be cited as *The Corporations Information Amendment Act, 1957*.



An Act to amend
The Corporations Information Act, 1953

1st Reading

February 7th, 1957

2nd Reading

3rd Reading

MR. DUNBAR

No. 82

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Corporations Information Act, 1953

MR. DUNBAR

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

BILL

An Act to amend The Corporations Information Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subsection 1 of section 3 of *The Corporations Information Act, 1953* is amended by striking out “deliver to” in the eighth line and inserting in lieu thereof “file with”. 1953, c. 21, s. 3, subs. 1, amended

(2) The said section 3 is amended by adding thereto the following subsections: 1953, c. 21, s. 3, amended

- (6a) Notwithstanding the imposition of any other penalty Civil penalty under this Act, every corporation that has failed to comply with a predecessor of this section and every corporation that fails to comply with this section is liable to a penalty of \$200 and every director or officer of the corporation and, where the corporation is an extra-provincial corporation, every person acting as its representative in Ontario, who authorized, permitted or acquiesced in, or who authorizes, permits or acquiesces in, any such failure is liable to a penalty of \$200, and any such penalty is recoverable in any court of competent jurisdiction by action at the suit of the Crown to be tried by a judge without a jury.
-
- (11) Notwithstanding that a corporation has delivered or filed the return mentioned in this section or a predecessor of this section, the corporation shall be deemed to be in default in filing such return until the prescribed fee payable on the delivery or filing of such return has been paid. Where default deemed to continue
- (12) A certificate purporting to be under the seal of office of the Provincial Secretary and the hand of the Provincial Secretary or his deputy that the return Proof of default

mentioned in this section or a predecessor of this section was not delivered or filed as required by this section or a predecessor of this section is *prima facie* evidence in a prosecution or action under this section that such return was not so filed, without proof of the seal of office of the Provincial Secretary or of the signature or of the official character of the person appearing to have signed the same.

Short title **2.** This Act may be cited as *The Corporations Information Amendment Act, 1957*.



EXPLANATORY NOTE

Large numbers of these documents are issued. The section is re-enacted in order to facilitate their issue and to bring about uniformity with respect to the two types of document concerned.

BILL

An Act to amend The Vital Statistics Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 41 of *The Vital Statistics Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 412, s. 41, re-enacted

41.—(1) A certificate purporting to be issued under section 39 or a certified copy of a registration purporting to be issued under section 40 signed by the Registrar-General or Deputy Registrar-General or on which the signature of either of them is lithographed, printed or stamped is admissible in any court in Ontario as *prima facie* evidence of the facts so certified, and it is not necessary to prove the signature or official position of the person by whom the certificate or certified copy purports to be signed. Admissibility in evidence of certificates, etc.

(2) Notwithstanding subsection 1, no birth certificate and no certified copy of a registration of birth or still-birth is admissible in evidence to affect a presumption of legitimacy. Exception

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Vital Statistics Amendment Act, 1957*. Short title

An Act to amend
The Vital Statistics Act

1st Reading

February 7th, 1957

2nd Reading

3rd Reading

MR. DUNBAR

No. 83

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Vital Statistics Act

MR. DUNBAR

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Vital Statistics Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 41 of *The Vital Statistics Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 412, s. 41, re-enacted

41.—(1) A certificate purporting to be issued under section 39 or a certified copy of a registration purporting to be issued under section 40 signed by the Registrar-General or Deputy Registrar-General on which the signature of either of them is lithographed, printed or stamped is admissible in any court in Ontario as *prima facie* evidence of the facts so certified, and it is not necessary to prove the signature or official position of the person by whom the certificate or certified copy purports to be signed. Admissibility in evidence of certificates, etc.

(2) Notwithstanding subsection 1, no birth certificate and no certified copy of a registration of birth or still-birth is admissible in evidence to affect a presumption of legitimacy. Exception

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Vital Statistics Amendment Act, 1957*. Short title

An Act to amend
The Vital Statistics Act

1st Reading

February 7th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. DUNBAR

No. 84

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Corporations Act, 1953

MR. DUNBAR

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. This amendment will enable corporations without share capital to pass by-laws for the division of its members into groups, for the election of directors by such groups, and for the election of delegates by such groups to attend meetings.

This new section is similar in principle to section 136 of the Act which applies to co-operative corporations.

BILL

An Act to amend The Corporations Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Corporations Act, 1953* is amended by adding ^{1953, c. 19, amended} thereto the following section:

112a.—(1) The directors of a corporation may pass by-^{By-laws respecting delegates} laws providing for,

- (a) the division of its members into groups, either territorially or on the basis of common interest;
- (b) the election of some or all of the directors,
 - (i) by such groups on the basis of the number of members in each group, or
 - (ii) for the groups in a defined geographical area, by the delegates of such groups meeting together;
- (c) the election of delegates and alternative delegates to represent each group on the basis of the number of members in each group;
- (d) the number and method of electing delegates;
- (e) the holding of meetings of delegates;
- (f) the authority of delegates at meetings or providing that a meeting of delegates shall for all purposes be deemed to be and to have all the powers of a meeting of the members;
- (g) the holding of meetings of members or delegates territorially or on the basis of common interest.

- Confirmation (2) No by-law passed under subsection 1 shall be effective until it is confirmed by at least two-thirds of the votes cast at a general meeting of the members duly called for considering the by-law.
- Voting (3) A delegate shall have only one vote and shall not vote by proxy.
- Qualification of delegates (4) No person shall be elected a delegate who is not a member of the corporation.
- Saving (5) No such by-law shall prohibit members from attending meetings of delegates and participating in the discussions at such meetings.

1953, c. 19, s. 136, subs. 1, cl. b, re-enacted **2.** Clause *b* of subsection 1 of section 136 of *The Corporations Act, 1953* is repealed and the following substituted therefor:

- (b) the election of some or all of the directors,
- (i) by such groups on the basis of the number of members or shareholders in each group or the volume of business done by each group with the corporation, or both, or
- (ii) for the groups in a defined geographical area, by the delegates of such groups meeting together.

1953, c. 19, s. 138, subs. 1, amended **3.** Subsection 1 of section 138 of *The Corporations Act, 1953* is amended by striking out "and" at the end of clause *c* and by striking out clause *d* and inserting in lieu thereof the following:

- deliver statements (d) send to every person entitled to notice of the annual meeting with the notice of the annual meeting a copy of the financial statement and a copy of the auditor's report; and
- idem (e) upon the request in writing of any member or shareholder, send to such member or shareholder a copy of the financial statement and a copy of the auditor's report.

1953, c. 19, s. 325, subs. 2, amended **4.** Subsection 2 of section 325 of *The Corporations Act, 1953* is amended by striking out "five" in the second line and inserting in lieu thereof "three".

Short title **5.** This Act may be cited as *The Corporations Amendment Act, 1957*.

SECTION 2. This amendment will enable a co-operative corporation to pass a by-law providing for the election of all of its directors by groups or some of its directors by groups and the remainder by the members or shareholders at large.

This amendment will also permit a number of groups in a district to elect through their delegates one or more directors.

SECTION 3. The effect of this amendment is that if the by-laws of a co-operative corporation provide for the election of delegates to attend meetings, a copy of the financial statement and auditor's report need only be sent to delegates and not to all members or shareholders, but if a member or shareholder requests the same, copies must be sent to him.

SECTION 4. The section now provides that the letters patent of a corporation may be cancelled if the corporation is five years in default in filing its annual returns.

The amendment reduces this period to three years.



An Act to amend
The Corporations Act, 1953

1st Reading

February 7th, 1957

2nd Reading

3rd Reading

MR. DUNBAR

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Corporations Act, 1953

MR. DUNBAR



BILL

An Act to amend The Corporations Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Corporations Act, 1953* is amended by adding ^{1953, c. 19,} thereto the following section: ^{amended}

- 112a.—(1) The directors of a corporation may pass by ^{By-laws} laws providing for, ^{respecting} ^{delegates}
- (a) the division of its members into groups, either territorially or on the basis of common interest;
 - (b) the election of some or all of the directors,
 - (i) by such groups on the basis of the number of members in each group, or
 - (ii) for the groups in a defined geographical area, by the delegates of such groups meeting together;
 - (c) the election of delegates and alternative delegates to represent each group on the basis of the number of members in each group;
 - (d) the number and method of electing delegates;
 - (e) the holding of meetings of delegates;
 - (f) the authority of delegates at meetings or providing that a meeting of delegates shall for all purposes be deemed to be and to have all the powers of a meeting of the members;
 - (g) the holding of meetings of members or delegates territorially or on the basis of common interest.

- Confirmation** (2) No by-law passed under subsection 1 shall be effective until it is confirmed by at least two-thirds of the votes cast at a general meeting of the members duly called for considering the by-law.
- Voting** (3) A delegate shall have only one vote and shall not vote by proxy.
- Qualification of delegates** (4) No person shall be elected a delegate who is not a member of the corporation.
- Saving** (5) No such by-law shall prohibit members from attending meetings of delegates and participating in the discussions at such meetings.

1953, c. 19,
s. 136,
subs. 1, cl. b,
re-enacted

2. Clause *b* of subsection 1 of section 136 of *The Corporations Act, 1953* is repealed and the following substituted therefor:

- (b) the election of some or all of the directors,
- (i) by such groups on the basis of the number of members or shareholders in each group or the volume of business done by each group with the corporation, or both, or
- (ii) for the groups in a defined geographical area, by the delegates of such groups meeting together.

1953, c. 19,
s. 138,
subs. 1,
amended

3. Subsection 1 of section 138 of *The Corporations Act, 1953* is amended by striking out "and" at the end of clause *c* and by striking out clause *d* and inserting in lieu thereof the following:

- deliver statements** (d) send to every person entitled to notice of the annual meeting with the notice of the annual meeting a copy of the financial statement and a copy of the auditor's report; and
- idem** (e) upon the request in writing of any member or shareholder, send to such member or shareholder a copy of the financial statement and a copy of the auditor's report.

1953, c. 19,
s. 325,
subs. 2,
amended

4. Subsection 2 of section 325 of *The Corporations Act, 1953* is amended by striking out "five" in the second line and inserting in lieu thereof "three".

Short title **5.** This Act may be cited as *The Corporations Amendment Act, 1957*.



An Act to amend
The Corporations Act, 1953

1st Reading

February 7th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. DUNBAR

No. 85

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Cemeteries Act

MR. PHILLIPS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1—Subsection 1. This definition is new. See also section 10 of this bill.

Subsection 2. The purpose of the amendments is to exclude tombs, monuments and enclosures from the definition of perpetual care as used in the Act.

SECTION 2. This amendment substitutes the municipal council for the local board of health as the authority to approve the establishment or enlargement of cemeteries.

SECTION 3. See note to section 2. This amendment is complementary.

BILL

An Act to amend The Cemeteries Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Cemeteries Act* is amended by adding thereto the following clause: R.S.O. 1950, c. 46, s. 1, amended

(*ee*) “mausoleum” means a building or other structure used as a place for the interment of the dead in sealed crypts or compartments.

(2) Clause *gg* of the said section 1, as enacted by subsection 2 of section 1 of *The Cemeteries Amendment Act, 1954*, is amended by inserting after “lots” in the third line “and” and by striking out “tombs, monuments or enclosures” in the third and fourth lines, so that the clause shall read as follows: R.S.O. 1950, c. 46, s. 1, (1954, c. 6, s. 1, subs. 2), amended

(*gg*) “perpetual care” means the preservation, improvement, embellishment and maintenance in perpetuity in a proper manner of lots and plots in a cemetery or of compartments in a mausoleum or columbarium.

2. Section 3 of *The Cemeteries Act* is amended by striking out “local board” in the second line and inserting in lieu thereof “council of the municipality”, so that the section shall read as follows: R.S.O. 1950, c. 46, s. 3, amended

3. An application for such approval shall be made in writing to the council of the municipality, and the applicant shall submit therewith a detailed plan and description in duplicate of the land proposed to be acquired or used for cemetery purposes together with such other information as the regulations may require. Application for approval

3. Section 4 of *The Cemeteries Act* is amended by striking out “local board” in the fourth line and inserting in lieu thereof “council of the municipality”, so that the section shall read as follows: R.S.O. 1950, c. 46, s. 4, amended

Transmission
to
Department

4. The application and one of the duplicates of the plan and description of the land and all other material filed with the application shall be transmitted to the Department together with a statement of the opinion of the council of the municipality thereon.

R.S.O. 1950,
c. 46,
amended

4. *The Cemeteries Act* is amended by adding thereto the following sections:

Amount
for
perpetual
care

- 4a. No application for the establishment or enlargement of a cemetery to be operated for gain or profit shall be approved unless the owner has set aside for perpetual care the amount prescribed by the regulations.

.

Approval
to inter

- 5a. No cemetery that is to be operated for gain or profit shall be used for the interment of the dead until approval of the Department therefor has been obtained.

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
amended

- 5.—(1) Subsection 1 of section 8 of *The Cemeteries Act*, as amended by section 1 of *The Cemeteries Amendment Act, 1953* and section 3 of *The Cemeteries Amendment Act, 1954*, is further amended by adding thereto the following clauses:

- (cc) fixing the amount and type of bond or insurance that shall be furnished or carried by persons selling cemetery lots;
- (ccc) requiring owners of cemeteries to permit the planting, installation and erection of cemetery supplies by owners of lots and such other persons and upon such conditions as the regulations may prescribe.

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
cl. d,
re-enacted

- (2) Clause *d* of subsection 1 of the said section 8 is repealed and the following substituted therefor:

- (d) defining cemetery services and cemetery supplies for the purposes of the regulations;
- (dd) governing and regulating the charges for the sale and care of lots and for cemetery services and supplies;
- (ddd) regulating or restricting or prohibiting the sale or offering for sale of cemetery lots and prescribing the method, manner and conditions under which cemetery lots may be sold or offered for sale.

SECTION 4. The added sections are self-explanatory.

SECTION 5.—Subsections 1, 2 and 3. The clauses authorize the making of regulations by the Lieutenant-Governor in Council on the matters specified. They are designed to give greater and broader control over all aspects of the sale of cemetery lots and cemetery services, and supplies.

Subsection 4. This amendment will enable regulations to be made regularizing the omission of some cemeteries to pass their accounts in the past.

SECTION 6. The amendments change the present mandatory requirement to a permissive requirement so far as the perpetual care of tombs, monuments and enclosures is concerned.

SECTION 7. The new subsection, which complements subsection 4, will enable a cemetery owner, with the consent of the Minister of Health, to transfer perpetual care funds from the Public Trustee to a trust company in the same manner as such funds may now be transferred from one trust company to another trust company or from a trust company to the Public Trustee.

(3) Subsection 1 of the said section 8 is amended by adding thereto the following clause:

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
amended

- (hh) requiring cemetery owners to supply financial and other information prescribed by the regulations to owners of cemetery lots and such other persons as the regulations prescribe.

(4) Clause *m* of subsection 1 of the said section 8, as enacted by section 3 of *The Cemeteries Amendment Act, 1954*, is amended by inserting after "therefrom" in the sixth line "and any such regulation may have a retroactive effect", so that the clause shall read as follows:

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
cl. *m* (1954,
c. 6, s. 3),
amended

- (m) exempting any cemetery, mausoleum or columbarium or any class thereof from the application of section 7a, 17c, 17d or 17e, and prescribing the conditions under which such cemetery, mausoleum or columbarium or any class thereof shall be exempt therefrom, and any such regulation may have a retroactive effect; and

.

6. Subsection 2 of section 16a of *The Cemeteries Act*, as re-enacted by section 4 of *The Cemeteries Amendment Act, 1954*, is amended by striking out "tombs, monuments and enclosures" in the third line and by adding at the end thereof "and the owner may, out of such income, preserve and maintain tombs, monuments and enclosures in the cemetery", so that the subsection shall read as follows:

R.S.O. 1950,
c. 46, s. 16a
(1954, c. 6
s. 4), subs. 2,
amended

- (2) The owner shall, out of the income of such investment, preserve and maintain in a proper manner in perpetuity all lots in the cemetery, or compartments in the mausoleum or columbarium, as the case may be, and the owner may, out of such income, preserve and maintain tombs, monuments and enclosures in the cemetery.

Perpetual
care

7. Section 17c of *The Cemeteries Act*, as enacted by section 5 of *The Cemeteries Amendment Act, 1954*, is amended by adding thereto the following subsection:

R.S.O. 1950,
c. 46, s. 17c
(1954, c. 6,
s. 5),
amended

- (4a) Where the owner has paid over the perpetual care funds to the Public Trustee in accordance with subsection 1 or 3, the owner, with the approval of the Minister, may direct the Public Trustee to transfer any perpetual care funds to a trust company referred to in subsection 1.

Idem

R.S.O. 1950,
c. 46, s. 17h
(1954, c. 6,
s. 5), subs. 1,
amended

8. Subsection 1 of section 17h of *The Cemeteries Act*, as enacted by section 5 of *The Cemeteries Amendment Act, 1954*, is amended by adding at the end thereof "but the owner shall not be allowed any compensation for his care, pains and trouble and his time expended in and about the perpetual care funds, and any agreement made by the owner as defined in clause g of section 1 with respect to the payment to a trust company or to the Public Trustee for services in connection with funds entrusted to the trust company or to the Public Trustee shall be subject to review and approval of the judge on a passing of accounts", so that the subsection shall read as follows:

Provisions
of R.S.O.
1950, cc. 380,
400 to
apply

- (1) Except as provided in subsection 2, the provisions of *The Surrogate Courts Act* and the rules made thereunder and of *The Trustee Act* with respect to the passing of accounts of an executor, administrator or trustee apply *mutatis mutandis* to the passing of accounts under this Act, but the owner shall not be allowed any compensation for his care, pains and trouble and his time expended in and about the perpetual care funds, and any agreement made by the owner as defined in clause g of section 1 with respect to the payment to a trust company or to the Public Trustee for services in connection with funds entrusted to the trust company or to the Public Trustee shall be subject to review and approval of the judge on a passing of accounts.

R.S.O. 1950,
c. 46,
amended

9. *The Cemeteries Act* is amended by adding thereto the following section:

Power to
adjust
amount of
perpetual
care
funds

- 17m. Where an action has been commenced by debenture holders whose debentures are charges against the assets of a cemetery and perpetual care funds paid to the owner of the cemetery have not been set aside as required by the Act and the regulations and a receiver has been appointed by order of the court, the Lieutenant-Governor in Council may, notwithstanding the Act and the regulations, fix the amount to be set aside for perpetual care.

R.S.O. 1950,
c. 46,
amended

10. *The Cemeteries Act* is amended by adding thereto the following section:

Application
of certain
sections to
mausolea

- 27a. The provisions of sections 2, 3, 4, 5, 6, 7a, 8, 9, 10, 12, 20, 23 and 24 apply *mutatis mutandis* to mausolea in the same manner as they apply to cemeteries.

Commence-
ment

11. This Act comes into force on the day it receives Royal Assent.

Short title

12. This Act may be cited as *The Cemeteries Amendment Act, 1957*.

SECTION 8. The words added make it clear that a cemetery owner is not entitled to compensation for administering perpetual care funds.

SECTION 9. In the event of a commercial cemetery failing to have sufficient assets to meet its obligations, this section will enable the amount of perpetual care funds to be reduced and thus enable the cemetery to continue to operate.

SECTION 10. Self-explanatory. See also note to subsection 1 of section 1 of this bill.



Bill
An Act to amend
The Cemeteries Act

1st Reading

February 12th, 1957

2nd Reading

3rd Reading

MR. PHILLIPS

No. 85

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Cemeteries Act

MR. PHILLIPS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Cemeteries Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Cemeteries Act* is amended by adding thereto the following clause: R.S.O. 1950, c. 46, s. 1, amended

(*ee*) “mausoleum” means a building or other structure used as a place for the interment of the dead in sealed crypts or compartments.

(2) Clause *gg* of the said section 1, as enacted by subsection 2 of section 1 of *The Cemeteries Amendment Act, 1954*, is amended by inserting after “lots” in the third line “and” and by striking out “tombs, monuments or enclosures” in the third and fourth lines, so that the clause shall read as follows: R.S.O. 1950, c. 46, s. 1, cl. *gg*, (1954, c. 6, s. 1, subs. 2), amended

(*gg*) “perpetual care” means the preservation, improvement, embellishment and maintenance in perpetuity in a proper manner of lots and plots in a cemetery or of compartments in a mausoleum or columbarium.

2. Section 3 of *The Cemeteries Act* is amended by striking out “local board” in the second line and inserting in lieu thereof “council of the municipality”, so that the section shall read as follows: R.S.O. 1950, c. 46, s. 3, amended

3. An application for such approval shall be made in writing to the council of the municipality, and the applicant shall submit therewith a detailed plan and description in duplicate of the land proposed to be acquired or used for cemetery purposes together with such other information as the regulations may require. Application for approval

3. Section 4 of *The Cemeteries Act* is amended by striking out “local board” in the fourth line and inserting in lieu thereof “council of the municipality”, so that the section shall read as follows: R.S.O. 1950, c. 46, s. 4, amended

Transmission
to
Department

4. The application and one of the duplicates of the plan and description of the land and all other material filed with the application shall be transmitted to the Department together with a statement of the opinion of the council of the municipality thereon.

R.S.O. 1950,
c. 46,
amended

4. *The Cemeteries Act* is amended by adding thereto the following sections:

Amount
for
perpetual
care

- 4a. No application for the establishment or enlargement of a cemetery to be operated for gain or profit shall be approved unless the owner has set aside for perpetual care the amount prescribed by the regulations.

.

Approval
to inter

- 5a. No cemetery that is to be operated for gain or profit shall be used for the interment of the dead until approval of the Department therefor has been obtained.

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
amended

5.—(1) Subsection 1 of section 8 of *The Cemeteries Act*, as amended by section 1 of *The Cemeteries Amendment Act, 1953* and section 3 of *The Cemeteries Amendment Act, 1954*, is further amended by adding thereto the following clauses:

- (cc) fixing the amount and type of bond or insurance that shall be furnished or carried by persons selling cemetery lots;
- (ccc) requiring owners of cemeteries to permit the planting, installation and erection of cemetery supplies by owners of lots and such other persons and upon such conditions as the regulations may prescribe.

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
cl. d,
re-enacted

(2) Clause *d* of subsection 1 of the said section 8 is repealed and the following substituted therefor:

- (d) defining cemetery services and cemetery supplies for the purposes of the regulations;
- (dd) governing and regulating the charges for the sale and care of lots and for cemetery services and supplies;
- (ddd) regulating or restricting or prohibiting the sale or offering for sale of cemetery lots and prescribing the method, manner and conditions under which cemetery lots may be sold or offered for sale.

(3) Subsection 1 of the said section 8 is amended by adding thereto the following clause:

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
amended

(hh) requiring cemetery owners to supply financial and other information prescribed by the regulations to owners of cemetery lots and such other persons as the regulations prescribe.

(4) Clause *m* of subsection 1 of the said section 8, as enacted by section 3 of *The Cemeteries Amendment Act, 1954*, is amended by inserting after "therefrom" in the sixth line "and any such regulation may have a retroactive effect", so that the clause shall read as follows:

R.S.O. 1950,
c. 46, s. 8,
subs. 1,
cl. *m* (1954,
c. 6, s. 3),
amended

(*m*) exempting any cemetery, mausoleum or columbarium or any class thereof from the application of section 7*a*, 17*c*, 17*d* or 17*e*, and prescribing the conditions under which such cemetery, mausoleum or columbarium or any class thereof shall be exempt therefrom, and any such regulation may have a retroactive effect; and

.

6. Subsection 2 of section 16*a* of *The Cemeteries Act*, as re-enacted by section 4 of *The Cemeteries Amendment Act, 1954*, is amended by striking out "tombs, monuments and enclosures" in the third line and by adding at the end thereof "and the owner may, out of such income, preserve and maintain tombs, monuments and enclosures in the cemetery", so that the subsection shall read as follows:

R.S.O. 1950,
c. 46, s. 16*a*
(1954, c. 6
s. 4), subs. 2
amended

(2) The owner shall, out of the income of such investment, preserve and maintain in a proper manner in perpetuity all lots in the cemetery, or compartments in the mausoleum or columbarium, as the case may be, and the owner may, out of such income, preserve and maintain tombs, monuments and enclosures in the cemetery.

Perpetual
care

7. Section 17*c* of *The Cemeteries Act*, as enacted by section 5 of *The Cemeteries Amendment Act, 1954*, is amended by adding thereto the following subsection:

R.S.O. 1950,
c. 46, s. 17*c*
(1954, c. 6,
s. 5),
amended

(4*a*) Where the owner has paid over the perpetual care funds to the Public Trustee in accordance with subsection 1 or 3, the owner, with the approval of the Minister, may direct the Public Trustee to transfer any perpetual care funds to a trust company referred to in subsection 1.

Idem

R.S.O. 1950,
c. 46, s. 17h
(1954, c. 6,
s. 5), subs. 1,
amended

8. Subsection 1 of section 17h of *The Cemeteries Act*, as enacted by section 5 of *The Cemeteries Amendment Act, 1954*, is amended by adding at the end thereof "but the owner shall not be allowed any compensation for his care, pains and trouble and his time expended in and about the perpetual care funds, and any agreement made by the owner as defined in clause g of section 1 with respect to the payment to a trust company or to the Public Trustee for services in connection with funds entrusted to the trust company or to the Public Trustee shall be subject to review and approval of the judge on a passing of accounts", so that the subsection shall read as follows:

Provisions
of R.S.O.
1950, cc. 380,
400 to
apply

- (1) Except as provided in subsection 2, the provisions of *The Surrogate Courts Act* and the rules made thereunder and of *The Trustee Act* with respect to the passing of accounts of an executor, administrator or trustee apply *mutatis mutandis* to the passing of accounts under this Act, but the owner shall not be allowed any compensation for his care, pains and trouble and his time expended in and about the perpetual care funds, and any agreement made by the owner as defined in clause g of section 1 with respect to the payment to a trust company or to the Public Trustee for services in connection with funds entrusted to the trust company or to the Public Trustee shall be subject to review and approval of the judge on a passing of accounts.

R.S.O. 1950,
c. 46,
amended

9. *The Cemeteries Act* is amended by adding thereto the following section:

Power to
adjust
amount of
perpetual
care
funds

- 17m.** Where an action has been commenced by debenture holders whose debentures are charges against the assets of a cemetery and perpetual care funds paid to the owner of the cemetery have not been set aside as required by the Act and the regulations and a receiver has been appointed by order of the court, the Lieutenant-Governor in Council may, notwithstanding the Act and the regulations, fix the amount to be set aside for perpetual care.

R.S.O. 1950,
c. 46,
amended

10. *The Cemeteries Act* is amended by adding thereto the following section:

Application
of certain
sections to
mausolea

- 27a.** The provisions of sections 2, 3, 4, 5, 6, 7a, 8, 9, 10, 12, 20, 23 and 24 apply *mutatis mutandis* to mausolea in the same manner as they apply to cemeteries.

Commence-
ment

11. This Act comes into force on the day it receives Royal Assent.

Short title

12. This Act may be cited as *The Cemeteries Amendment Act, 1957*.

An Act to amend
The Cemeteries Act

1st Reading

February 12th, 1957

2nd Reading

March 26th, 1957

3rd Reading

April 2nd, 1957

MR. PHILLIPS

No. 86

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Mining Act

MR. KELLY

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1—Subsection 1. The definition of the “King’s Highway” is required for the purposes of subsection 8 of section 52 of the Act. See section 3 of this bill.

The definition of “metal tag” is required for the purposes of section 61 of the Act. It will assist prospectors in complying with the Act.

Subsection 2. The definition is re-enacted to complement the definition of mining rights. See also note to section 3.

SECTION 2. This section is brought up to date.

SECTION 3. Sections 3, 6 and 11 of this bill deal with the separation of surface rights and mining rights.

These provisions are designed to enable the surface rights in lands to be developed independently of the mining rights wherever this can be done without interfering with the development of the mining rights.

BILL

An Act to amend The Mining Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Mining Act*, as amended by R.S.O. 1950, section 1 of *The Mining Amendment Act, 1956*, is further c. 236, s. 1, amended amended by adding thereto the following clauses:

(f) "King's Highway" means any highway designated as the King's Highway under *The Highway Improve-1957, c. . . . ment Act, 1957* or any predecessor thereof;

.

(hh) "metal tag" means the metal tag supplied by the mining recorder or a substitute therefor supplied by the Department.

(2) Clause *v* of the said section 1 is repealed and the following substituted therefor: R.S.O. 1950, c. 236, s. 1, cl. *v*, re-enacted

(v) "surface rights" means every right in land other than the mining rights.

2. Section 8 of *The Mining Act*, as re-enacted by section 1 R.S.O. 1950, c. 236, s. 8 of *The Mining Amendment Act, 1955*, is repealed and the following substituted therefor: (1955, c. 45, s. 1), re-enacted

8. The Minister is responsible for the administration of this Act and the regulations, *The Damage by Fumes Arbitration Act, The Mining Tax Act, The Water-well Drillers Act, 1954*, and the regulations thereunder. Administration R.S.O. 1950, cc. 87, 237, 1954, c. 104

3.—(1) Subsection 4 of section 52 of *The Mining Act*, as re-enacted by subsection 2 of section 4 of *The Mining Amendment Act, 1953*, is repealed and the following substituted therefor: R.S.O. 1950, c. 236, s. 52, subs. 4 (1953, c. 64, s. 4, subs. 2), re-enacted

Crown reservation of surface rights of claims near lakes, etc.

R.S.O. 1950, c. 309

- (4) Where any part of any claim is within 400 feet from the high water mark of any navigable lake, river or stream, the surface rights of such part are excluded from the claim and are reserved to the Crown, and the surface rights so reserved may be dealt with under Part VIA or under *The Public Lands Act* or the regulations thereunder.

R.S.O. 1950, c. 236, s. 52, amended

- (2) The said section 52 is amended by adding thereto the following subsections:

Crown reservation of surface rights of claims clear King's Highway

R.S.O. 1950, c. 309

- (8) Where any part of any claim is within 500 feet of the centre line of the King's Highway, the surface rights of such part are excluded from the claim and are reserved to the Crown, and the surface rights so reserved may be dealt with under Part VIA or under *The Public Lands Act* or the regulations thereunder.

Removal of reservation of surface rights

- (9) Where surface rights are reserved to the Crown under subsection 4 or 8, the Minister may, with the consent of the Minister of Lands and Forests, remove the reservation or any part or parts thereof.

R.S.O. 1950, c. 236, s. 58, subs. 2, re-enacted

- 4.**—(1) Subsection 2 of section 58 of *The Mining Act* is repealed and the following substituted therefor:

Time limit for compliance

- (2) A licensee shall comply with subsection 1 not later than thirty-one days from the date of staking.

R.S.O. 1950, c. 236, s. 58, subs. 3 (1955, c. 45, s. 14, subs. 2), amended

- (2) Subsection 3 of the said section 58, as re-enacted by subsection 2 of section 14 of *The Mining Amendment Act, 1955*, is amended by striking out "verified by affidavit" in the second line, so that the subsection, exclusive of the clauses, shall read as follows:

Certificate to accompany application

- (3) The licensee shall submit with his application and sketch or plan a certificate in the prescribed form stating,

R.S.O. 1950, c. 236, s. 61, subs. 3, amended

- 5.** Subsection 3 of section 61 of *The Mining Act* is amended by striking out "six months" in the second line and inserting in lieu thereof "one year", so that the subsection shall read as follows:

Corner posts to be tagged

- (3) As soon as reasonably possible after the recording of the mining claim, and not later than one year thereafter, the holder of the claim shall affix or cause to be affixed securely to each of the corner

SECTION 4—Subsection 1. The present general rule is that an application to record must be furnished to the recorder within thirty days of the staking. The subsection as re-enacted allows thirty-one days.

Subsection 2. The amendment removes the requirement that the certificate must be verified by affidavit.

SECTION 5. This amendment restores the former time limit of one year for affixing tags, which coincides with the time limit for the first instalment of assessment work.

SECTION 6. See note to section 3 of this bill.

SECTION 7—Subsection 1. The effect of the deletion of the exception will be to allow first-year surveys to count as the first year's work.

posts of the claim a metal tag plainly marked or impressed with the recorded number and letter or letters of the claim, and the recorder shall supply such numbered tags free of charge.

6. Section 66 of *The Mining Act*, as amended by section 4 R.S.O. 1950, c. 236, s. 66, of *The Mining Amendment Act, 1954*, is further amended by amended adding thereto the following subsections:

- (1a) The holder of an unpatented mining claim has no right to the surface rights of the claim that are excluded from the claim under subsection 4 or 8 of section 52 other than the right to enter upon, use or occupy such part or parts thereof as the Minister considers necessary for the exploration and development of the minerals and mining rights therein. Surface rights
- (1b) The holder of an unpatented mining claim has no right to the surface rights of the claim that are not excluded from the claim under subsection 4 or 8 of section 52 other than the right to enter upon, use or occupy such part or parts thereof as are necessary for the exploration and development of the minerals and mining rights therein. Idem
- (1c) After ninety days written notice to the holder of an unpatented mining claim specifying the action proposed to be taken and giving the holder thereof an opportunity to be heard, the Lieutenant-Governor in Council may exclude from the claim any surface rights not already excluded under subsection 4 or 8 of section 52 and that are not necessary for the exploration and development of the minerals and mining rights therein, and the surface rights so excluded may be held for the uses of Ontario or disposed of under *The Public Lands Act* or the regulations thereunder. R.S.O. 1950, c. 309
- (1d) Where there is a question as to what surface rights are considered necessary for the exploration and development of the minerals and mining rights in the unpatented mining claim, the decision of the Minister is final and binding upon the parties thereby affected. Idem

7.—(1) Subsection 1 of section 81 of *The Mining Act* is amended by striking out “except in respect of the work required by subsection 1 of section 80 to be done within one year immediately following the recording of the claim” in the fourth, fifth, sixth and seventh lines, so that the subsection shall read as follows: R.S.O. 1950, c. 236, s. 81, subs. 1, amended

Survey to
count
as work

- (1) The survey of a mining claim made in pursuance of section 105 or 106, on the plan and field notes thereof being filed with the mining recorder within the prescribed time, shall count as forty days work on the surveyed claim.

R.S.O. 1950,
c. 236, s. 81,
amended

- (2) The said section 81 is amended by adding thereto the following subsections:

Cancellation
of work

- (2a) Where work has been recorded with the mining recorder under subsection 1 or 2 and the survey of the mining claim does not comply with section 105 or 106 or the regulations, the Minister may direct the mining recorder to cancel the work and thereupon the mining recorder shall cancel the entry on the record.

Where
s. 80, subs. 6,
not to
apply

- (2b) Subsection 6 of section 80 does not apply to work recorded under subsection 1 or 2.

R.S.O. 1950,
c. 236, s. 83,
subss. 1, 2,
re-enacted

- 8.—(1) Subsections 1 and 2 of section 83 of *The Mining Act* are repealed and the following substituted therefor:

Extension
of time
for work

- (1) If by reason of pending proceedings or incapacity from illness of the holder of a mining claim the work is not performed or the metal tags have not been affixed or the money required for patent or lease is not paid within the prescribed time, the recorder may extend the time for the performance of such work or the affixing of the metal tags or the payment of such money for periods not exceeding six months.

Medical
certificate

- (2) Where such work has not been performed or the metal tags have not been affixed or payment for patent or lease has not been made because of the incapacity from illness of the holder of such claim, the recorder may extend the time only upon the production and filing with him of a certificate of a duly qualified medical practitioner indicating that such holder has by reason of illness been rendered incapable of performing such work or affixing the metal tags or paying such money.

Extensions
heretofore
granted
validated

- (2) Every extension heretofore granted by a mining recorder for the affixing of metal tags is hereby ratified and confirmed.

R.S.O. 1950,
c. 236, s. 89,
subs. 1
(1954, c. 53,
s. 7), cl. b,
re-enacted

- 9.—(1) Clause *b* of subsection 1 of section 89 of *The Mining Act*, as re-enacted by section 7 of *The Mining Amendment Act, 1954*, is repealed and the following substituted therefor:

Subsection 2. The new subsection 2*a* is designed to ensure that proper surveys will be made.

The new subsection 2*b* will make it clear that a survey can only count as work on the claim surveyed.

SECTION 8—Subsection 1. The subsections are re-enacted in order to give recorders authority to extend the time for affixing metal tags to claim posts in the situations mentioned. Heretofore recorders could only grant extensions for performing work and applying for title.

Subsection 2. Some unauthorized tagging extensions have already been granted. This provision will validate them.

SECTION 9—Subsections 1 and 2. Under the present provisions only one extension may be granted for each work period. The provisions, as re-enacted, revert to the situation as it was before 1953 and will allow more than one extension to be granted by the Mining Commissioner.

Subsection 3. This provision will remove any doubt that may exist as to the validity of extension orders made in the past.

SECTION 10. The effect of the added words will be to prevent late applications being made as a reinspection after conditions on the ground have changed serves no useful purpose.

- (b) where the prescribed work is not performed within the time stipulated in subsection 1 of section 80, the Commissioner, within six months of the forfeiture, may make an order or orders upon such terms as he considers just relieving the claim from forfeiture and extending the time for performing the work; or

(2) Subsection 2 of the said section 89, as re-enacted by section 7 of *The Mining Amendment Act, 1953* and amended by subsection 1 of section 4 of *The Mining Amendment Act, 1956*, is repealed and the following substituted therefor: R.S.O. 1950 c. 236, s. 89 (1953, c. 64, s. 7), subs. 2, re-enacted

- (2) If application is made to the Commissioner within thirty days before the time forfeiture or loss of rights would occur, he may make an order or orders granting an extension of time in respect of one or more of the following: Extension of time

1. For affixing the metal tags to the corner posts of the claim.
2. For performing any work required to be performed.

(3) Every order heretofore issued out of the Mining Court of Ontario or the office of the Mining Commissioner under section 89 of *The Mining Act* is hereby ratified and confirmed. Extensions heretofore granted ratified

10. Subsection 2 of section 92 of *The Mining Act* is amended by striking out "Judge" in the fifth line and inserting in lieu thereof "Commissioner" and by adding at the end thereof "and every such application for reinspection shall be made to the Commissioner or to the recorder within fifteen days of the entry of the decision on the books of the recorder or within such further period not exceeding fifteen days as the Commissioner may allow", so that the subsection shall read as follows: R.S.O. 1950, c. 236, s. 92, subs. 2, amended

- (2) Unless notice of the inspection has been given to the holder of the claim at least seven clear days prior thereto, either personally or by registered letter addressed to him at his address appearing on record in the recorder's books he may apply to the Commissioner or to the recorder for a reinspection and the same shall be granted if it appears that the holder of the claim has been prejudiced by the want of notice and every such application for reinspection shall be made to the Commissioner or to the recorder Application for reinspection

within fifteen days of the entry of the decision on the books of the recorder or within such further period not exceeding fifteen days as the Commissioner may allow.

R.S.O. 1950,
c. 236,
amended

11.—(1) *The Mining Act* is amended by adding thereto the following section:

Disposal
of surface
rights

100a.—(1) In a patent or lease of a mining claim, the Minister may include the surface rights in the claim or in any part or parts of the claim other than surface rights excluded or withdrawn from the claim under this Act or the regulations if the Minister considers such surface rights necessary for the exploration and development of the minerals and mining rights therein.

Idem

(2) Any surface rights not included in a patent or lease of a mining claim under subsection 1 may be dealt with under Part VIA or under *The Public Lands Act* or the regulations thereunder.

R.S.O. 1950,
c. 309

Application
of s. 100a

(2) Section 100a of *The Mining Act*, as enacted by subsection 1, applies whether or not the claim was staked before the section came into force, but, in the case of a claim staked before the section came into force, the surface rights shall be included in the patent or lease,

- (a) if application for patent or lease is made and the purchase price or rental is paid before the 1st day of April, 1957; or
- (b) if the holder of the claim has been prevented from making application for patent or lease or from paying the purchase price or rental on or before the 1st day of April, 1957, because the plans of survey filed with the Surveyor-General have not been approved by that date.

R.S.O. 1950,
c. 236,
s. 113a
(1951, c. 51,
s. 2), subs. 1,
re-enacted

12. Subsection 1 of section 113a of *The Mining Act*, as enacted by section 2 of *The Mining Amendment Act, 1951*, is repealed and the following substituted therefor:

Quarry
permit

(1) No person shall take or remove or cause to be taken or removed any stone or rock quarried for any industrial or commercial purpose, limestone, marble, granite, quartzite, feldspar, fluorspar, gypsum, diatomaceous earth, clay, marl, peat, sand or gravel that is the property of the Crown unless he is the holder of a quarry permit.

SECTION 11. See note to section 3.

SECTION 12. The subsection is re-enacted in order to require a quarry permit to remove any of the materials mentioned that are owned by the Crown, whether or not the Crown owns the land on or in which the material is situate.

SECTION 13. This new section is similar in principle to a provision in *The Interpretation Act* applicable to court offices, etc.

SECTION 14. Up to the present time there has been no provision in the Act making it an offence to do diamond drilling, shaft sinking or other mining operations on Crown lands contrary to the Act. This new clause creates the offence. The penalty is not more than \$20 for every day upon which the offence occurs or continues.

SECTION 15. This provision is new. It is self-explanatory.

SECTION 16. This amendment is designed to make it clear that the principle enunciated in the section prevails notwithstanding all the sections mentioned.

13. *The Mining Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 236,
amended

149. Where the time limited for any proceeding or for the doing of anything in an office of a mining recorder or an office of the Mining Commissioner or an office of the Minister or Deputy Minister expires or falls upon a Saturday, the time so limited extends to and the thing may be done on the day next following which is not a holiday. Time
expiring
on a
Saturday

14. Subsection 1 of section 180 of *The Mining Act* is amended by adding thereto the following clause: R.S.O. 1950,
c. 236, s. 180,
subs. 1,
amended

(aa) performs or causes to be performed on any Crown lands or on any lands where the mining rights are in the Crown any work of a kind mentioned in section 80 or 81 except where such Crown lands or mining rights have been staked out and recorded as a mining claim in accordance with this Act; or

.

15. *The Mining Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 236,
amended

180a.—(1) No person shall construct or cause to be constructed any plant for the smelting, roasting, refining or other treatment of any ores or minerals until the site thereof has been approved by the Lieutenant-Governor in Council. Smelters

(2) Every person who constructs or causes to be constructed any plant for the smelting, roasting, refining or other treatment of any ores or minerals without the approval of the Lieutenant-Governor in Council is guilty of an offence and on summary conviction is liable to a penalty of not more than \$1,000 for every day upon which such construction occurs or continues. Offence
and
penalty

16. Section 216 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by striking out "section 212" in the first line and inserting in lieu thereof "sections 212, 213, 214 and 215", so that the section shall read as follows: R.S.O. 1950,
c. 236, s. 216
(1955, c. 45,
s. 24),
amended

216. Notwithstanding sections 212, 213, 214 and 215, every person and property liable to the acreage tax is liable whether entered in the tax roll or not, and Liability
for tax
though not
on roll

the tax is, without any notice or demand, payable at the time and in the manner provided by this Part.

R.S.O. 1950, c. 236, s. 218 (1955, c. 45, s. 24), amended **17.** Section 218 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by adding thereto the following subsection:

Fee (1a) An application under subsection 1 shall be accompanied by a fee of \$25.

R.S.O. 1950, c. 236, s. 222 (1955, c. 45, s. 24), amended **18.** Section 222 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by adding thereto the following subsection:

Fee (3) The Minister may direct any application for an order under subsection 1 to be accompanied by a fee of \$25.

R.S.O. 1950, c. 236, amended **19.** *The Mining Act* is amended by adding thereto the following section:

Compromise of acreage taxes 226.—(1) Where any doubt arises as to the liability of any person to pay a tax or any part of a tax imposed under this Act, the Minister may, subject to the approval of the Lieutenant-Governor in Council, compromise the matter by the acceptance of such amount as he may deem proper and, where the tax imposed has been paid under protest, he may refund the same or any part thereof to the person making the payment under protest.

Exemption from acreage tax (2) Where the surface rights of land that was not subject to tax under this Act are severed from the mining rights for the purpose of a public road or highway, the Minister may exempt the owner or lessee of the mining rights from the tax imposed by this Act.

R.S.O. 1950, c. 236, Sched., Item 5 (1955, c. 45, s. 25, subs. 1), amended **20.**—(1) Item 5 of the Schedule to *The Mining Act*, as re-enacted by subsection 1 of section 25 of *The Mining Amendment Act, 1955*, is amended by inserting after "re-recording" in the first line "in each licence year", so that the item shall read as follows:

5. For recording in each licence year each claim of the first nine claims in a mining division..... \$ 5.00
and for each additional claim..... 10.00

R.S.O. 1950, c. 236, Sched., amended (2) The said Schedule is amended by adding thereto the following item:

23a. For making additional entries on an abstract of a mining claim..... \$.25

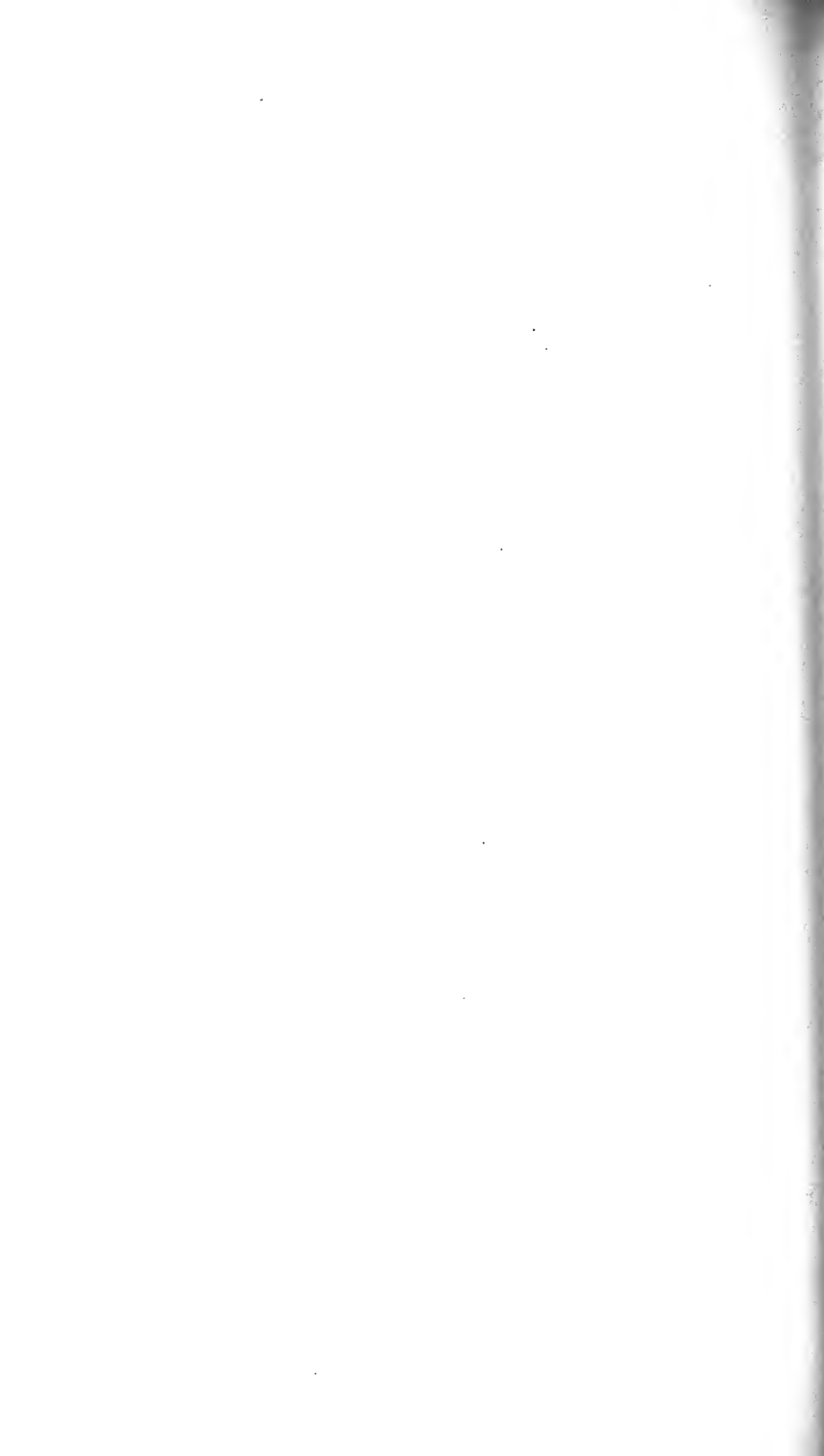
SECTION 17. A fee of \$25 is provided for an application to the Mining Commissioner for a vesting order.

SECTION 18. A fee of \$25 is to be required in proper cases for an application for an order annulling a forfeiture.

SECTION 19. This section is new.

SECTION 20—Subsection 1. The words added are intended to make it clear that the recording fee is payable in each licence year.

Subsection 2. This item brings the Schedule into line with practice.



21. This Act comes into force on the day it receives Royal ^{Commence-} Assent.
_{ment}

22. This Act may be cited as *The Mining Amendment Act*, Short title
1957.

An Act to amend
The Mining Act

1st Reading

February 18th, 1957

2nd Reading

3rd Reading

MR KELLY

No. 86

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Mining Act

MR. KELLY

(Reprinted as amended by the Committee on Mining)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1—Subsection 1. The definition of "metal tag" is required for the purposes of section 61 of the Act. It will assist prospectors in complying with the Act.

Subsection 2. The definition is re-enacted to complement the definition of mining rights. See also note to section 3.

SECTION 2. This section is brought up to date.

SECTION 3—Subsection 1. The present general rule is that an application to record must be furnished to the recorder within thirty days of the staking. The subsection as re-enacted allows thirty-one days.

Subsection 2. The amendment removes the requirement that the certificate must be verified by affidavit.

BILL

An Act to amend The Mining Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Mining Act*, as amended by R.S.O. 1950, section 1 of *The Mining Amendment Act, 1956*, is further amended by adding thereto the following clause: c. 236, s. 1, amended

(hh) "metal tag" means the metal tag supplied by the mining recorder or a substitute therefor supplied by the Department.

(2) Clause *v* of the said section 1 is repealed and the following substituted therefor: R.S.O. 1950, c. 236, s. 1, cl. v, re-enacted

(v) "surface rights" means every right in land other than the mining rights.

2. Section 8 of *The Mining Act*, as re-enacted by section 1 of *The Mining Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950, c. 236, s. 8 (1955, c. 45, s. 1), re-enacted

8. The Minister is responsible for the administration of this Act and the regulations, *The Damage by Fumes Arbitration Act*, *The Mining Tax Act*, *The Water-well Drillers Act, 1954*, and the regulations thereunder. Admini-
stration
R.S.O. 1950,
cc. 87, 237,
1954, c. 104

3.—(1) Subsection 2 of section 58 of *The Mining Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 236, s. 58, subs. 2, re-enacted

(2) A licensee shall comply with subsection 1 not later than thirty-one days from the date of staking. Time limit
for
compliance

(2) Subsection 3 of the said section 58, as re-enacted by subsection 2 of section 14 of *The Mining Amendment Act, 1955*, is amended by striking out "verified by affidavit" in the second line, so that the subsection, exclusive of the clauses, shall read as follows: R.S.O. 1950, c. 236, s. 58, subs. 3 (1955, c. 45, s. 14, subs. 2), amended

Certificate to accompany application

- (3) The licensee shall submit with his application and sketch or plan a certificate in the prescribed form stating,

.

R.S.O. 1950, c. 236, s. 61, subs. 3, amended

4. Subsection 3 of section 61 of *The Mining Act* is amended by striking out "six months" in the second line and inserting in lieu thereof "one year", so that the subsection shall read as follows:

Corner posts to be tagged

- (3) As soon as reasonably possible after the recording of the mining claim, and not later than one year thereafter, the holder of the claim shall affix or cause to be affixed securely to each of the corner posts of the claim a metal tag plainly marked or impressed with the recorded number and letter or letters of the claim, and the recorder shall supply such numbered tags free of charge.

R.S.O. 1950, c. 236, s. 66, amended

5. Section 66 of *The Mining Act*, as amended by section 4 of *The Mining Amendment Act, 1954*, is further amended by adding thereto the following subsection:

Surface rights

- (1a) The holder of a mining claim shall not have any right, title or claim to the surface rights of the claim other than the right to enter upon, use and occupy such part or parts thereof as are necessary for the purpose of prospecting and the efficient exploration, development and operation of the mines, minerals and mining rights therein.

R.S.O. 1950, c. 236, s. 81, subs. 1, amended

- 6.—(1) Subsection 1 of section 81 of *The Mining Act* is amended by striking out "except in respect of the work required by subsection 1 of section 80 to be done within one year immediately following the recording of the claim" in the fourth, fifth, sixth and seventh lines, so that the subsection shall read as follows:

Survey to count as work

- (1) The survey of a mining claim made in pursuance of section 105 or 106, on the plan and field notes thereof being filed with the mining recorder within the prescribed time, shall count as forty days work on the surveyed claim.

R.S.O. 1950, c. 236, s. 81, subs. 2, amended

- (2) Subsection 2 of the said section 81 is amended by striking out "except in respect of the work required by subsection 1 of section 80 to be performed within one year immediately following the recording of the claim" in the fourth, fifth and sixth lines, so that the subsection shall read as follows:

SECTION 4. This amendment restores the former time limit of one year for affixing tags, which coincides with the time limit for the first instalment of assessment work.

SECTION 6—Subsection 1. The effect of the deletion of the exception will be to allow first-year surveys to count as the first year's work.

Subsection 3. The new subsection 2*a* is designed to ensure that proper surveys will be made.

The new subsection 2*b* will make it clear that a survey can only count as work on the claim surveyed.

SECTION 7—Subsection 1. The subsections are re-enacted in order to give recorders authority to extend the time for affixing metal tags to claim posts in the situations mentioned. Heretofore recorders could only grant extensions for performing work and applying for title.

(2) On receipt of an affidavit by an Ontario land surveyor that he has made a survey of a mining claim within the period during which any work is required by this Act to be done on such claim and an undertaking of such surveyor that he will forward or cause to be forwarded to the recorder not later than two months after the close of the period for doing the work, plans and field notes of the survey, the recorder may enter upon the record of the claim forty days' work and he may cancel the entry in default of receipt of such plans and field notes within such period of two months.

before plans filed

(3) The said section 81 is amended by adding thereto the following subsections:

R.S.O. 1950, c. 236, s. 81, amended

(2a) Where work has been recorded with the mining recorder under subsection 1 or 2 and the survey of the mining claim does not comply with section 105 or 106 or the regulations, the Minister may direct the mining recorder to cancel the work and thereupon the mining recorder shall cancel the entry on the record.

Cancellation of work

(2b) Subsection 6 of section 80 does not apply to work recorded under subsection 1 or 2.

Where s. 80, subs. 6, not to apply

7.—(1) Subsections 1 and 2 of section 83 of *The Mining Act* are repealed and the following substituted therefor:

R.S.O. 1950, c. 236, s. 83, subs. 1, 2, re-enacted

(1) If by reason of pending proceedings or incapacity from illness of the holder of a mining claim the work is not performed or the metal tags have not been affixed or the money required for patent or lease is not paid within the prescribed time, the recorder may extend the time for the performance of such work or the affixing of the metal tags or the payment of such money for periods not exceeding six months.

Extension of time for work

(2) Where such work has not been performed or the metal tags have not been affixed or payment for patent or lease has not been made because of the incapacity from illness of the holder of such claim, the recorder may extend the time only upon the production and filing with him of a certificate of a duly qualified medical practitioner indicating that such holder has by reason of illness been rendered incapable of performing such work or affixing the metal tags or paying such money.

Medical certificate

Extensions
heretofore
granted
validated

(2) Every extension heretofore granted by a mining recorder for the affixing of metal tags is hereby ratified and confirmed.

R.S.O. 1950,
c. 236, s. 92,
subs. 2,
amended

8. Subsection 2 of section 92 of *The Mining Act* is amended by striking out "Judge" in the fifth line and inserting in lieu thereof "Commissioner" and by adding at the end thereof "and every such application for reinspection shall be made to the Commissioner or to the recorder within fifteen days of the entry of the decision on the books of the recorder or within such further period not exceeding fifteen days as the Commissioner may allow", so that the subsection shall read as follows:

Application
for
reinspection

(2) Unless notice of the inspection has been given to the holder of the claim at least seven clear days prior thereto, either personally or by registered letter addressed to him at his address appearing on record in the recorder's books he may apply to the Commissioner or to the recorder for a reinspection and the same shall be granted if it appears that the holder of the claim has been prejudiced by the want of notice and every such application for reinspection shall be made to the Commissioner or to the recorder within fifteen days of the entry of the decision on the books of the recorder or within such further period not exceeding fifteen days as the Commissioner may allow.

R.S.O. 1950,
c. 236,
amended

9.—(1) *The Mining Act* is amended by adding thereto the following section:

Disposal
of surface
rights

100a.—(1) In a patent or lease of a mining claim, the Minister,

(a) shall reserve all surface rights excluded by or withdrawn under this Act or the regulations, or which have otherwise been alienated by the Crown; and

(b) shall reserve all such other surface rights he considers necessary for any purposes other than the mineral industry and not essential for the efficient exploration and development of the mines, minerals and mining rights.

Idem

R.S.O. 1950,
c. 309

(2) Any surface rights reserved under this section may be dealt with under Part VIA or under *The Public Lands Act* or the regulations made thereunder.

Application
of s. 100a

(2) Section 100a of *The Mining Act*, as enacted by subsection 1, applies whether or not the claim was staked before

Subsection 2. Some unauthorized tagging extensions have already been granted. This provision will validate them.

SECTION 8. The effect of the added words will be to prevent late applications being made as a reinspection after conditions on the ground have changed serves no useful purpose.

SECTION 10. The subsection is re-enacted in order to require a quarry permit to remove any of the materials mentioned that are owned by the Crown, whether or not the Crown owns the land on or in which the material is situate.

SECTION 11. This new section is similar in principle to a provision in *The Interpretation Act* applicable to court offices, etc.

the section came into force, but, in the case of a claim staked before the section came into force, the surface rights shall be included in the patent or lease,

- (a) if application for patent or lease is made and the purchase price or rental is paid before the 1st day of September, 1957; or
- (b) if the holder of the claim has been prevented from making application for patent or lease or from paying the purchase price or rental on or before the 1st day of September, 1957, because the plans of survey filed with the Surveyor-General have not been approved by that date.

10. Subsection 1 of section 113a of *The Mining Act*, as enacted by section 2 of *The Mining Amendment Act, 1951*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 236,
s. 113a
(1951, c. 51,
s. 2), subs. 1,
re-enacted

- (1) No person shall take or remove or cause to be taken or removed any stone or rock quarried for any industrial or commercial purpose, limestone, marble, granite, quartzite, feldspar, fluorspar, gypsum, diatomaceous earth, clay, marl, peat, sand or gravel that is the property of the Crown unless he is the holder of a quarry permit.

Quarry
permit

11. *The Mining Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 236,
amended

- 149. Where the time limited for any proceeding or for the doing of anything in an office of a mining recorder or an office of the Mining Commissioner or an office of the Minister or Deputy Minister expires or falls upon a Saturday, the time so limited extends to and the thing may be done on the day next following which is not a holiday.

Time
expiring
on a
Saturday

12. Subsection 1 of section 180 of *The Mining Act* is amended by adding thereto the following clause:

R.S.O. 1950,
c. 236, s. 180,
subs. 1,
amended

- (aa) performs or causes to be performed on any Crown lands or on any lands where the mining rights are in the Crown any boring by diamond or other core drill for the purpose of locating valuable mineral in place except where such Crown lands or mining rights have been staked out and recorded as a mining claim in accordance with this Act; or

.

13. *The Mining Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 236,
amended

Smelters

180a.—(1) No person shall construct or cause to be constructed any plant for the smelting, roasting, refining or other treatment of ores or minerals that may result in the escape or release into the open air of sulphur, arsenic or other fumes in quantities that may injure trees or other vegetation unless and until the site of the plant has been approved by the Lieutenant-Governor in Council.

Offence and penalty

(2) Every person who constructs or causes to be constructed a plant for the smelting, roasting, refining or other treatment of ores or minerals without the approval of the Lieutenant-Governor in Council and sulphur, arsenic or other fumes escape or are released therefrom into the open air and injure trees or other vegetation is guilty of an offence and on summary conviction is liable to a penalty of not more than \$1,000 for every day upon which such fumes escape or are released therefrom into the open air.

R.S.O. 1950,
c. 236, s. 216
(1955, c. 45,
s. 24),
amended

14. Section 216 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by striking out "section 212" in the first line and inserting in lieu thereof "sections 212, 213, 214 and 215", so that the section shall read as follows:

Liability
for tax
though not
on roll

216. Notwithstanding sections 212, 213, 214 and 215, every person and property liable to the acreage tax is liable whether entered in the tax roll or not, and the tax is, without any notice or demand, payable at the time and in the manner provided by this Part.

R.S.O. 1950,
c. 236, s. 218
(1955, c. 45,
s. 24),
amended

15. Section 218 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by adding thereto the following subsection:

Fee

(1a) An application under subsection 1 shall be accompanied by a fee of \$25.

R.S.O. 1950,
c. 236, s. 222
(1955, c. 45,
s. 24),
amended

16. Section 222 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by adding thereto the following subsection:

Fee

(3) The Minister may direct any application for an order under subsection 1 to be accompanied by a fee of \$25.

R.S.O. 1950,
c. 236,
amended

17. *The Mining Act* is amended by adding thereto the following section:

SECTION 14. This amendment is designed to make it clear that the principle enunciated in the section prevails notwithstanding all the sections mentioned.

SECTION 15. A fee of \$25 is provided for an application to the Mining Commissioner for a vesting order.

SECTION 16. A fee of \$25 is to be required in proper cases for an application for an order annulling a forfeiture.

SECTION 17. This section is new.

SECTION 18—Subsection 1. The words added are intended to make it clear that the recording fee is payable in each licence year.

Subsection 2. This item brings the Schedule into line with practice.

SECTION 19. This provision will remove any doubt that may exist as to the validity of extension orders made in the past.

226.—(1) Where any doubt arises as to the liability of any person to pay a tax or any part of a tax imposed under this Act, the Minister may, subject to the approval of the Lieutenant-Governor in Council, compromise the matter by the acceptance of such amount as he may deem proper and, where the tax imposed has been paid under protest, he may refund the same or any part thereof to the person making the payment under protest. Compromise of acreage taxes

(2) Where the surface rights of land that was not subject to tax under this Act are severed from the mining rights for the purpose of a public road or highway, the Minister may exempt the owner or lessee of the mining rights from the tax imposed by this Act. Exemption from acreage tax

18.—(1) Item 5 of the Schedule to *The Mining Act*, as re-enacted by subsection 1 of section 25 of *The Mining Amendment Act, 1955*, is amended by inserting after "recording" in the first line "in each licence year", so that the item shall read as follows: R.S.O. 1950, c. 236, Sched., item 5 (1955, c. 45, s. 25, subs. 1), amended

- 5. For recording in each licence year each claim of the first nine claims in a mining division..... \$ 5.00
and for each additional claim..... 10.00

(2) The said Schedule is amended by adding thereto the following item: R.S.O. 1950, c. 236, Sched., amended

- 23a. For making additional entries on an abstract of a mining claim..... \$.25

19. Every order heretofore issued out of the Mining Court of Ontario or the office of the Mining Commissioner under section 89 of *The Mining Act* is hereby ratified and confirmed. Extensions heretofore granted ratified

20. This Act comes into force on the day it receives Royal Assent. Commencement

21. This Act may be cited as *The Mining Amendment Act, 1957*. Short title

An Act to amend
The Mining Act

1st Reading

February 18th, 1957

2nd Reading

March 18th, 1957

3rd Reading

MR KELLY

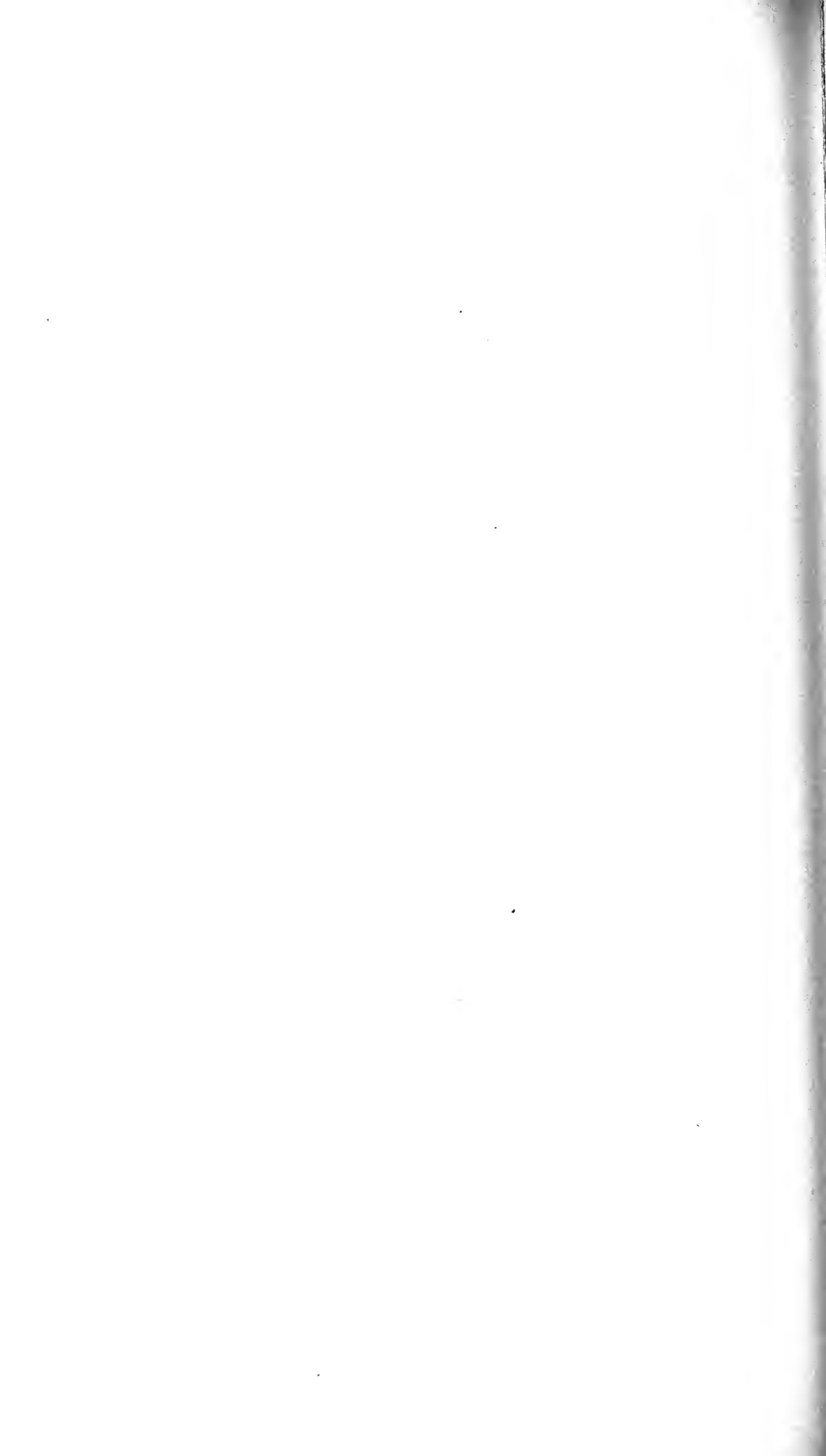
*(Reprinted as amended by the
Committee on Mining)*

No. 86

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Mining Act

MR. KELLY



BILL

An Act to amend The Mining Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Mining Act*, as amended by R.S.O. 1950, section 1 of *The Mining Amendment Act, 1956*, is further amended by adding thereto the following clause: c. 236, s. 1, amended

(hh) “metal tag” means the metal tag supplied by the mining recorder or a substitute therefor supplied by the Department.

(2) Clause *v* of the said section 1 is repealed and the following substituted therefor: R.S.O. 1950 c. 236, s. 1, cl. *v*, re-enacted

(v) “surface rights” means every right in land other than the mining rights.

2. Section 8 of *The Mining Act*, as re-enacted by section 1 of *The Mining Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950 c. 236, s. 8 (1955, c. 45, s. 1), re-enacted

8. The Minister is responsible for the administration of this Act and the regulations, *The Damage by Fumes Arbitration Act* and *The Mining Tax Act* and the regulations thereunder. Administration R.S.O. 1950, cc. 87, 237

3.—(1) Subsection 2 of section 58 of *The Mining Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 236, s. 58, subs. 2, re-enacted

(2) A licensee shall comply with subsection 1 not later than thirty-one days from the date of staking. Time limit for compliance

(2) Subsection 3 of the said section 58, as re-enacted by subsection 2 of section 14 of *The Mining Amendment Act, 1955*, is amended by striking out “verified by affidavit” in the second line, so that the subsection, exclusive of the clauses, shall read as follows: R.S.O. 1950, c. 236, s. 58, subs. 3 (1955, c. 45, s. 14, subs. 2), amended

Certificate
to
accompany
application

- (3) The licensee shall submit with his application and sketch or plan a certificate in the prescribed form stating,

.

R.S.O. 1950,
c. 236, s. 61,
subs. 3,
amended

4. Subsection 3 of section 61 of *The Mining Act* is amended by striking out "six months" in the second line and inserting in lieu thereof "one year", so that the subsection shall read as follows:

Corner
posts to
be tagged

- (3) As soon as reasonably possible after the recording of the mining claim, and not later than one year thereafter, the holder of the claim shall affix or cause to be affixed securely to each of the corner posts of the claim a metal tag plainly marked or impressed with the recorded number and letter or letters of the claim, and the recorder shall supply such numbered tags free of charge.

R.S.O. 1950,
c. 236, s. 66,
amended

5. Section 66 of *The Mining Act*, as amended by section 4 of *The Mining Amendment Act, 1954*, is further amended by adding thereto the following subsection:

Surface
rights

- (1a) The holder of a mining claim shall not have any right, title or claim to the surface rights of the claim other than the right to enter upon, use and occupy such part or parts thereof as are necessary for the purpose of prospecting and the efficient exploration, development and operation of the mines, minerals and mining rights therein.

R.S.O. 1950,
c. 236, s. 81,
subs. 1,
amended

- 6.—(1) Subsection 1 of section 81 of *The Mining Act* is amended by striking out "except in respect of the work required by subsection 1 of section 80 to be done within one year immediately following the recording of the claim" in the fourth, fifth, sixth and seventh lines, so that the subsection shall read as follows:

Survey to
count
as work

- (1) The survey of a mining claim made in pursuance of section 105 or 106, on the plan and field notes thereof being filed with the mining recorder within the prescribed time, shall count as forty days work on the surveyed claim.

R.S.O. 1950,
c. 236, s. 81,
subs. 2,
amended

- (2) Subsection 2 of the said section 81 is amended by striking out "except in respect of the work required by subsection 1 of section 80 to be performed within one year immediately following the recording of the claim" in the fourth, fifth and sixth lines, so that the subsection shall read as follows:

- (2) On receipt of an affidavit by an Ontario land surveyor that he has made a survey of a mining claim within the period during which any work is required by this Act to be done on such claim and an undertaking of such surveyor that he will forward or cause to be forwarded to the recorder not later than two months after the close of the period for doing the work, plans and field notes of the survey, the recorder may enter upon the record of the claim forty days' work and he may cancel the entry in default of receipt of such plans and field notes within such period of two months. before plans filed

(3) The said section 81 is amended by adding thereto the following subsections: R.S.O. 1950, c. 236, s. 81, amended

- (2a) Where work has been recorded with the mining recorder under subsection 1 or 2 and the survey of the mining claim does not comply with section 105 or 106 or the regulations, the Minister may direct the mining recorder to cancel the work and thereupon the mining recorder shall cancel the entry on the record. Cancellation of work

- (2b) Subsection 6 of section 80 does not apply to work recorded under subsection 1 or 2. Where s. 80, subs. 6, not to apply

7.—(1) Subsections 1 and 2 of section 83 of *The Mining Act* are repealed and the following substituted therefor: R.S.O. 1950, c. 236, s. 83, subss. 1, 2, re-enacted

- (1) If by reason of pending proceedings or incapacity from illness of the holder of a mining claim the work is not performed or the metal tags have not been affixed or the money required for patent or lease is not paid within the prescribed time, the recorder may extend the time for the performance of such work or the affixing of the metal tags or the payment of such money for periods not exceeding six months. Extension of time for work
- (2) Where such work has not been performed or the metal tags have not been affixed or payment for patent or lease has not been made because of the incapacity from illness of the holder of such claim, the recorder may extend the time only upon the production and filing with him of a certificate of a duly qualified medical practitioner indicating that such holder has by reason of illness been rendered incapable of performing such work or affixing the metal tags or paying such money. Medical certificate

Extensions
heretofore
granted
validated

(2) Every extension heretofore granted by a mining recorder for the affixing of metal tags is hereby ratified and confirmed.

R.S.O. 1950,
c. 236, s. 92,
subs. 2,
amended

8. Subsection 2 of section 92 of *The Mining Act* is amended by striking out "Judge" in the fifth line and inserting in lieu thereof "Commissioner" and by adding at the end thereof "and every such application for reinspection shall be made to the Commissioner or to the recorder within fifteen days of the entry of the decision on the books of the recorder or within such further period not exceeding fifteen days as the Commissioner may allow", so that the subsection shall read as follows:

Application
for
reinspection

(2) Unless notice of the inspection has been given to the holder of the claim at least seven clear days prior thereto, either personally or by registered letter addressed to him at his address appearing on record in the recorder's books he may apply to the Commissioner or to the recorder for a reinspection and the same shall be granted if it appears that the holder of the claim has been prejudiced by the want of notice and every such application for reinspection shall be made to the Commissioner or to the recorder within fifteen days of the entry of the decision on the books of the recorder or within such further period not exceeding fifteen days as the Commissioner may allow.

R.S.O. 1950,
c. 236,
amended

9.—(1) *The Mining Act* is amended by adding thereto the following section:

Disposal
of surface
rights

100a.—(1) In a patent or lease of a mining claim, the Minister,

(a) shall reserve all surface rights excluded by or withdrawn under this Act or the regulations, or which have otherwise been alienated by the Crown; and

(b) shall reserve all such other surface rights he considers necessary for any purposes other than the mineral industry and not essential for the efficient exploration and development of the mines, minerals and mining rights.

Idem

R.S.O. 1950,
c. 309

(2) Any surface rights reserved under this section may be dealt with under Part VIA or under *The Public Lands Act* or the regulations made thereunder.

Application
of s. 100a

(2) Section 100a of *The Mining Act*, as enacted by subsection 1, applies whether or not the claim was staked before

the section came into force, but, in the case of a claim staked before the section came into force, the surface rights shall be included in the patent or lease,

- (a) if application for patent or lease is made and the purchase price or rental is paid before the 1st day of September, 1957; or
- (b) if the holder of the claim has been prevented from making application for patent or lease or from paying the purchase price or rental on or before the 1st day of September, 1957, because the plans of survey filed with the Surveyor-General have not been approved by that date.

10. Subsection 1 of section 113a of *The Mining Act*, as enacted by section 2 of *The Mining Amendment Act, 1951*, is repealed and the following substituted therefor:

R.S.O. 1950.
c. 236,
s. 113a
(1951, c. 51,
s. 2), subs. 1,
re-enacted

- (1) No person shall take or remove or cause to be taken or removed any stone or rock quarried for any industrial or commercial purpose, limestone, marble, granite, quartzite, feldspar, fluorspar, gypsum, diatomaceous earth, clay, marl, peat, sand or gravel that is the property of the Crown unless he is the holder of a quarry permit.

Quarry
permit

11. *The Mining Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 236,
amended

- 149. Where the time limited for any proceeding or for the doing of anything in an office of a mining recorder or an office of the Mining Commissioner or an office of the Minister or Deputy Minister expires or falls upon a Saturday, the time so limited extends to and the thing may be done on the day next following which is not a holiday.

Time
expiring
on a
Saturday

12. Subsection 1 of section 180 of *The Mining Act* is amended by adding thereto the following clause:

R.S.O. 1950,
c. 236, s. 180,
subs. 1,
amended

- (aa) performs or causes to be performed on any Crown lands or on any lands where the mining rights are in the Crown any boring by diamond or other core drill for the purpose of locating valuable mineral in place except where such Crown lands or mining rights have been staked out and recorded as a mining claim in accordance with this Act; or

.

13. *The Mining Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 236,
amended

Smelters

180a.—(1) No person shall construct or cause to be constructed any plant for the smelting, roasting, refining or other treatment of ores or minerals that may result in the escape or release into the open air of sulphur, arsenic or other fumes in quantities that may injure trees or other vegetation unless and until the site of the plant has been approved by the Lieutenant-Governor in Council.

Offence and penalty

(2) Every person who constructs or causes to be constructed a plant for the smelting, roasting, refining or other treatment of ores or minerals without the approval of the Lieutenant-Governor in Council and sulphur, arsenic or other fumes escape or are released therefrom into the open air and injure trees or other vegetation is guilty of an offence and on summary conviction is liable to a penalty of not more than \$1,000 for every day upon which such fumes escape or are released therefrom into the open air.

R.S.O. 1950,
c. 236, s. 216
(1955, c. 45,
s. 24),
amended

14. Section 216 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by striking out "section 212" in the first line and inserting in lieu thereof "sections 212, 213, 214 and 215", so that the section shall read as follows:

Liability
for tax
though not
on roll

216. Notwithstanding sections 212, 213, 214 and 215, every person and property liable to the acreage tax is liable whether entered in the tax roll or not, and the tax is, without any notice or demand, payable at the time and in the manner provided by this Part.

R.S.O. 1950,
c. 236, s. 218
(1955, c. 45,
s. 24),
amended

15. Section 218 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by adding thereto the following subsection:

Fee

(1a) An application under subsection 1 shall be accompanied by a fee of \$25.

R.S.O. 1950,
c. 236, s. 222
(1955, c. 45,
s. 24),
amended

16. Section 222 of *The Mining Act*, as enacted by section 24 of *The Mining Amendment Act, 1955*, is amended by adding thereto the following subsection:

Fee

(3) The Minister may direct any application for an order under subsection 1 to be accompanied by a fee of \$25.

R.S.O. 1950,
c. 236,
amended

17. *The Mining Act* is amended by adding thereto the following section:

226.—(1) Where any doubt arises as to the liability of any person to pay a tax or any part of a tax imposed under this Act, the Minister may, subject to the approval of the Lieutenant-Governor in Council, compromise the matter by the acceptance of such amount as he may deem proper and, where the tax imposed has been paid under protest, he may refund the same or any part thereof to the person making the payment under protest. Compromise
of acreage
taxes

(2) Where the surface rights of land that was not subject to tax under this Act are severed from the mining rights for the purpose of a public road or highway, the Minister may exempt the owner or lessee of the mining rights from the tax imposed by this Act. Exemption
from
acreage
tax

18.—(1) Item 5 of the Schedule to *The Mining Act*, as re-enacted by subsection 1 of section 25 of *The Mining Amendment Act, 1955*, is amended by inserting after “recording” in the first line “in each licence year”, so that the item shall read as follows: R.S.O. 1950,
c. 236,
Sched.,
item 5
(1955, c. 45,
s. 25,
subs. 1),
amended

- 5. For recording in each licence year each claim of the first nine claims in a mining division..... \$ 5.00
- and for each additional claim..... 10.00

(2) The said Schedule is amended by adding thereto the following item: R.S.O. 1950
c. 236,
Sched.,
amended

- 23a. For making additional entries on an abstract of a mining claim..... \$.25

19. Every order heretofore issued out of the Mining Court of Ontario or the office of the Mining Commissioner under section 89 of *The Mining Act* is hereby ratified and confirmed. Extensions
heretofore
granted
ratified

20. This Act comes into force on the day it receives Royal Assent. Commence-
ment

21. This Act may be cited as *The Mining Amendment Act, 1957*. Short title



An Act to amend
The Mining Act

1st Reading

February 18th, 1957

2nd Reading

March 18th, 1957

3rd Reading

March 29th, 1957

MR KELLY

No. 87

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Separate Schools Act

MR. DUNLOP

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

SECTION 1. The new section is similar to section 5 of *The Public Schools Act* as re-enacted in Bill No. 47.

SECTION 2. The amendment clarifies the purposes for capital borrowing and provides that any ratepayer who was a separate school supporter at the time a loan was effected shall remain liable for the rates levied for repayment of the loan so long as he is resident within three miles of the separate school. Heretofore he remained liable for such rates so long as he was resident in the school section or municipality in which the separate school is located.

BILL

An Act to amend The Separate Schools Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Separate Schools Act* is amended by adding thereto the following section: R.S.O. 1950, c. 356, amended

21a. Every person who has attained the age of five years on or before the 31st day of December in any year and whose parent or guardian is a supporter of a separate school has the right to attend the separate school of which his parent or guardian is a supporter after the 1st day of September in the following year at the expense of the separate school board except a person who, by reason of mental or physical defect, is unable to profit by instruction in the separate school or a person who has attained the age of twenty-one years. Right of person to attend separate school

2. Subsection 1 of section 75 of *The Separate Schools Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 356, s. 75, subs. 1, re-enacted

(1) The board of a separate school may pass by-laws for borrowing money, by mortgages or other instruments, upon the security of the schoolhouse property and premises and any other real or personal property vested in the board and upon the separate school rates for the purpose of paying the cost of school sites, school buildings or additions or repairs thereto or for any other school purposes, and any ratepayer, who was a separate school supporter at the time when the loan was effected on the security of the property or rates or who became a supporter during the term of the loan, shall, while resident within three miles of the separate school, continue to be liable for the rate to be levied for the repayment of the money so secured. Borrowing powers of trustees of separate schools

3. This Act comes into force on the day it receives Royal Assent. Commencement

Short title **4.** This Act may be cited as *The Separate Schools Amendment Act, 1957*.



An Act to amend
The Separate Schools Act

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

MR. DENSON

No. 87

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Separate Schools Act

MR. DUNLOP

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

BILL

An Act to amend The Separate Schools Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Separate Schools Act* is amended by adding thereto the following section: R.S.O. 1950, c. 356, amended

21a. Every person who has attained the age of five years on or before the 31st day of December in any year and whose parent or guardian is a supporter of a separate school has the right to attend the separate school of which his parent or guardian is a supporter after the 1st day of September in the following year at the expense of the separate school board except a person who, by reason of mental or physical defect, is unable to profit by instruction in the separate school or a person who has attained the age of twenty-one years. Right of person to attend separate school

2. Subsection 1 of section 75 of *The Separate Schools Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 356, s. 75, subs. 1, re-enacted

(1) The board of a separate school may pass by-laws for borrowing money, by mortgages or other instruments, upon the security of the schoolhouse property and premises and any other real or personal property vested in the board and upon the separate school rates for the purpose of paying the cost of school sites, school buildings or additions or repairs thereto or for any other school purposes, and any ratepayer, who was a separate school supporter at the time when the loan was effected on the security of the property or rates or who became a supporter during the term of the loan, shall, while resident within three miles of the separate school, continue to be liable for the rate to be levied for the repayment of the money so secured. Borrowing powers of trustees of separate schools

3. This Act comes into force on the day it receives Royal Assent. Commencement

4. This Act may be cited as *The Separate Schools Amendment Act, 1957*. Short title

An Act to amend
The Separate Schools Act

1st Reading

February 20th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 18th, 1957

MR. DENLOP

No. 88

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Training Schools Act

MR. FOOTE

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. Clause *hh* of section 1 is new. It defines "parent". The definition is in keeping with that found in *The Child Welfare Act*.

SECTION 2. Subsection 3 of section 14 is new. The judge may order the parent to reimburse the municipality in whole or in part for the cost of the child's maintenance and education ordered by the judge to be paid by the municipality.

Subsection 4 of section 14 is new. It provides for the enforcement of orders made under subsection 3.

SECTION 3. Section 18 as re-enacted is complementary to the provisions of subsections 3 and 4 of section 14 of the Act as explained in the note to section 2 of the bill. There is no change in principle.

BILL

An Act to amend The Training Schools Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Training Schools Act* is amended by adding thereto the following clause: R.S.O. 1950,
c. 396, s. 1,
amended

(hh) "parent" means a person who is under a legal duty to provide for a child.

2. Section 14 of *The Training Schools Act* is amended by adding thereto the following subsections: R.S.O. 1950,
c. 396, s. 14,
amended

(3) Where the judge finds, having regard to all the circumstances, that a parent is able to contribute to the maintenance and education of the boy or girl, he may, in any order made under this Act, order such parent to refund to the municipality in whole or in part the charges that the municipality has been ordered to pay, but nothing herein relieves the municipality from liability for the charges. Contribution
from parent
ordered

(4) The provisions of *The Deserted Wives' and Children's Maintenance Act* with respect to the enforcement of orders apply *mutatis mutandis* to orders made under subsection 3. Enforcement
of orders
R.S.O. 1950,
c. 102

3. Section 18 of *The Training Schools Act* is repealed and the following substituted therefor: R.S.O. 1950,
c. 396, s. 18,
re-enacted

18.—(1) Where a municipality has paid an account rendered to it under this Act, it may recover from the proper parent the amount of the payment so made as a debt in any court of competent jurisdiction. Municipal
right of
recourse

(2) Subsection 1 does not apply where an order has been made under subsection 3 of section 14. Idem

R.S.O. 1950,
c. 396, s. 20,
subs. 1,
re-enacted

4. Subsection 1 of section 20 of *The Training Schools Act*, as amended by section 2 of *The Training Schools Amendment Act, 1951*, is repealed and the following substituted therefor:

Contribution
from
Province
to private
schools

- (1) The sum of \$2.10 per day and, in the case of a boy or girl belonging to a part of a provisional judicial district not within a city or separated town or a town or township having a population of 5,000 or over, the sum of \$3 per day for each day's actual stay of a boy or girl in a private training school shall be paid quarterly by the Treasurer of Ontario to the society maintaining the training school out of the moneys appropriated therefor by the Legislature.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Training Schools Amendment Act, 1957*.

SECTION 4. This section is re-enacted to increase the amount of the contribution to private training schools.

An Act to amend
The Training Schools Act

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

Mr. FOOTE

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Training Schools Act

MR. FOOTE



BILL

An Act to amend The Training Schools Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Training Schools Act* is amended by adding thereto the following clause: R.S.O. 1950,
c. 396, s. 1,
amended

(hh) "parent" means a person who is under a legal duty to provide for a child.

2. Section 14 of *The Training Schools Act* is amended by adding thereto the following subsections: R.S.O. 1950,
c. 396, s. 14,
amended

(3) Where the judge finds, having regard to all the circumstances, that a parent is able to contribute to the maintenance and education of the boy or girl, he may, in any order made under this Act, order such parent to refund to the municipality in whole or in part the charges that the municipality has been ordered to pay, but nothing herein relieves the municipality from liability for the charges. Contribution
from parent
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(4) The provisions of *The Deserted Wives' and Children's Maintenance Act* with respect to the enforcement of orders apply *mutatis mutandis* to orders made under subsection 3. Enforcement
of orders
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(2) Subsection 1 does not apply where an order has been made under subsection 3 of section 14. idem

R.S.O. 1950,
c. 396, s. 20,
subs. 1,
re-enacted

4. Subsection 1 of section 20 of *The Training Schools Act*, as amended by section 2 of *The Training Schools Amendment Act, 1951*, is repealed and the following substituted therefor:

Contribution
from
Province
to private
schools

- (1) The sum of \$2.10 per day and, in the case of a boy or girl belonging to a part of a provisional judicial district not within a city or separated town or a town or township having a population of 5,000 or over, the sum of \$3 per day for each day's actual stay of a boy or girl in a private training school shall be paid quarterly by the Treasurer of Ontario to the society maintaining the training school out of the moneys appropriated therefor by the Legislature.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Training Schools Amendment Act, 1957*.



BILL
An Act to amend
The Training Schools Act

1st Reading

February 20th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. FOOTE

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Homes for the Aged Act, 1955

MR. CECILE

EXPLANATORY NOTES

SECTION 1. No change in principle. The amendment will permit the provincial share of the cost of special-home care to be prescribed in the regulations.

SECTION 2. The amendment is necessary in view of the change in the definition of "local authority" under *The Old Age Assistance Act, 1951*.

SECTION 3. No change in principle. Amended for clarification.

BILL

An Act to amend The Homes for the Aged Act, 1955

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 15 of *The Homes for the Aged Act, 1955*, as re-enacted by section 2 of *The Homes for the Aged Amendment Act, 1956*, is repealed and the following substituted therefor: 1955, c. 30, s. 15, subs. 2 (1956, c. 30, s. 2), re-enacted

(2) Where a person is placed in special-home care, the Treasurer of Ontario shall pay out of the moneys appropriated therefor by the Legislature to the municipality or board, as the case may be, an amount up to 50 per cent of the cost thereof, to be computed in the manner prescribed by the regulations. Province to share cost

2. Section 17 of *The Homes for the Aged Act, 1955* is repealed and the following substituted therefor: 1955, c. 30, s. 17, re-enacted

17. Every public welfare administrator or public welfare commissioner of a county, city, separated town, town, village or township, or any of his assistants authorized by the municipal council, and every district welfare administrator or district welfare supervisor of the Department of Public Welfare and any other employee of the Department of Public Welfare designated by the Minister under this Act has power to take affidavits and statutory declarations for the purpose of this Act in the same manner and to the same extent as a commissioner for taking affidavits in Ontario. Affidavits

3. Subsection 2 of section 18 of *The Homes for the Aged Act, 1955* is repealed and the following substituted therefor: 1955, c. 30, s. 18, subs. 2, re-enacted

(2) Any municipality having a home or participating in a joint home or having an agreement under section 5 or the board of a home may recover in any court of competent jurisdiction from a person who was or Recovery of maintenance cost

is a resident of the home or joint home or, in the event of his death, from his estate, all or any part of the cost of his maintenance which has not been paid under the provisions of subsection 1.

1955, c. 30,
s. 19,
amended

4.—(1) Section 19 of *The Homes for the Aged Act, 1955* is amended by adding thereto the following subsection:

Assessment
to be
revised and
equalized

(1a) For the purposes of this Act, the assessor of a territorial district or, if there is no district assessor, the Department of Municipal Affairs shall before the 10th day of February in each year revise and equalize the assessment rolls of the municipalities in each territorial district.

1955, c. 30,
s. 19, subs. 3,
amended

(2) Subsection 3 of the said section 19 is amended by inserting after "it" in the second line "under this section", so that the subsection shall read as follows:

Levy and
collection

(3) Each such municipality shall include the amount required to be provided by it under this section in its estimates for the then current year and shall levy and collect the amount in like manner as taxes and pay the amount to the board of management on demand.

1955, c. 30,
s. 19,
amended

(3) The said section 19 is further amended by adding thereto the following subsection:

Where
equalized
assessment
appealed

(5) Where in any year the last revised assessment rolls of the municipalities in a district are revised and equalized and have been appealed, the board of management may apportion the amount that it estimates to be required in proportion to the amounts of their assessment as revised and equalized, and in that case shall reapportion the amount and make the necessary adjustments in accordance with the decision of the Ontario Municipal Board or the judgment of a court.

1955, c. 30,
s. 24,
amended

5. Section 24 of *The Homes for the Aged Act, 1955* is amended by adding thereto the following subsection:

Adjustment
of
provincial
subsidy

(2a) No payment shall be made to a municipality under subsection 2 unless it has complied with the provisions of section 19 and, where the amount is reapportioned and the necessary adjustment is made as provided in subsection 4 of section 19, subsequent payments to a municipality may be increased or decreased to compensate for the adjustment.

SECTION 4—Subsection 1. This subsection is new. It will make it clear that assessments are to be revised and equalized in territorial districts for purposes of the Act.

Subsection 2. This subsection is amended to clarify the responsibility of a municipality in a district to levy and collect the amount apportioned to it by the board of the district home for the aged to maintain and operate the home.

Subsection 3. This subsection is new. It will enable the board of a district home for the aged to apportion the cost of maintaining and operating the home among the municipalities in the district where revised and equalized assessments have been appealed. It includes a provision for adjustment to be made when the decision of the board or judgment of the court is handed down.

SECTION 5. This subsection is new. It provides for adjustment in the provincial subsidy paid to municipalities in a territorial district. It is complementary to section 4 of this bill.

SECTION 6. Complementary to section 1 of this bill.

6. Clause *j* of section 26 of *The Homes for the Aged Act, 1955, c. 30, 1955* is amended by inserting after "the" in the first line ^{s. 26, cl. j'} amended "amount" and by striking out "net" in the second line, so that the clause shall read as follows:

(*j*) prescribing the amount, method, time and manner of payment of the provincial share of the cost of maintenance of persons placed in special-home care.

7. This Act comes into force on the day it receives Royal ^{Commence-} Assent. _{ment}

8. This Act may be cited as *The Homes for the Aged* ^{Short title} *Amendment Act, 1957.*

BILL

An Act to amend
The Homes for the Aged Act, 1955

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

MR. CECHE

No. 89

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Homes for the Aged Act, 1955

MR. CECILE

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

BILL

An Act to amend The Homes for the Aged Act, 1955

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 15 of *The Homes for the Aged Act, 1955*, as re-enacted by section 2 of *The Homes for the Aged Amendment Act, 1956*, is repealed and the following substituted therefor: 1955, c. 30, s. 15, subs. 2 (1956, c. 30, s. 2), re-enacted

(2) Where a person is placed in special-home care, the Treasurer of Ontario shall pay out of the moneys appropriated therefor by the Legislature to the municipality or board, as the case may be, an amount up to 50 per cent of the cost thereof, to be computed in the manner prescribed by the regulations. Province to share cost

2. Section 17 of *The Homes for the Aged Act, 1955* is repealed and the following substituted therefor: 1955, c. 30, s. 17, re-enacted

17. Every public welfare administrator or public welfare commissioner of a county, city, separated town, town, village or township, or any of his assistants authorized by the municipal council, and every district welfare administrator or district welfare supervisor of the Department of Public Welfare and any other employee of the Department of Public Welfare designated by the Minister under this Act has power to take affidavits and statutory declarations for the purpose of this Act in the same manner and to the same extent as a commissioner for taking affidavits in Ontario. Affidavits

3. Subsection 2 of section 18 of *The Homes for the Aged Act, 1955* is repealed and the following substituted therefor: 1955, c. 30, s. 18, subs. 2, re-enacted

(2) Any municipality having a home or participating in a joint home or having an agreement under section 5 or the board of a home may recover in any court of competent jurisdiction from a person who was or Recovery of maintenance cost

is a resident of the home or joint home or, in the event of his death, from his estate, all or any part of the cost of his maintenance which has not been paid under the provisions of subsection 1.

1955, c. 30,
s. 19,
amended

4.—(1) Section 19 of *The Homes for the Aged Act, 1955* is amended by adding thereto the following subsection:

Assessment
to be
revised and
equalized

(1a) For the purposes of this Act, the assessor of a territorial district or, if there is no district assessor, the Department of Municipal Affairs shall before the 10th day of February in each year revise and equalize the assessment rolls of the municipalities in each territorial district.

1955, c. 30,
s. 19, subs. 3,
amended

(2) Subsection 3 of the said section 19 is amended by inserting after "it" in the second line "under this section", so that the subsection shall read as follows:

Levy and
collection

(3) Each such municipality shall include the amount required to be provided by it under this section in its estimates for the then current year and shall levy and collect the amount in like manner as taxes and pay the amount to the board of management on demand.

1955, c. 30,
s. 19,
amended

(3) The said section 19 is further amended by adding thereto the following subsection:

Where
equalized
assessment
appealed

(5) Where in any year the last revised assessment rolls of the municipalities in a district are revised and equalized and have been appealed, the board of management may apportion the amount that it estimates to be required in proportion to the amounts of their assessment as revised and equalized, and in that case shall reapportion the amount and make the necessary adjustments in accordance with the decision of the Ontario Municipal Board or the judgment of a court.

1955, c. 30,
s. 24,
amended

5. Section 24 of *The Homes for the Aged Act, 1955* is amended by adding thereto the following subsection:

Adjustment
of
provincial
subsidy

(2a) No payment shall be made to a municipality under subsection 2 unless it has complied with the provisions of section 19 and, where the amount is reapportioned and the necessary adjustment is made as provided in subsection 4 of section 19, subsequent payments to a municipality may be increased or decreased to compensate for the adjustment.

6. Clause *j* of section 26 of *The Homes for the Aged Act*, 1955, c. 30, 1955 is amended by inserting after "the" in the first line ^{s. 26, cl. j'} "amount" and by striking out "net" in the second line, so that the clause shall read as follows:

(j) prescribing the amount, method, time and manner of payment of the provincial share of the cost of maintenance of persons placed in special-home care.

7. This Act comes into force on the day it receives Royal ^{Commence-} Assent. _{ment}

8. This Act may be cited as *The Homes for the Aged* ^{Short title} *Amendment Act, 1957*.

An Act to amend
The Homes for the Aged Act, 1955

1st Reading

February 20th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 29th, 1957

MR. CECILE

No. 90

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

The Mothers' and Dependent Children's Allowances Act, 1957

MR. CECILE

EXPLANATORY NOTES

This bill contains a complete revision of the present mothers' allowances legislation. Two major changes in principle are incorporated:

1. The present flat rate of benefits is replaced by allowances directly related to the financial need of families where there are dependent children without a father's income to maintain the home.
2. The administration of the programme is decentralized. It will be conducted from the district offices of the Department of Public Welfare.

The bill also includes a number of other changes in principle in relation to eligibility:

1. The present two-year waiting period in unmarried cases is removed.
2. Allowances may be granted in all types of divorce cases. At present the only divorce cases that may qualify are those where the mother has divorced the father or where the father has not paid maintenance and has not been heard of for one year.
3. Allowances may be granted in cases where the spouse of an applicant has been imprisoned for a period of six months.
4. At present allowances may be granted to a permanently unemployable father if the mother is dead or is absent from the home for a period of at least six months. This is extended to include cases where the mother is in a sanatorium or a hospital or other similar institution.

BILL

The Mothers' and Dependent Children's Allowances Act, 1957

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "allowance" means allowance under this Act;
- (b) "beneficiary" means a person on behalf of whom an allowance is paid;
- (c) "dependent child" means a person who is under eighteen years of age and who resides with his mother or his dependent father in Ontario;
- (d) "dependent father" means a person who is the father of a dependent child and who is permanently unemployable by reason of mental or physical disability;
- (e) "dependent foster-child" means a person who is under eighteen years of age and who resides with his foster-mother in Ontario;
- (f) "Director" means Director of the Mothers' and Dependent Children's Allowances Branch of the Department of Public Welfare;
- (g) "field worker" means a person employed as such by the Department of Public Welfare;
- (h) "foster-mother" means foster-mother of a dependent foster-child;
- (i) "Minister" means Minister of Public Welfare;
- (j) "mother" means mother of a dependent child;

- (k) "recipient" means a person to whom an allowance is paid;
- (l) "regional administrator" means a district welfare administrator, a district welfare supervisor, or any other employee of the Department of Public Welfare whom the Minister designates as such under this Act;
- (m) "regulations" means regulations made under this Act. 1952, c. 62, s. 1, *amended*.

Where
allowance
may be
paid

2. An allowance may be paid,

- (a) to a mother,
 - (i) who is a widow, or
 - (ii) whose husband is a dependent father, or
 - (iii) whose husband has deserted her and has not been heard of for six months or more, or
 - (iv) whose dependent child was born out of wedlock, or
 - (v) who is divorced from the father of her dependent child and who has been awarded custody of the child, or
 - (vi) whose husband is imprisoned in a penal institution and has been imprisoned therein for a continuous period of six months or more, and
 - (vii) who resides in Ontario at the date of application, and
 - (viii) who has resided in Ontario for at least one year immediately before the date of application, or, where she was absent from Ontario for any period of time during that year, a regional administrator is satisfied that the period of absence was of a temporary nature, and
 - (ix) who remains in Ontario with her dependent child except where she has been given permission in writing by a regional administrator to be absent from Ontario for compassionate or other reasons satisfactory to him, and

- (x) who is, in the opinion of a regional administrator, a suitable person to receive an allowance; or
- (b) to a dependent father,
- (i) who is a widower, or
 - (ii) whose wife has deserted him and has not been heard of for six months or more, or
 - (iii) whose wife is a patient in a sanatorium, hospital or other similar institution, or
 - (iv) whose wife is imprisoned in a penal institution and has been imprisoned therein for a continuous period of six months or more, and
 - (v) who complies with the residence requirements set out in subclauses vii, viii and ix of clause a, and
 - (vi) who in the opinion of the regional administrator is a suitable person to receive an allowance; or
- (c) to a foster-mother,
- (i) who complies with the residence requirements set out in subclauses vii, viii and ix of clause a, and
 - (ii) who is, in the opinion of a regional administrator, a suitable person to act as foster-mother to her dependent foster-child. 1955, c. 47, s. 1, *part, amended*.

3. No allowance shall be paid under this Act in respect of a dependent child or dependent foster-child who is not attending school unless the child or foster-child, ^{Qualifications for children}

- (a) is of pre-school age; or
- (b) is unable to attend school by reason of mental or physical disability; or
- (c) is on vacation from school and a regional administrator is satisfied that the child will return to school at the end of the vacation period. 1955, c. 47, s. 1, *part, amended*.

Special cases

4.—(1) In cases presenting special circumstances and in which investigation shows the advisability of an allowance being paid to an applicant who is not strictly eligible for an allowance under this Act, the Lieutenant-Governor in Council may direct that an allowance be paid to the applicant.

Allowance may be varied

(2) A regional administrator may determine the amount of any allowance directed to be paid under subsection 1 or any predecessor thereof and may from time to time vary the amount so determined. 1955, c. 47, s. 1, *part, amended*.

Continuance of allowance in desertion cases

5.—(1) Where a recipient has qualified for an allowance under subclause iii of clause *a* or subclause ii of clause *b* of section 2 and the deserting husband or wife, as the case may be, is later found, a regional administrator may, in his discretion, continue payment of the allowance for a period of not more than three months after the month following that in which he or she is found.

Continuance of allowance in rehabilitation cases

(2) Where a recipient has qualified for an allowance under subclause ii of clause *a* of section 2 and, in the opinion of a regional administrator, the husband may benefit from rehabilitation services under *The Rehabilitation Services Act, 1955*, the regional administrator may recommend the husband for such services and continue payment of the allowance to the mother for the period during which the husband receives such services. 1955, c. 47, s. 1, *part, amended*.

1955, c. 71

Duties of director

6. The Director shall,

- (a) exercise general supervision over the administration of this Act and the regulations;
- (b) advise regional administrators as to the manner in which their duties are to be performed; and
- (c) act as chairman of the board of review. *New.*

Duties of regional administrators

7. Every regional administrator shall,

- (a) receive applications for allowances; and
- (b) determine the eligibility of each applicant to receive an allowance and, where the applicant is eligible, determine the amount of the allowance and direct payment accordingly, and may from time to time vary any amount so determined. 1952, c. 62, s. 3 (3), *amended*.

Power to take affidavits

R.S.O. 1950, c. 57

8. The Director, every regional administrator and every field worker is, in the performance of his duties, a commissioner for taking affidavits within the meaning of *The Commissioners for taking Affidavits Act*. 1952, c. 62, s. 4 (2), *amended*.

9. Allowances under this Act shall be determined having ^{Allowances} regard to the financial need of the applicant and shall be computed in accordance with the regulations. *New.*

10. The allowances and expenses of the administration of ^{Allowances and} this Act and the regulations are payable out of the moneys ^{expenses} appropriated therefor by the Legislature. 1952, c. 62, s. 5, *amended.*

11. Where an allowance is being paid to a beneficiary ^{Adjustment} under *The Mothers' Allowances Act, 1952* on the day this ^{of} Act comes into force, the allowance may be continued *pro tem* ^{allowances} and the beneficiary shall be deemed to be an applicant for an allowance under this Act and the allowance being paid shall be adjusted by a regional administrator within a period of six months to conform with this Act and the regulations. *New.*

12.—(1) No person shall knowingly obtain or receive an ^{Offences} allowance that he is not entitled to obtain or receive under ^{and} this Act and the regulations. ^{penalties}

(2) No person shall knowingly aid or abet another person ^{Idem} to obtain or receive an allowance that such other person is not entitled to obtain or receive under this Act and the regulations.

(3) Every person who contravenes subsection 1 or 2 is ^{Idem} guilty of an offence and on summary conviction is liable to a penalty of not more than \$100 or to imprisonment for a term of not more than three months or to both fine and imprisonment. *New.*

13. The Lieutenant-Governor in Council may make regula- ^{Regulations} tions,

- (a) establishing a medical advisory board consisting of one or more persons and prescribing its powers and duties;
- (b) establishing a board of review consisting of the Director and two or more other persons and prescribing its powers and duties;
- (c) establishing classes of recipients and prescribing the maximum allowance that may be paid to recipients in each such class;
- (d) prescribing the manner of computing the amount of allowances;

- (e) fixing the intervals at which and the manner in which allowances are to be paid;
- (f) adding further qualifications to those specified in this Act for applicants for allowances;
- (g) governing the manner of making application for an allowance;
- (h) providing for the transfer, suspension and cancellation of allowances;
- (i) prescribing additional duties of the Director;
- (j) prescribing additional duties of regional administrators;
- (k) prescribing the powers and duties of field workers;
- (l) providing for the whole or part of the cost of providing medical and dental services to beneficiaries;
- (m) providing for the making of investigations respecting applicants for or beneficiaries of allowances;
- (n) prescribing the material or proof of any fact, including evidence under oath, that shall be furnished as a condition precedent to the payment of an allowance;
- (o) prescribing the forms for use under this Act;
- (p) respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act. 1952, c. 62, s. 6; 1955, c. 55, s. 2, *amended*.

Repeal:

14. The following are repealed:

- 1952, c. 62 1. *The Mothers' Allowances Act, 1952.*
- 1953, c. 69 2. *The Mothers' Allowances Amendment Act, 1953.*
- 1954, c. 55 3. *The Mothers' Allowances Amendment Act, 1954.*
- 1955, c. 47 4. *The Mothers' Allowances Amendment Act, 1955.*
- 1956, c. 48 5. *The Mothers' Allowances Amendment Act, 1956.*

Commence-
ment

15. This Act comes into force on a day to be named by the Lieutenant-Governor by his Proclamation.

Short title

16. This Act may be cited as *The Mothers' and Dependent Children's Allowances Act, 1957.*



The Mothers' and Dependent Children's
Allowances Act, 1957

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

MR. CECILE

No. 90

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

The Mothers' and Dependent Children's Allowances Act, 1957

MR. CECILE

BILL

The Mothers' and Dependent Children's Allowances Act, 1957

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "allowance" means allowance under this Act;
- (b) "beneficiary" means a person on behalf of whom an allowance is paid;
- (c) "dependent child" means a person who is under eighteen years of age and who resides with his mother or his dependent father in Ontario;
- (d) "dependent father" means a person who is the father of a dependent child and who is permanently unemployable by reason of mental or physical disability;
- (e) "dependent foster-child" means a person who is under eighteen years of age and who resides with his foster-mother in Ontario;
- (f) "Director" means Director of the Mothers' and Dependent Children's Allowances Branch of the Department of Public Welfare;
- (g) "field worker" means a person employed as such by the Department of Public Welfare;
- (h) "foster-mother" means foster-mother of a dependent foster-child;
- (i) "Minister" means Minister of Public Welfare;
- (j) "mother" means mother of a dependent child;

- (k) "recipient" means a person to whom an allowance is paid;
- (l) "regional administrator" means a district welfare administrator, a district welfare supervisor, or any other employee of the Department of Public Welfare whom the Minister designates as such under this Act;
- (m) "regulations" means regulations made under this Act. 1952, c. 62, s. 1, *amended*.

Where
allowance
may be
paid

2. An allowance may be paid,

- (a) to a mother,
 - (i) who is a widow, or
 - (ii) whose husband is a dependent father, or
 - (iii) whose husband has deserted her and has not been heard of for six months or more, or
 - (iv) whose dependent child was born out of wedlock, or
 - (v) who is divorced from the father of her dependent child and who has been awarded custody of the child, or
 - (vi) whose husband is imprisoned in a penal institution and has been imprisoned therein for a continuous period of six months or more, and
 - (vii) who resides in Ontario at the date of application, and
 - (viii) who has resided in Ontario for at least one year immediately before the date of application, or, where she was absent from Ontario for any period of time during that year, a regional administrator is satisfied that the period of absence was of a temporary nature, and
 - (ix) who remains in Ontario with her dependent child except where she has been given permission in writing by a regional administrator to be absent from Ontario for compassionate or other reasons satisfactory to him, and

- (x) who is, in the opinion of a regional administrator, a suitable person to receive an allowance; or
- (b) to a dependent father,
- (i) who is a widower, or
 - (ii) whose wife has deserted him and has not been heard of for six months or more, or
 - (iii) whose wife is a patient in a sanatorium, hospital or other similar institution, or
 - (iv) whose wife is imprisoned in a penal institution and has been imprisoned therein for a continuous period of six months or more, and
 - (v) who complies with the residence requirements set out in subclauses vii, viii and ix of clause a, and
 - (vi) who in the opinion of the regional administrator is a suitable person to receive an allowance; or
- (c) to a foster-mother,
- (i) who complies with the residence requirements set out in subclauses vii, viii and ix of clause a, and
 - (ii) who is, in the opinion of a regional administrator, a suitable person to act as foster-mother to her dependent foster-child. 1955, c. 47, s. 1, *part, amended*.

3. No allowance shall be paid under this Act in respect of a dependent child or dependent foster-child who is not attending school unless the child or foster-child, ^{Qualifications for children}

- (a) is of pre-school age; or
- (b) is unable to attend school by reason of mental or physical disability; or
- (c) is on vacation from school and a regional administrator is satisfied that the child will return to school at the end of the vacation period. 1955, c. 47, s. 1, *part, amended*.

Special cases

4.—(1) In cases presenting special circumstances and in which investigation shows the advisability of an allowance being paid to an applicant who is not strictly eligible for an allowance under this Act, the Lieutenant-Governor in Council may direct that an allowance be paid to the applicant.

Allowance may be varied

(2) A regional administrator may determine the amount of any allowance directed to be paid under subsection 1 or any predecessor thereof and may from time to time vary the amount so determined. 1955, c. 47, s. 1, *part, amended*.

Continuance of allowance in desertion cases

5.—(1) Where a recipient has qualified for an allowance under subclause iii of clause *a* or subclause ii of clause *b* of section 2 and the deserting husband or wife, as the case may be, is later found, a regional administrator may, in his discretion, continue payment of the allowance for a period of not more than three months after the month following that in which he or she is found.

Continuance of allowance in rehabilitation cases

(2) Where a recipient has qualified for an allowance under subclause ii of clause *a* of section 2 and, in the opinion of a regional administrator, the husband may benefit from rehabilitation services under *The Rehabilitation Services Act, 1955*, the regional administrator may recommend the husband for such services and continue payment of the allowance to the mother for the period during which the husband receives such services. 1955, c. 47, s. 1, *part, amended*.

1955, c. 71

Duties of director

6. The Director shall,

- (a) exercise general supervision over the administration of this Act and the regulations;
- (b) advise regional administrators as to the manner in which their duties are to be performed; and
- (c) act as chairman of the board of review. *New*.

Duties of regional administrators

7. Every regional administrator shall,

- (a) receive applications for allowances; and
- (b) determine the eligibility of each applicant to receive an allowance and, where the applicant is eligible, determine the amount of the allowance and direct payment accordingly, and may from time to time vary any amount so determined. 1952, c. 62, s. 3 (3), *amended*.

Power to take affidavits

R.S.O. 1950, c. 57

8. The Director, every regional administrator and every field worker is, in the performance of his duties, a commissioner for taking affidavits within the meaning of *The Commissioners for taking Affidavits Act, 1952*, c. 62, s. 4 (2), *amended*.

9. Allowances under this Act shall be determined having ^{Allowances} regard to the financial need of the applicant and shall be computed in accordance with the regulations. *New.*

10. The allowances and expenses of the administration of ^{Allowances and expenses} this Act and the regulations are payable out of the moneys appropriated therefor by the Legislature. 1952, c. 62, s. 5, *amended.*

11. Where an allowance is being paid to a beneficiary ^{Adjustment of allowances} under *The Mothers' Allowances Act, 1952* on the day this Act comes into force, the allowance may be continued *pro tem* ^{1952, c. 62} and the beneficiary shall be deemed to be an applicant for an allowance under this Act and the allowance being paid shall be adjusted by a regional administrator within a period of six months to conform with this Act and the regulations. *New.*

12.—(1) No person shall knowingly obtain or receive an ^{Offences and penalties} allowance that he is not entitled to obtain or receive under this Act and the regulations.

(2) No person shall knowingly aid or abet another person ^{Idem} to obtain or receive an allowance that such other person is not entitled to obtain or receive under this Act and the regulations.

(3) Every person who contravenes subsection 1 or 2 is ^{Idem} guilty of an offence and on summary conviction is liable to a penalty of not more than \$100 or to imprisonment for a term of not more than three months or to both fine and imprisonment. *New.*

13. The Lieutenant-Governor in Council may make regula- ^{Regulations} tions,

- (a) establishing a medical advisory board consisting of one or more persons and prescribing its powers and duties;
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Repeal:**14.** The following are repealed:

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**Commence-
ment**

15. This Act comes into force on a day to be named by the Lieutenant-Governor by his Proclamation.

Short title

16. This Act may be cited as *The Mothers' and Dependent Children's Allowances Act, 1957.*

The Mothers' and Dependent Children's
Allowances Act, 1957

1st Reading

February 20th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. CECILE

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Division Courts Act

MR. ROBERTS

EXPLANATORY NOTES

SECTION 1. The effect of this new subsection is that Metropolitan Toronto will be under a duty to provide court rooms and other necessary accommodation for the division courts in the Metropolitan Area.

SECTION 2. The section is re-enacted in order to clarify its intent so that actions will be entered and tried in the proper courts.

BILL

An Act to amend The Division Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 8 of *The Division Courts Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 106, s. 8, amended

- (4) The Municipality of Metropolitan Toronto shall be deemed to be a local municipality for the purpose of this section and no local municipality in The Municipality of Metropolitan Toronto is under a duty to provide court rooms and other accommodation under this section. Metropolitan Toronto

2. Section 64 of *The Division Courts Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 106, s. 64, re-enacted

64.—(1) An action in a division court shall be entered and tried, In what court actions may be entered and tried

- (a) in the court for the division in which the cause of action arose; or
- (b) in the court for the division in which the defendant or any one of several defendants resides or carries on business; or
- (c) in the court whose place of sitting is nearest to the residence of the defendant or any one of several defendants.

- (2) In addition to the courts mentioned in subsection 1, an action of a woodsman for wages may be entered and tried in the court for the division in which his contract for hire was made regardless of any stipulation in the contract or elsewhere to the contrary, and in this subsection "woodsman" means a person performing labour or services in connection with logs Woodsman's wages

or timber and includes a cook, blacksmith and every type of artisan usually employed in connection with logging or timbering operations.

Service of process in certain cases

- (3) In any case under clause *c* of subsection 1 or subsection 2 of section 43, a summons may be served by a bailiff of the court out of which it issues, and upon judgment being recovered execution against the goods and chattels of the debtor and all other process and proceedings to enforce payment of the judgment may be issued to the bailiff of such court and be executed and enforced by him in the county in which the debtor resides as well as in the county in which the judgment was recovered.

R.S.O. 1950, c. 106, s. 74, re-enacted

3. Section 74 of *The Division Courts Act* is repealed and the following substituted therefor:

Method of service of claim

74. Where the amount of the claim is \$60 or more, the service shall be personal and, where the amount is less than \$60, the service shall be on the defendant, his wife or servant, or on a grown-up person in the defendant's usual place of abode or business.

R.S.O. 1950, c. 106, s. 78, amended

4. Section 78 of *The Division Courts Act* is amended by adding at the commencement thereof "Subject to subsection 5 of section 88", so that the section shall read as follows:

Dispute as to territorial jurisdiction

78. Subject to subsection 5 of section 88, where any party to an action intends to contest the territorial jurisdiction of the court, he shall include in his notice of dispute a statement that he disputes the jurisdiction of the court, and in default of such notice the jurisdiction shall be considered as established and determined and all proceedings may thereafter be taken as fully and effectually as if the action had been properly entered or taken in such court.

R.S.O. 1950, c. 106, s. 88, amended

5. Section 88 of *The Division Courts Act* is amended by adding thereto the following subsection:

Default judgment not to be entered until proper court proved

- (5) Where a summons has been forwarded for service in another division under section 22 and the defendant does not leave a notice of dispute with the clerk within ten days of the service upon him of the summons and claim, the clerk shall not enter judgment until the plaintiff proves in court that the action was entered in the proper court, and, if the judge is satisfied that the action was not entered in the proper court, he shall transfer the case to the proper court on such terms as to him seem just.

SECTION 3. The section is re-enacted in order to clarify its intent and to raise the limit in non-personal service cases from \$30 to \$60.

SECTION 4. Complementary to section 5 of this bill.

SECTION 5. This new subsection is designed to prevent the signing of default judgment in cases where a summons has been sent to another court for service until the judge is satisfied that the action was brought in the proper court.

SECTION 6. This new subsection provides an expeditious method for the judgment creditor under a Supreme Court or county court judgment to garnishee the wages of the judgment debtor.

SECTION 7. The effect of this new subsection is that judgment debtors will be examined on judgment summons in the division in which they reside or carry on business and not in any other division in the Metropolitan Area.

SECTION 8. This amendment clarifies the intent by confining the operation of the provision to cases in which judgment is obtained for a debt incurred after the date of the consolidation order.

6. Section 129 of *The Division Courts Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 106, s. 129, amended

- (3) Where a person has a judgment in the Supreme Court or in a county or district court and he desires to garnishee the wages of the judgment debtor, he may file a certified copy of the judgment in the division court having jurisdiction to issue a direction to garnishee the wages of the judgment debtor, and thereupon the clerk of that court shall enter the judgment in the same manner as a transcript of judgment from another division court, and thereafter directions to garnishee the wages of the judgment debtor may issue and subsequent proceedings thereon be taken as though the direction to garnishee had been issued under a division court judgment. Transfer of Supreme Court and county court judgments

7. Section 130 of *The Division Courts Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 106, s. 130, amended

- (2a) Subsection 2 does not apply to division courts in The Municipality of Metropolitan Toronto. Metropolitan Toronto

8. Subsection 1 of section 159 of *The Division Courts Act*, as re-enacted by section 1 of *The Division Courts Amendment Act, 1955*, is amended by inserting after "order" where it occurs the first time in the third line "for a debt incurred after the date of the consolidation order", so that the subsection shall read as follows: R.S.O. 1950, c. 106, s. 159 (1955, c. 18, s. 1), subs. 1, amended

- (1) Where a judgment is obtained against the judgment debtor after the date of the consolidation order for a debt incurred after the date of the consolidation order, the consolidation order *ipso facto* terminates. Judgment after order

9. This Act may be cited as *The Division Courts Amendment Act, 1957*. Short title

BILL

An Act to amend
The Division Courts Act

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 91

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Division Courts Act

MR. ROBERTS

(Reprinted as amended by the Committee on Legal Bills)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The effect of this new subsection is that Metropolitan Toronto will be under a duty to provide court rooms and other necessary accommodation for the division courts in the Metropolitan Area.

SECTION 2. The section is re-enacted in order to clarify its intent so that actions will be entered and tried in the proper courts.

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An Act to amend The Division Courts Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 8 of *The Division Courts Act* is amended by adding thereto the following subsection: R.S.O. 1950,
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(4) The Municipality of Metropolitan Toronto shall be deemed to be a local municipality for the purpose of this section and no local municipality in The Municipality of Metropolitan Toronto is under a duty to provide court rooms and other accommodation under this section. Metro-
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2. Section 64 of *The Division Courts Act* is repealed and the following substituted therefor: R.S.O. 1950,
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64.—(1) An action in a division court shall be entered and tried, In what
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(a) in the court for the division in which the cause of action arose; or

(b) in the court for the division in which the defendant or any one of several defendants resides or carries on business; or

(c) in the court whose place of sitting is nearest to the residence of the defendant or any one of several defendants.

(2) In addition to the courts mentioned in subsection 1, an action of a woodsman for wages may be entered and tried in the court for the division in which his contract for hire was made regardless of any stipulation in the contract or elsewhere to the contrary, and in this subsection "woodsman" means a person performing labour or services in connection with logs Woodsman's
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or timber and includes a cook, blacksmith and every type of artisan usually employed in connection with logging or timbering operations.

Service of process in certain cases

- (3) In any case under clause *c* of subsection 1 or subsection 2 of section 43, a summons may be served by a bailiff of the court out of which it issues, and upon judgment being recovered execution against the goods and chattels of the debtor and all other process and proceedings to enforce payment of the judgment may be issued to the bailiff of such court and be executed and enforced by him in the county in which the debtor resides as well as in the county in which the judgment was recovered.

R.S.O. 1950, c. 106, s. 74, re-enacted

3. Section 74 of *The Division Courts Act* is repealed and the following substituted therefor:

Method of service of claim

74. Where the amount of the claim is \$60 or more, the service shall be personal and, where the amount is less than \$60, the service shall be on the defendant, his wife or servant, or on a grown-up person in the defendant's usual place of abode or business.

R.S.O. 1950, c. 106, s. 78, amended

4. Section 78 of *The Division Courts Act* is amended by adding at the commencement thereof "Subject to subsection 5 of section 88", so that the section shall read as follows:

Dispute as to territorial jurisdiction

78. Subject to subsection 5 of section 88, where any party to an action intends to contest the territorial jurisdiction of the court, he shall include in his notice of dispute a statement that he disputes the jurisdiction of the court, and in default of such notice the jurisdiction shall be considered as established and determined and all proceedings may thereafter be taken as fully and effectually as if the action had been properly entered or taken in such court.

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5. Section 88 of *The Division Courts Act* is amended by adding thereto the following subsection:

Default judgment not to be entered until proper court proved

- (5) Where a summons has been forwarded for service in another division under section 22 and the defendant does not leave a notice of dispute with the clerk within ten days of the service upon him of the summons and claim, the clerk shall not enter judgment until the plaintiff proves in court that the action was entered in the proper court, and, if the judge is satisfied that the action was not entered in the proper court, he shall transfer the case to the proper court on such terms as to him seem just.

SECTION 3. The section is re-enacted in order to clarify its intent and to raise the limit in non-personal service cases from \$30 to \$60.

SECTION 4. Complementary to section 5 of this bill.

SECTION 5. This new subsection is designed to prevent the signing of default judgment in cases where a summons has been sent to another court for service until the judge is satisfied that the action was brought in the proper court.

SECTION 6. This new subsection provides an expeditious method for the judgment creditor under a Supreme Court or county court judgment to garnishee the wages of the judgment debtor.

SECTION 7. The effect of this new subsection is that judgment debtors will be examined on judgment summons in the division in which they reside or carry on business and not in any other division in the Metropolitan Area.

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c. 106, s. 159
(1955, c. 18,
s. 1), subs. 1,
re-enacted

- (1) Where a judgment is obtained against the judgment debtor after the date of the consolidation order for a debt incurred before the date of the consolidation order, the judgment debtor may deliver to the clerk of the court in charge of the consolidation order a notice of his judgment and his name shall forthwith be added to the consolidation order and he shall thereafter share in the distribution under the consolidation order. Debt
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- (1a) Where a judgment is obtained against the judgment debtor after the date of the consolidation order for a debt incurred after the date of the consolidation order, the consolidation order *ipso facto* terminates. Judgment
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BILL

An Act to amend
The Division Courts Act

1st Reading

February 20th, 1957

2nd Reading

February 26th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee on Legal Bills)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

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- 64.—(1) An action in a division court shall be entered and tried, In what court actions shall be entered and tried
- (a) in the court for the division in which the cause of action arose; or
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Dispute
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c. 106, s. 129,
amended

- (3) Where a person has a judgment in the Supreme Court or in a county or district court and he desires to garnishee the wages of the judgment debtor, he may file a certified copy of the judgment in the division court having jurisdiction to issue a direction to garnishee the wages of the judgment debtor, and thereupon the clerk of that court shall enter the judgment in the same manner as a transcript of judgment from another division court, and thereafter directions to garnishee the wages of the judgment debtor may issue and subsequent proceedings thereon be taken as though the direction to garnishee had been issued under a division court judgment. Transfer
of Supreme
Court and
county
court
judgments

7. Section 130 of *The Division Courts Act* is amended by adding thereto the following subsection: R.S.O. 1950,
c. 106, s. 130,
amended

- (2a) Subsection 2 does not apply to division courts in The Municipality of Metropolitan Toronto. Metropolitan
Toronto

8. Subsection 1 of section 159 of *The Division Courts Act*, as re-enacted by section 1 of *The Division Courts Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950,
c. 106, s. 159
(1955, c. 18,
s. 1), subs. 1,
re-enacted

- (1) Where a judgment is obtained against the judgment debtor after the date of the consolidation order for a debt incurred before the date of the consolidation order, the judgment debtor may deliver to the clerk of the court in charge of the consolidation order a notice of his judgment and his name shall forthwith be added to the consolidation order and he shall thereafter share in the distribution under the consolidation order. Debt
incurred
before
order
- (1a) Where a judgment is obtained against the judgment debtor after the date of the consolidation order for a debt incurred after the date of the consolidation order, the consolidation order *ipso facto* terminates. Judgment
after order

9. This Act may be cited as *The Division Courts Amendment Act, 1957*. Short title



An Act to amend
The Division Courts Act

1st Reading

February 20th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 92

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Interpretation Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The new provision makes applicable to regulations certain appropriate sections of *The Interpretation Act*, thus bringing about a greater degree of uniformity of expression and interpretation.

SECTION 2. The purpose of this amendment is to permit regulations to be made under an Act after it is passed but before it is proclaimed, so that the Act and its regulations may be brought into force simultaneously.

BILL

An Act to amend *The Interpretation Act*

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Interpretation Act* is amended by adding thereto the following subsection: R.S.O. 1950,
c. 184, s.1,
amended

(2) Sections 2, 4, 9, 28 and 31 apply to regulations made under the authority of any Act. Application
of certain
sections to
regulations

2. Section 5 of *The Interpretation Act* is repealed and the following substituted therefor: R.S.O. 1950,
c. 184, s. 5,
re-enacted

5. Where an Act is not to come into operation immediately on the passing thereof and confers power to make any appointment, to make, grant or issue any Order in Council, order, warrant, scheme, letters patent, rules, regulations or by-laws, to give notices, to prescribe forms, or to do any other thing for the purposes of the Act, that power may be exercised at any time after the passing of the Act, but any instrument made under the power, unless the contrary is necessary for bringing the Act into operation, does not come into operation until the Act comes into operation. What may
be done
under an
Act before
it is in
operation

3. This Act may be cited as *The Interpretation Amendment Act, 1957*. Short title

An Act to amend The Interpretation Act

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 92

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

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TORONTO
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BILL

An Act to amend The Interpretation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Interpretation Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 184, s. 1, amended

(2) Sections 2, 4, 9, 28 and 31 apply to regulations made under the authority of any Act. Application of certain sections to regulations

2. Section 5 of *The Interpretation Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 184, s. 5, re-enacted

5. Where an Act is not to come into operation immediately on the passing thereof and confers power to make any appointment, to make, grant or issue any Order in Council, order, warrant, scheme, letters patent, rules, regulations or by-laws, to give notices, to prescribe forms, or to do any other thing for the purposes of the Act, that power may be exercised at any time after the passing of the Act, but any instrument made under the power, unless the contrary is necessary for bringing the Act into operation, does not come into operation until the Act comes into operation. What may be done under an Act before it is in operation

3. This Act may be cited as *The Interpretation Amendment Act, 1957*. Short title

BILL

An Act to amend The Interpretation Act

1st Reading

February 20th, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 25th, 1957

Mr. ROBERTS

No. 93

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Judicature Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

The effect of this bill will be that sittings of the High Court will be held at Ottawa and London on at least one day in each alternate week instead of on at least one day in each week.

BILL

An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 44a of *The Judicature Act*, as enacted by section 1 of *The Judicature Amendment Act, 1952*, is repealed and the following substituted therefor: R.S.O. 1950, c. 190, s. 44a (1952, c. 44, s. 1), re-enacted

WEEKLY COURTS

44a.—(1) Sittings of the High Court shall be held in accordance with the rules of court at Ottawa and London on at least one day in each alternate week, except during vacation. Ottawa and London

(2) Nothing in subsection 1 affects any other sittings of the High Court. Elsewhere

2. This Act comes into force on the 1st day of July, 1957. Commencement

3. This Act may be cited as *The Judicature Amendment Act, 1957*. Short title

An Act to amend
The Judicature Act

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

Mr. ROBERTS

No. 93

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Judicature Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

BILL

An Act to amend The Judicature Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 44a of *The Judicature Act*, as enacted by section 1 of *The Judicature Amendment Act, 1952*, is repealed and the following substituted therefor: R.S.O. 1950, c. 190, s. 44a (1952, c. 44, s. 1), re-enacted

WEEKLY COURTS

44a.—(1) Sittings of the High Court shall be held in accordance with the rules of court at Ottawa and London on at least one day in each alternate week, except during vacation.

(2) Nothing in subsection 1 affects any other sittings of the High Court. Elsewhere

2. This Act comes into force on the 1st day of July, 1957. Commencement

3. This Act may be cited as *The Judicature Amendment Act, 1957*. Short title

An Act to amend
The Judicature Act

1st Reading

February 20th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 94

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Probation Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

The re-enacted section provides for payments to be made out of moneys appropriated by the Legislature rather than out of the Consolidated Revenue Fund.

BILL

An Act to amend The Probation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 5 of *The Probation Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 291, s. 5, re-enacted

5. The salary or other remuneration of a probation officer and his assistants and the expenses of providing clerical and other assistance and any other necessary expenses of his office shall be payable out of the moneys appropriated therefor by the Legislature. Expenses of office, how borne

2. This Act comes into force on the day it receives Royal Assent. Commencement

3. This Act may be cited as *The Probation Amendment Act, 1957 (No. 2)*. Short title

An Act to amend
The Probation Act

1st Reading

February 20th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Probation Act

MR. ROBERTS

(Reprinted as amended by the Committee on Legal Bills)

EXPLANATORY NOTE

The re-enacted section provides for payments to be made out of moneys appropriated by the Legislature rather than out of the Consolidated Revenue Fund. The change applies in respect of the fiscal year 1958-59 and succeeding fiscal years.

BILL

An Act to amend The Probation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 5 of *The Probation Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 291, s. 5, re-enacted
5. The salary or other remuneration of a probation officer and his assistants and the expenses of providing clerical and other assistance and any other necessary expenses of his office shall be payable out of the moneys appropriated therefor by the Legislature. Expenses of office, how borne
2. This Act comes into force on the 1st day of April, 1958. Commencement
3. This Act may be cited as *The Probation Amendment Act, 1957 (No. 2)*. Short title

PHIL
An Act to amend
The Probation Act

1st Reading

February 20th, 1957

2nd Reading

March 5th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee on Legal Bills)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Probation Act

MR. ROBERTS

BILL

An Act to amend The Probation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 5 of *The Probation Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 291, s. 5, re-enacted;
5. The salary or other remuneration of a probation officer and his assistants and the expenses of providing clerical and other assistance and any other necessary expenses of his office shall be payable out of the moneys appropriated therefor by the Legislature. Expenses of office, how borne
2. This Act comes into force on the 1st day of April, 1958. Commencement
3. This Act may be cited as *The Probation Amendment Act, 1957 (No. 2)*. Short title

An Act to amend
The Probation Act

1st Reading

February 20th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 25th, 1957

MR. ROBERTS

No. 95

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Law Society Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

Self-explanatory.

No. 95

1957

BILL

An Act to amend The Law Society Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 40 of *The Law Society Act* is amended by adding ^{R.S.O. 1950, c. 200, s. 40, amended} at the end thereof "and may provide for the granting of and grant degrees in law", so that the section shall read as follows:

40. The benchers may make rules for the improvement ^{Legal education} of legal education including the establishment and maintenance of a law school; appoint a dean and lecturers with salaries; impose fees and prescribe rules for the attendance of students and others at lectures and for examinations thereon, but not so as to reduce the number of years prescribed by statute for call to the Bar or admission as solicitor, and may establish scholarships and prizes and may provide for the granting of and grant degrees in law.

2. This Act may be cited as *The Law Society Amendment* ^{Short title} Act, 1957.

An Act to amend
The Law Society Act

1st Reading

February 21st, 1957

- 2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Law Society Act

MR. ROBERTS



BILL

An Act to amend The Law Society Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 40 of *The Law Society Act* is amended by adding ^{R.S.O. 1950, c. 200, s. 40, amended} at the end thereof "and may provide for the granting of and grant degrees in law", so that the section shall read as follows:

40. The benchers may make rules for the improvement ^{Legal education} of legal education including the establishment and maintenance of a law school; appoint a dean and lecturers with salaries; impose fees and prescribe rules for the attendance of students and others at lectures and for examinations thereon, but not so as to reduce the number of years prescribed by statute for call to the Bar or admission as solicitor, and may establish scholarships and prizes and may provide for the granting of and grant degrees in law.

2. This Act may be cited as *The Law Society Amendment Act, 1957*. ^{Short title}

An Act to amend
The Law Society Act

1st Reading

February 21st, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 29th, 1957

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Summary Convictions Act

MR. ROBERTS



BILL

An Act to amend The Summary Convictions Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Summary Convictions Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 379,
amended

4a.—(1) In lieu of the procedure set out in the *Criminal Code* (Canada) for laying an information and for issuing a summons, a complaint may be laid and a summons issued by means of a traffic ticket in accordance with this section for a violation of any of the provisions of *The Highway Traffic Act* or any regulations made thereunder or for a violation of any municipal by-law regulating traffic. Traffic ticket authorized 1953-54, c. 51 (Can.)
R.S.O. 1950,
c. 167

(2) Every traffic ticket shall be in four parts as follows: Form of traffic ticket

1. Complaint.
2. Report of conviction.
3. Police record.
4. Summons.

(3) The Lieutenant-Governor in Council may make Regulations regulations,

- (a) prescribing the form of the traffic ticket;
- (b) defining any word or expression used in the regulations;
- (c) authorizing the use on a traffic ticket of any word or expression to designate an offence under *The Highway Traffic Act* or any regulations made thereunder or any municipal by-law regulating traffic;

(d) respecting any matter that he deems necessary to provide for the use of the traffic ticket.

Sufficiency
of
of abbreviations

- (4) The use on a traffic ticket of any word or expression authorized by the regulations to designate an offence under *The Highway Traffic Act* or any regulations made thereunder or any municipal by-law shall be sufficient for all purposes to describe the offence designated by such word or expression.

Offence
charged,
procedure

- (5) A police officer or other complainant shall indicate the offence charged on the traffic ticket by placing a cross, thus "X", in the box to the left of the offence charged or if the offence charged does not appear on the traffic ticket he shall write the offence in the space provided therefor on the traffic ticket.

Delivery
of summons

- (6) Upon completing a traffic ticket and affixing his signature thereto, the police officer shall deliver the traffic ticket summons to the person charged with an offence therein and delivery of the traffic ticket summons in accordance herewith shall be deemed to be personal service in compliance with subsection 7 of section 4.

Traffic
complaint
authorized
where
summons
not
delivered
at time of
violation

- (7) Where a traffic ticket summons is not delivered by a police officer in accordance with subsection 6, a traffic ticket complaint may be used to lay a complaint before a justice, in which case the traffic ticket summons may be attached for information purposes only to the summons issued by the justice.

Traffic
complaint
signed and
sworn

- (8) Every traffic ticket complaint shall be,
- (a) signed by the complainant and sworn to before a justice; and
- (b) deposited, together with the traffic ticket report of conviction, with the proper justice.

Complaint
need not
be sworn to
before
delivery
of
summons

- (9) The traffic ticket complaint need not be sworn to before the traffic ticket summons is delivered.

Report of
conviction

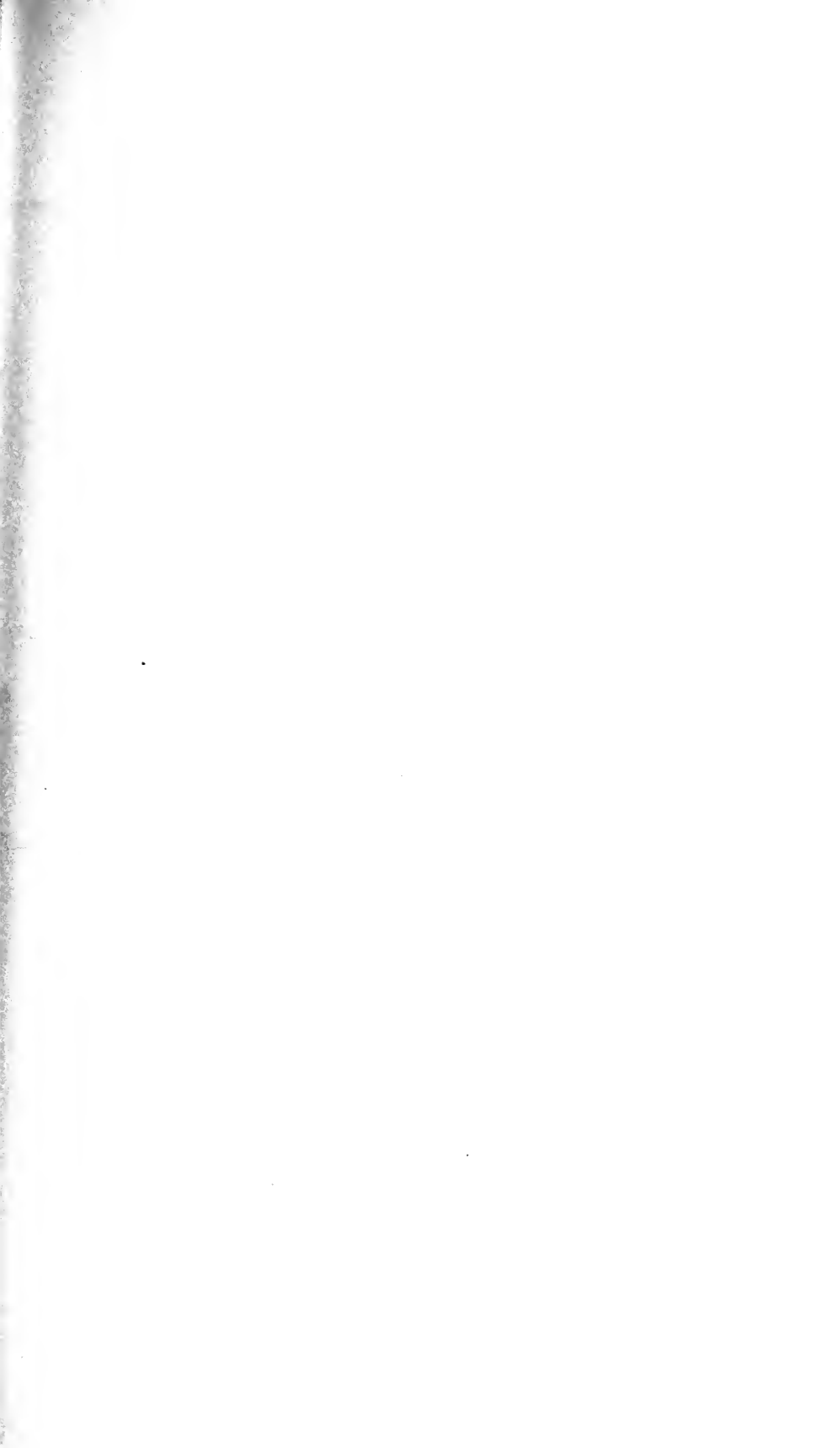
- (10) Where a justice makes a conviction on a traffic ticket complaint, he shall complete the traffic ticket report of conviction and forward it to the Registrar of Motor Vehicles and it shall be deemed to be compliance with subsection 1 of section 65 of *The Highway Traffic Act*.

R S O 1950,
c 167

2. This Act comes into force on the day it receives Royal ^{Commence-} Assent.
_{ment}

3. This Act may be cited as *The Summary Convictions* ^{Short title}
Amendment Act, 1957.





Bill
An Act to amend
The Summary Convictions Act

1st Reading

February 21st, 1957

2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Summary Convictions Act

MR. ROBERTS



BILL

An Act to amend The Summary Convictions Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Summary Convictions Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 379,
amended

4a.—(1) In lieu of the procedure set out in the *Criminal Code* (Canada) for laying an information and for issuing a summons, a complaint may be laid and a summons issued by means of a traffic ticket in accordance with this section for a violation of any of the provisions of *The Highway Traffic Act* or any regulations made thereunder or for a violation of any municipal by-law regulating traffic. Traffic
ticket
authorized
1953-54,
c. 51 (Can.)

R.S.O. 1950,
c. 167

(2) Every traffic ticket shall be in four parts as follows: Form of
traffic
ticket

1. Complaint.
2. Report of conviction.
3. Police record.
4. Summons.

(3) The Lieutenant-Governor in Council may make regulations,

- (a) prescribing the form of the traffic ticket;
- (b) defining any word or expression used in the regulations;
- (c) authorizing the use on a traffic ticket of any word or expression to designate an offence under *The Highway Traffic Act* or any regulations made thereunder or any municipal by-law regulating traffic;

(d) respecting any matter that he deems necessary to provide for the use of the traffic ticket.

Sufficiency
of abbrevi-
ations

- (4) The use on a traffic ticket of any word or expression authorized by the regulations to designate an offence under *The Highway Traffic Act* or any regulations made thereunder or any municipal by-law shall be sufficient for all purposes to describe the offence designated by such word or expression.

Offence
charged,
procedure

- (5) A police officer or other complainant shall indicate the offence charged on the traffic ticket by placing a cross, thus "X", in the box to the left of the offence charged or if the offence charged does not appear on the traffic ticket he shall write the offence in the space provided therefor on the traffic ticket.

Delivery
of summons

- (6) Upon completing a traffic ticket and affixing his signature thereto, the police officer shall deliver the traffic ticket summons to the person charged with an offence therein and delivery of the traffic ticket summons in accordance herewith shall be deemed to be personal service in compliance with subsection 7 of section 4.

Traffic
complaint
authorized
where
summons
not
delivered
at time of
violation

- (7) Where a traffic ticket summons is not delivered by a police officer in accordance with subsection 6, a traffic ticket complaint may be used to lay a complaint before a justice, in which case the traffic ticket summons may be attached for information purposes only to the summons issued by the justice.

Traffic
complaint
signed and
sworn

- (8) Every traffic ticket complaint shall be,
- (a) signed by the complainant and sworn to before a justice; and
- (b) deposited, together with the traffic ticket report of conviction, with the proper justice.

Complaint
need not
be sworn to
before
delivery
of
summons

- (9) The traffic ticket complaint need not be sworn to before the traffic ticket summons is delivered.

Report of
conviction

- (10) Where a justice makes a conviction on a traffic ticket complaint, he shall complete the traffic ticket report of conviction and forward it to the Registrar of Motor Vehicles and it shall be deemed to be compliance with subsection 1 of section 65 of *The Highway Traffic Act*.

R.S.O. 1950,
c. 167

2. This Act comes into force on the day it receives Royal ^{Commence-}
Assent._{ment}

3. This Act may be cited as *The Summary Convictions* ^{Short title}
Amendment Act, 1957.



An Act to amend
The Summary Convictions Act

1st Reading

February 21st, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 29th, 1957

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Charities Accounting Act

MR. ROBERTS

EXPLANATORY NOTES

SECTION 1. Subsection 1 of section 1 of the Act is re-enacted. There is no change in principle. The purpose of the re-enactment is to clarify the meaning of the section.

SECTION 2. Subsection 1 of section 3 of the Act is re-enacted. This subsection now embodies the provisions contained in section 3 which is being repealed. There is no change in principle.

Subsection 2 of the said section 3 is new. There are charitable trusts where the executors or trustees own large blocks of shares in corporations. These corporations are not accountable under the Act and there is no provision enabling the Public Trustee to obtain any information in connection therewith even where the shares of the corporation are the main or only asset of the trust. This section requires the corporation to provide the Public Trustee on request with sufficient information to enable him to carry out the provisions of this Act.

Subsection 3 of the said section 3 is new. It provides that a judge of the Supreme Court upon the application of the Public Trustee may conduct inquiries and make orders according to the provisions of this subsection as to corporations within the meaning of subsection 2.

BILL

An Act to amend The Charities Accounting Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Charities Accounting Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 50, s. 1, subs. 1, re-enacted

- (1) Where under the terms of a will or of any instrument in writing real or personal property or any right or interest therein, or proceeds therefrom, have heretofore been given to or vested in, or are hereafter given to or vested in or to be given to or vested in, any person as executor or trustee for any religious, educational, charitable or public purpose, or are to be applied by him to or for any such purpose, such person shall give written notice thereof, personally or by registered letter, to the Public Trustee and to the person, if any, designated in the will or instrument as the beneficiary under the bequest or gift or as the person to receive the same from the executor or trustee. Notice of bequest or donation to be given to Public Trustee

2. Section 3 of *The Charities Accounting Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 50, s. 3, re-enacted

3.—(1) Every such executor or trustee shall, from time to time upon request, furnish to the Public Trustee particulars in writing of, Executor or trustee to furnish information to Public Trustee

- (a) the condition, disposition or such other particulars as may be required of the property devised, bequeathed or given or which has come into the hands of the executor or trustee;
- (b) the names and addresses of the executors or trustees; and
- (c) the administration or management of the estate or trust.

Corporation
to furnish
information
to Public
Trustee

- (2) Where such executor or trustee, either directly or indirectly through any person on his behalf or through any corporation or through a series or combination of such persons, corporations or persons and corporations, controls any corporation or the election of the directors thereof through the holding of a majority of the shares thereof or a sufficient number of shares or any class of shares thereof to enable him to exercise such control in fact, or in any other manner whatsoever, the corporation, the officers and manager of such corporation or any of them shall from time to time furnish to the Public Trustee in writing such information concerning the corporation, the operation thereof, its assets, its profits or losses and finances as the Public Trustee may request.

Application
to Supreme
Court where
corporation
involved

- (3) A judge of the Supreme Court sitting in chambers, upon the application of the Public Trustee and upon notice to the corporation concerned and to such other person or persons as a judge of the Supreme Court may direct, shall inquire into and determine any question relating to the failure to furnish information to the Public Trustee pursuant to subsection 2, and shall inquire into and determine the control of the election of directors or the ownership, control or management of, or any matter affecting, any corporation mentioned in subsection 2, or its operation, assets, profits or losses and finances and may make such order as may be considered necessary or proper to,
- (a) compel the giving of information to the Public Trustee;
 - (b) determine who controls the corporation;
 - (c) determine who controls the election of the directors of the corporation;
 - (d) protect or preserve the assets or financial stability of the corporation and the assets held by such executor or trustee relating to the corporation; and
 - (e) ensure the proper operation and management of the corporation and its assets.

R.S.O. 1950,
c. 50, s. 5,
cl. a,
re-enacted

3. Clause a of section 5 of *The Charities Accounting Act* is repealed and the following substituted therefor:

SECTION 3. Clause *a* of section 5 of the Act is amended and is complementary to the re-enactment of section 3 of the Act. There is no change in principle.

SECTION 4—Subsection 1. Subsection 4 of section 6 is re-enacted. It allows the Public Trustee to intervene in any action or other proceeding, to vary or construe any will or instrument the terms of which bring it within the provisions of this Act. The present subsection limits and stipulates the circumstances under which the Public Trustee can intervene in any such action.

Subsection 2. Subsection 5 of section 6 is new. The section is intended to clarify the position of the Public Trustee in respect to the taking of accounts where notice has been served on him pursuant to the provisions of subsection 9 of section 72 of *The Surrogate Courts Act*.

SECTION 5. Section 9 is new. It is self-explanatory.

- (a) refuses or neglects to comply with any of the provisions of sections 1, 2 and 4, and subsection 1 of section 3, or with any of the regulations made under this Act.

4.—(1) Subsection 4 of section 6 of *The Charities Accounting Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 50, s. 6, subs. 4, re-enacted

- (4) Where an action or other proceeding is brought to set aside, vary or construe any such will or other instrument, written notice thereof shall be served upon the Public Trustee and the Public Trustee may intervene in such proceedings and shall have the right to object or consent and to be heard upon any argument as a party to such action or proceeding. Notice of action to set aside will to be served on Public Trustee

(2) The said section 6 is amended by adding thereto the following subsection: R.S.O. 1950, c. 50, s. 6, amended

- (5) Where notice of taking of accounts is served upon the Public Trustee pursuant to the provisions of subsection 9 of section 72 of *The Surrogate Courts Act*, the Public Trustee may intervene in such proceedings and shall have the right to object or consent and to be heard and shall have the same rights as a beneficiary or as any person interested in the taking of such accounts. Public Trustee may intervene in taking accounts R.S.O. 1950, c. 380

5. *The Charities Accounting Act* is amended by adding thereto the following section: R.S.O. 1950, c. 50, amended

9. The Public Trustee shall represent Her Majesty as "Parens Patriae" in matters relating to charities. Public Trustee "Parens Patriae" in charity matters

6. This Act comes into force on the day it receives Royal Assent. Commencement

7. This Act may be cited as *The Charities Accounting Amendment Act, 1957*. Short title

BILL

An Act to amend
The Charities Accounting Act

1st Reading

February 21st, 1957

2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Charities Accounting Act

MR. ROBERTS

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

SECTION 1. Subsection 1 of section 1 of the Act is re-enacted. There is no change in principle. The purpose of the re-enactment is to clarify the meaning of the section.

SECTION 2. Subsection 1 of section 3 of the Act is re-enacted. This subsection now embodies the provisions contained in section 3 which is being repealed. There is no change in principle.

Subsection 2 of the said section 3 is new. There are charitable trusts where the executors or trustees own large blocks of shares in corporations. These corporations are not accountable under the Act and there is no provision enabling the Public Trustee to obtain any information in connection therewith even where the shares of the corporation are the main or only asset of the trust. This section requires the corporation to provide the Public Trustee on request with sufficient information to enable him to carry out the provisions of this Act.

Subsection 3 of the said section 3 is new. It provides that a judge of the Supreme Court upon the application of the Public Trustee may conduct inquiries and make orders according to the provisions of this subsection as to corporations within the meaning of subsection 2.

BILL

An Act to amend The Charities Accounting Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Charities Accounting Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 50, s. 1, subs. 1, re-enacted

- (1) Where under the terms of a will or of any instrument in writing real or personal property or any right or interest therein, or proceeds therefrom, have heretofore been given to or vested in, or are hereafter given to or vested in or to be given to or vested in, any person as executor or trustee for any religious, educational, charitable or public purpose, or are to be applied by him to or for any such purpose, such person shall give written notice thereof, personally or by registered letter, to the Public Trustee and to the person, if any, designated in the will or instrument as the beneficiary under the bequest or gift or as the person to receive the same from the executor or trustee. Notice of bequest or donation to be given to Public Trustee

2. Section 3 of *The Charities Accounting Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 50, s. 3, re-enacted

3.—(1) Every such executor or trustee shall, from time to time upon request, furnish to the Public Trustee particulars in writing of, Executor or trustee to furnish information to Public Trustee

- (a) the condition, disposition or such other particulars as may be required of the property devised, bequeathed or given or which has come into the hands of the executor or trustee;
- (b) the names and addresses of the executors or trustees; and
- (c) the administration or management of the estate or trust.

Corporation
to furnish
information
to Public
Trustee

- (2) Where such executor or trustee, either directly or indirectly through any person on his behalf or through any corporation or through a series or combination of such persons, corporations or persons and corporations, controls any corporation or the election of the directors thereof through the holding of a majority of the shares thereof or a sufficient number of shares or any class of shares thereof to enable him to exercise such control in fact, or in any other manner whatsoever, the corporation, the officers and manager of such corporation or any of them shall from time to time furnish to the Public Trustee in writing such information concerning the corporation, the operation thereof, its assets, its profits or losses and finances as the Public Trustee may request.

Application
to Supreme
Court where
corporation
involved

- (3) A judge of the Supreme Court sitting in chambers, upon the application of the Public Trustee and upon notice to the corporation concerned and to such other person or persons as a judge of the Supreme Court may direct, shall inquire into and determine any question relating to the failure to furnish information to the Public Trustee pursuant to subsection 2, and shall inquire into and determine the control of the election of directors or the ownership, control or management of, or any matter affecting, any corporation mentioned in subsection 2, or its operation, assets, profits or losses and finances and may make such order as may be considered necessary or proper to,
- (a) compel the giving of information to the Public Trustee;
 - (b) determine who controls the corporation;
 - (c) determine who controls the election of the directors of the corporation;
 - (d) protect or preserve the assets or financial stability of the corporation and the assets held by such executor or trustee relating to the corporation; and
 - (e) ensure the proper operation and management of the corporation and its assets.

R.S.O. 1950,
c. 50, s. 5,
cl. 4,
re-enacted

3. Clause *a* of section 5 of *The Charities Accounting Act* is repealed and the following substituted therefor:

SECTION 3. Clause *a* of section 5 of the Act is amended and is complementary to the re-enactment of section 3 of the Act. There is no change in principle.



(a) refuses or neglects to comply with any of the provisions of sections 1, 2 and 4, and subsection 1 of section 3, or with any of the regulations made under this Act.

4. This Act comes into force on the day it receives Royal ^{Commence-} Assent.
_{ment}

5. This Act may be cited as *The Charities Accounting* ^{Short title}
Amendment Act, 1957.

BILL

An Act to amend
The Charities Accounting Act

1st Reading

February 21st, 1957

2nd Reading

March 5th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee of the Whole House)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Charities Accounting Act

MR. ROBERTS



BILL

An Act to amend The Charities Accounting Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Charities Accounting Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 50, s. 1, subs. 1, re-enacted

- (1) Where under the terms of a will or of any instrument in writing real or personal property or any right or interest therein, or proceeds therefrom, have heretofore been given to or vested in, or are hereafter given to or vested in or to be given to or vested in, any person as executor or trustee for any religious, educational, charitable or public purpose, or are to be applied by him to or for any such purpose, such person shall give written notice thereof, personally or by registered letter, to the Public Trustee and to the person, if any, designated in the will or instrument as the beneficiary under the bequest or gift or as the person to receive the same from the executor or trustee. Notice of bequest or donation to be given to Public Trustee

2. Section 3 of *The Charities Accounting Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 50, s. 3, re-enacted

- 3.—(1) Every such executor or trustee shall, from time to time upon request, furnish to the Public Trustee particulars in writing of, Executor or trustee to furnish information to Public Trustee

- (a) the condition, disposition or such other particulars as may be required of the property devised, bequeathed or given or which has come into the hands of the executor or trustee;
- (b) the names and addresses of the executors or trustees; and
- (c) the administration or management of the estate or trust.

Corporation
to furnish
information
to Public
Trustee

- (2) Where such executor or trustee, either directly or indirectly through any person on his behalf or through any corporation or through a series or combination of such persons, corporations or persons and corporations, controls any corporation or the election of the directors thereof through the holding of a majority of the shares thereof or a sufficient number of shares or any class of shares thereof to enable him to exercise such control in fact, or in any other manner whatsoever, the corporation, the officers and manager of such corporation or any of them shall from time to time furnish to the Public Trustee in writing such information concerning the corporation, the operation thereof, its assets, its profits or losses and finances as the Public Trustee may request.

Application
to Supreme
Court where
corporation
involved

- (3) A judge of the Supreme Court sitting in chambers, upon the application of the Public Trustee and upon notice to the corporation concerned and to such other person or persons as a judge of the Supreme Court may direct, shall inquire into and determine any question relating to the failure to furnish information to the Public Trustee pursuant to subsection 2, and shall inquire into and determine the control of the election of directors or the ownership, control or management of, or any matter affecting, any corporation mentioned in subsection 2, or its operation, assets, profits or losses and finances and may make such order as may be considered necessary or proper to,

- (a) compel the giving of information to the Public Trustee;
- (b) determine who controls the corporation;
- (c) determine who controls the election of the directors of the corporation;
- (d) protect or preserve the assets or financial stability of the corporation and the assets held by such executor or trustee relating to the corporation; and
- (e) ensure the proper operation and management of the corporation and its assets.

R.S.O. 1960,
c. 50, s. 5,
cl. a. ■
re-enacted

3. Clause *a* of section 5 of *The Charities Accounting Act* is repealed and the following substituted therefor:

(a) refuses or neglects to comply with any of the provisions of sections 1, 2 and 4, and subsection 1 of section 3, or with any of the regulations made under this Act.

4. This Act comes into force on the day it receives Royal ^{Commence-} Assent.
_{ment}

5. This Act may be cited as *The Charities Accounting* ^{Short title}
Amendment Act, 1957.



An Act to amend
The Charities Accounting Act

1st Reading

February 21st, 1957

2nd Reading

March 5th, 1957

3rd Reading

April 2nd, 1957

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Gasoline Tax Act

MR. PORTER

EXPLANATORY NOTES

SECTION 1. The definition is re-enacted in order to include aviation gasoline and jet fuel.

SECTION 2. This amendment raises the tax on gasoline from 11 cents to 13 cents per gallon.

SECTION 3. The power of the Lieutenant-Governor in Council to make regulations is extended to the matter specified.

SECTION 4. This repeals *The Gasoline Tax Amendment Act, 1956* which has not been proclaimed in force and which is now obsolete.

SECTION 5—Subsection 1. The commencement of the Act, other than section 2, will coincide with the commencement of the fiscal year of the Province.

Subsection 2. Section 2, the taxation section, takes effect as of February 22nd, 1957, as announced in the Budget Address.

BILL

An Act to amend The Gasoline Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Gasoline Tax Act* is repealed and the following substituted therefor: R.S.O. 1950,
c. 157, s. 1,
cl. *a*,
re-enacted

(a) "gasoline" includes any gas or liquid produced, prepared or compounded for the purpose of generating power by means of internal combustion or that may be used for such purpose, but does not include the products commonly known as fuel oil, coal oil, kerosene and such products as are excluded from this Act by the regulations when any such product is not mixed or combined with gasoline as described in this clause.

2. Section 2 of *The Gasoline Tax Act* is amended by striking out "eleven" in the third line and inserting in lieu thereof "13", so that the section shall read as follows: R.S.O. 1950,
c. 157, s. 2,
amended

2. Every purchaser of gasoline shall pay to the Minister for the use of the Crown in right of Ontario a charge or tax at the rate of 13 cents per imperial gallon on all gasoline purchased or delivery of which is received by him. Tax payable
by
purchaser

3. Section 3 of *The Gasoline Tax Act* is amended by adding thereto the following clause: R.S.O. 1950,
c. 157, s. 3,
amended

(*ee*) excluding products from this Act.

4. *The Gasoline Tax Amendment Act, 1956* is repealed. 1956, c. 27,
repealed

5.—(1) This Act, except section 2, comes into force on the 1st day of April, 1957. Commence-
ment

(2) Section 2 shall be deemed to have come into force on the 22nd day of February, 1957. Idem

6. This Act may be cited as *The Gasoline Tax Amendment Act, 1957*. Short title

An Act to amend
The Gasoline Tax Act

1st Reading

February 21st, 1957

2nd Reading

3rd Reading

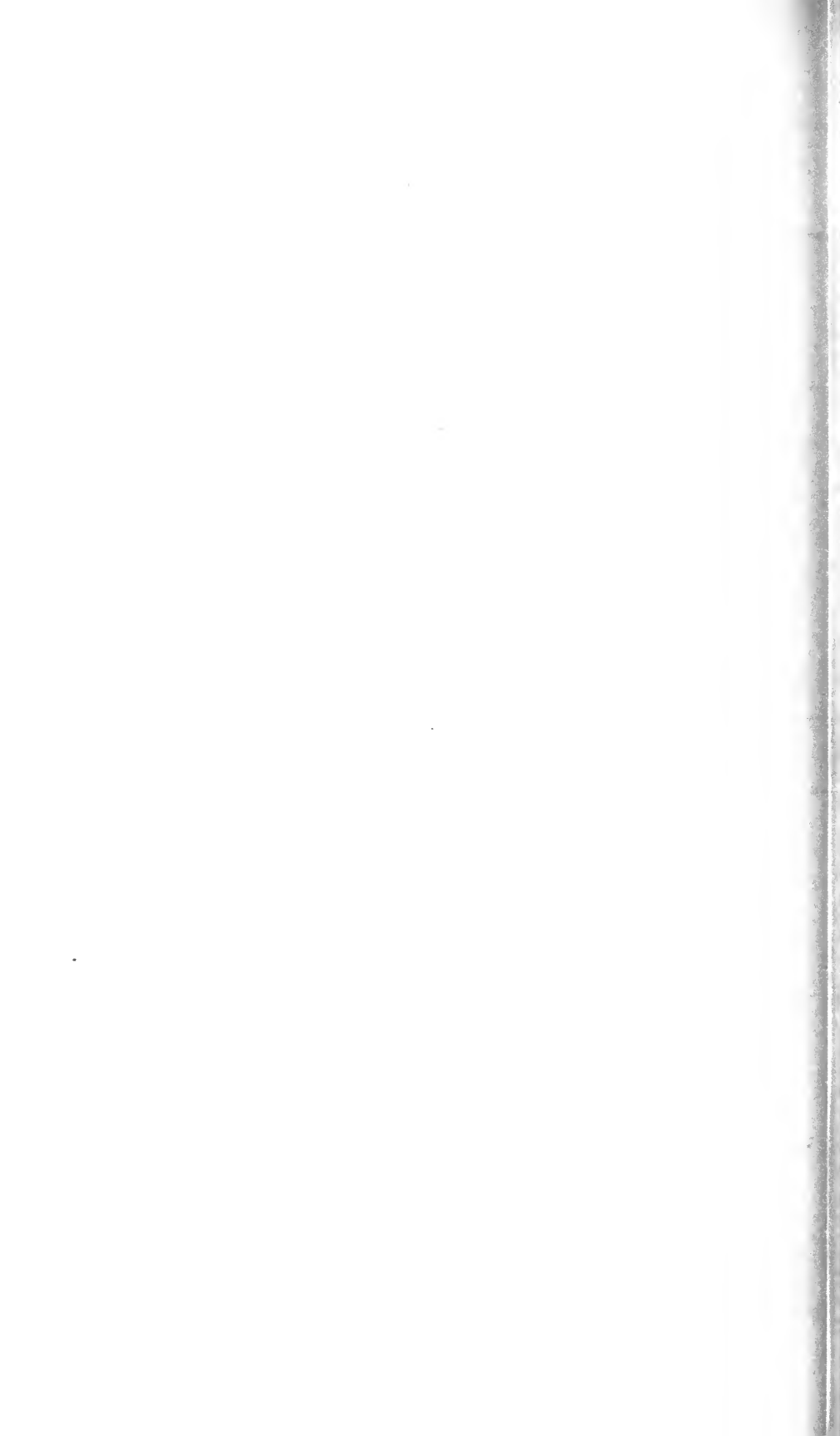
Mr. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Gasoline Tax Act

MR. PORTER



BILL

An Act to amend The Gasoline Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Gasoline Tax Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 157, s. 1,
cl. *a*,
re-enacted

(*a*) "gasoline" includes any gas or liquid produced, prepared or compounded for the purpose of generating power by means of internal combustion or that may be used for such purpose, but does not include the products commonly known as fuel oil, coal oil, kerosene and such products as are excluded from this Act by the regulations when any such product is not mixed or combined with gasoline as described in this clause.

2. Section 2 of *The Gasoline Tax Act* is amended by striking out "eleven" in the third line and inserting in lieu thereof "13", so that the section shall read as follows:

R.S.O. 1950,
c. 157, s. 2,
amended

2. Every purchaser of gasoline shall pay to the Minister for the use of the Crown in right of Ontario a charge or tax at the rate of 13 cents per imperial gallon on all gasoline purchased or delivery of which is received by him.

Tax payable
by
purchaser

3. Section 3 of *The Gasoline Tax Act* is amended by adding thereto the following clause:

R.S.O. 1950,
c. 157, s. 3,
amended

(*ee*) excluding products from this Act.

4. *The Gasoline Tax Amendment Act, 1956* is repealed.

1956, c. 27,
repealed

5.—(1) This Act, except section 2, comes into force on the 1st day of April, 1957.

Commence-
ment

(2) Section 2 shall be deemed to have come into force on the 22nd day of February, 1957.

Idem

6. This Act may be cited as *The Gasoline Tax Amendment Act, 1957*.

Short title

BILL

An Act to amend
The Gasoline Tax Act

1st Reading

February 21st, 1957

2nd Reading

February 28th, 1957

3rd Reading

March 29th, 1957

MR. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Teachers' Superannuation Act

MR. DUNLOP

EXPLANATORY NOTE

At the present time teachers contribute 6 per cent of their salaries to the Teachers' Superannuation Fund and the Government contributes an amount equal to two-thirds of the amount contributed by the teachers.

The effect of this amendment is that the Government's contribution will equal the amount contributed by the teachers.

No. 99

1957

BILL

An Act to amend The Teachers' Superannuation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 22 of *The Teachers' Superannuation Act*, as re-enacted by section 2 of *The Teachers' Superannuation Amendment Act, 1955*, is amended by striking out "two-thirds of" in the first line, so that the clause shall read as follows:

R.S.O. 1950,
c. 384, s. 22
(1955, c. 86,
s. 2), cl. *a*
amended

- (a) sums equal to those contributed under section 17;
and

.

2. This Act may be cited as *The Teachers' Superannuation Amendment Act, 1957 (No. 2)*. Short title

BILL

An Act to amend
The Teachers' Superannuation Act

1st Reading

February 22nd, 1957

2nd Reading

3rd Reading

MR. DUNLOP

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend the Teachers' Superannuation Act

MR. DUNLOP



No. 99

1957

BILL

An Act to amend The Teachers' Superannuation Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 22 of *The Teachers' Superannuation Act*, as re-enacted by section 2 of *The Teachers' Superannuation Amendment Act, 1955*, is amended by striking out "two-thirds of" in the first line, so that the clause shall read as follows:

R.S.O. 1950,
c. 384, s. 22
(1955, c. 86,
s. 2), cl. *a*,
amended

(a) sums equal to those contributed under section 17;
and

.

2. This Act may be cited as *The Teachers' Superannuation Amendment Act, 1957* (No. 2). Short title

BILL

An Act to amend
The Teachers' Superannuation Act

1st Reading

February 22nd, 1957

2nd Reading

February 26th, 1957

3rd Reading

March 18th, 1957

MR. DUNLOP

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Nursing Act, 1951

MR. PHILLIPS

EXPLANATORY NOTES

SECTION 1. This section defines the expressions "nurses' registry" and "school of practical nursing" for the purposes of the Act.

SECTION 2. This new section will enable appropriate supervision of nurses' registries to be given for the protection of the public and persons seeking employment in nursing.

BILL

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Nursing Act, 1951* is amended by adding thereto the following clauses: 1951, c. 59,
s. 1,
amended

(cc) "nurses' registry" means the business of procuring a person for employment in nursing or procuring employment in nursing for a person;

.

(e) "school of practical nursing" means any place where a course of instruction in practical nursing is conducted.

2. *The Nursing Act, 1951* is amended by adding thereto the following section: 1951, c. 59,
amended

- 2a.—(1) The Director may issue to any person a licence to carry on a nurses' registry. Director may issue licences to nurses' registries
- (2) The licence remains in force until the 1st day of July in the year next following that in which it is issued. Term of licence
- (3) The licence shall state the address at which the business is to be carried on. Licence to state business address
- (4) Where a nurses' registry is carried on by means of offices, branches or agencies in different local municipalities, a separate licence shall be required and a separate fee shall be payable in respect thereof for each local municipality. Branches, etc.
- (5) Every person who carries on a nurses' registry without a licence or licences, as the case may be, under this section is guilty of an offence and on summary conviction is liable to a penalty of not less than \$10 and not more than \$100. Offence and penalty

1951, c. 59,
s. 5,
amended

3. Section 5 of *The Nursing Act, 1951* is amended by adding thereto the following clauses:

- (cc) governing the registration of persons as certified nursing assistants who have received training in nursing outside Ontario with or without examination;

.

- (e) governing and regulating the establishment and operation of nurses' registries and providing for the inspection and supervision thereof;
- (f) licensing nurses' registries and prescribing the terms and conditions upon which a licence may be issued and the form and term thereof and the terms and conditions upon which any such licence may be renewed, suspended or revoked;
- (g) exempting any nurses' registry or class of nurses' registry from section 2a;
- (h) prescribing the accommodation and equipment required by schools of practical nursing and the means of instruction to be used;
- (i) prescribing the minimum number of hours of instruction that constitute a course of training in practical nursing;
- (j) prescribing the maximum fees to be paid or received for a course of training in practical nursing;
- (k) prohibiting the use of any advertising relating to any course of instruction in practical nursing that may tend to mislead, and requiring the discontinuance of any specified advertisement or means of advertisement by the operator of any school of practical nursing;
- (l) regulating the selling or offering for sale of courses of training offered by schools of practical nursing;
- (m) exempting any course of training in practical nursing from this Act and the regulations;
- (n) generally, governing the conduct, operation and management of schools of practical nursing and the nature of any examination for a certificate or diploma and the manner, times and place of holding such examinations and the qualifications of persons who sit as examiners.

SECTION 3. These new clauses authorize the making of regulations relating to the following matters:

Clause *cc* will authorize the registration of persons as Certified Nursing Assistants who have received training in nursing outside Ontario.

Clauses *e*, *f* and *g* are complementary to section 2 of the bill relating to the licensing and supervision of nurses' registries.

Clauses *h* to *n* are complementary to section 4 of the bill relating to the governing and regulating of the sale of practical nursing courses by commercial organizations.

SECTION 4. This new section is designed to regulate and control the sale of practical nursing courses by commercial organizations.

It is not intended that the new section will apply to training courses maintained by hospitals or other institutions or training courses maintained by religious or charitable organizations.

4. *The Nursing Act, 1951* is amended by adding thereto the following section: 1951, c. 59, amended

8a.—(1) No person shall sell or offer to sell or advertise for sale a course of training in nursing unless that course is approved by the Minister. Nurses training courses to be approved

(2) Subsection 1 does not apply to a course of training in nursing that is exempt therefrom by the regulations. Exception

(3) No person is capable of maintaining an action or other proceeding in any court in Ontario in respect of any contract relating to the sale of a course of training in nursing to which subsection 1 applies that has not been approved by the Minister. Status to maintain actions

(4) Every person who sells or offers to sell or advertises for sale a course of training in nursing to which subsection 1 applies that has not been approved by the Minister is guilty of an offence and on summary conviction is liable to a penalty of not more than \$500 for the first offence and not more than \$1,000 for a second or subsequent offence. Offence and penalty

5.—(1) This Act, except clause *cc* of section 5 of *The Nursing Act, 1951*, as enacted by section 3 of this Act, comes into force on a day to be named by the Lieutenant-Governor by his Proclamation. Commencement

(2) Clause *cc* of section 5 of *The Nursing Act, 1951*, as enacted by section 3 of this Act, comes into force on the day it receives Royal Assent. Idem

6. This Act may be cited as *The Nursing Amendment Act, 1957*. Short title

BILL

An Act to amend
The Nursing Act, 1951

1st Reading

February 22nd, 1957

2nd Reading

3rd Reading

MR. PHILLIPS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Nursing Act, 1951

MR. PHILLIPS

BILL

An Act to Amend The Nursing Act, 1951

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Nursing Act, 1951* is amended by adding thereto the following clauses: 1951, c. 59,
s. 1,
amended

(cc) "nurses' registry" means the business of procuring a person for employment in nursing or procuring employment in nursing for a person;

.

(e) "school of practical nursing" means any place where a course of instruction in practical nursing is conducted.

2. *The Nursing Act, 1951* is amended by adding thereto the following section: 1951, c. 59,
amended

- 2a.—(1) The Director may issue to any person a licence to carry on a nurses' registry. Director may issue licences to nurses' registries
- (2) The licence remains in force until the 1st day of July in the year next following that in which it is issued. Term of licence
- (3) The licence shall state the address at which the business is to be carried on. Licence to state business address
- (4) Where a nurses' registry is carried on by means of offices, branches or agencies in different local municipalities, a separate licence shall be required and a separate fee shall be payable in respect thereof for each local municipality. Branches, etc.
- (5) Every person who carries on a nurses' registry without a licence or licences, as the case may be, under this section is guilty of an offence and on summary conviction is liable to a penalty of not less than \$10 and not more than \$100. Offence and penalty

1951, c. 59,
S. 5,
amended

3. Section 5 of *The Nursing Act, 1951* is amended by adding thereto the following clauses:

- (cc) governing the registration of persons as certified nursing assistants who have received training in nursing outside Ontario with or without examination;
-
- (e) governing and regulating the establishment and operation of nurses' registries and providing for the inspection and supervision thereof;
 - (f) licensing nurses' registries and prescribing the terms and conditions upon which a licence may be issued and the form and term thereof and the terms and conditions upon which any such licence may be renewed, suspended or revoked;
 - (g) exempting any nurses' registry or class of nurses' registry from section 2a;
 - (h) prescribing the accommodation and equipment required by schools of practical nursing and the means of instruction to be used;
 - (i) prescribing the minimum number of hours of instruction that constitute a course of training in practical nursing;
 - (j) prescribing the maximum fees to be paid or received for a course of training in practical nursing;
 - (k) prohibiting the use of any advertising relating to any course of instruction in practical nursing that may tend to mislead, and requiring the discontinuance of any specified advertisement or means of advertisement by the operator of any school of practical nursing;
 - (l) regulating the selling or offering for sale of courses of training offered by schools of practical nursing;
 - (m) exempting any course of training in practical nursing from this Act and the regulations;
 - (n) generally, governing the conduct, operation and management of schools of practical nursing and the nature of any examination for a certificate or diploma and the manner, times and place of holding such examinations and the qualifications of persons who sit as examiners.

4. *The Nursing Act, 1951* is amended by adding thereto 1951, c. 59,
amended the following section:

- 8a.**—(1) No person shall sell or offer to sell or advertise Nurses
training
courses
to be
approved for sale a course of training in nursing unless that course is approved by the Minister.
- (2) Subsection 1 does not apply to a course of training Exception in nursing that is exempt therefrom by the regulations.
- (3) No person is capable of maintaining an action or Status to
maintain
actions other proceeding in any court in Ontario in respect of any contract relating to the sale of a course of training in nursing to which subsection 1 applies that has not been approved by the Minister.
- (4) Every person who sells or offers to sell or advertises Offence
and
penalty for sale a course of training in nursing to which subsection 1 applies that has not been approved by the Minister is guilty of an offence and on summary conviction is liable to a penalty of not more than \$500 for the first offence and not more than \$1,000 for a second or subsequent offence.

5.—(1) This Act, except clause *cc* of section 5 of *The Nursing Act, 1951*, as enacted by section 3 of this Act, comes Commence-
ment into force on a day to be named by the Lieutenant-Governor by his Proclamation.

(2) Clause *cc* of section 5 of *The Nursing Act, 1951*, as Idem enacted by section 3 of this Act, comes into force on the day it receives Royal Assent.

6. This Act may be cited as *The Nursing Amendment Act*, Short title 1957.





An Act to amend
The Nursing Act, 1951

1st Reading

February 22nd, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. PHILLIPS

No. 101

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Municipal Act

MR. WARRENDER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The amendment provides for the yearly rates to be levied separately on business property and residential property and provides that the payments under *The Municipal Unconditional Grants Act, 1953* are to be applied solely for the benefit of residential and farm properties.

BILL

An Act to amend The Municipal Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 308 of *The Municipal Act*, as amended by section 33 of *The Municipal Amendment Act, 1955* and section 12 of *The Municipal Amendment Act, 1956*, is repealed and the following substituted therefor: R.S.O. 1950, c. 243, s. 308, re-enacted

308.—(1) The council of every municipality in each year shall levy on the whole of, Yearly rates to be levied

- (a) the assessment for real property that is used as the basis for computing business assessment; and
- (b) the business assessment; and
- (c) the assessment for mineral lands and railway lands,

according to the last revised assessment roll, a sum equal to the proportion of the aggregate amount of the rates necessary for payment within the year of,

- (d) the current annual expenditure of the corporation adopted under section 311; and
- (e) an amount sufficient to pay all debts of the corporation including principal and interest maturing; and
- (f) the necessary amounts required to be paid into the sinking fund,

that the total of the assessments under clauses *a*, *b* and *c* bears to the total assessment for real property and business assessment according to the last revised assessment roll.

Idem

- (2) The council of every municipality in each year shall levy on the whole assessment for real property, except the assessment for real property mentioned in clauses *a* and *c* of subsection 1, according to the last revised assessment roll, a sum equal to the proportion of the aggregate amount of the rates necessary for payment within the year of,
- (a) the current annual expenditure of the corporation adopted under section 311; and
 - (b) an amount sufficient to pay all debts of the corporation including principal and interest maturing; and
 - (c) the necessary amounts required to be paid into the sinking fund,

that the total of the assessment for real property, except the assessment for real property mentioned in clauses *a* and *c* of subsection 1, according to the last revised assessment roll, bears to the total assessment for real property and business assessment according to such roll, less the amount of the estimated revenue from payments to be received in that year by the corporation under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

R.S.O. 1950,
c. 243, s. 311,
subs. 2,
amended

2. Subsection 2 of section 311 of *The Municipal Act*, as amended by section 18 of *The Municipal Amendment Act, 1954*, is further amended by adding at the end thereof "but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*", so that the subsection shall read as follows:

Allowances
to be made
in estimates

- (2) In preparing the estimates the council shall make due allowance for a surplus of any previous year which will be available during the current year and shall provide for any operating deficit of any previous year and for the cost of collection, abatement of and discount on taxes and for uncollectable taxes and may provide for taxes which it is estimated will not be collected during the year, but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

Commence-
ment

3. This Act shall be deemed to have come into force on the 1st day of January, 1957.

Short title

4. This Act may be cited as *The Municipal Amendment Act, 1957*.

SECTION 2. The amendment provides that no allowance for payments to be received by a municipality under *The Municipal Unconditional Grants Act, 1953* shall be made in preparing the estimates. The amendment is complementary to the re-enactment of section 308 by section 1 of this bill.

An Act to amend
The Municipal Act

1st Reading

February 22nd, 1957

2nd Reading

3rd Reading

MR. WARRENDER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Municipal Act

MR. WARRENDER

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

SECTION 1. The amendment provides for the yearly rates to be levied separately on business property and residential property and provides that the payments under *The Municipal Unconditional Grants Act, 1953* are to be applied solely for the benefit of residential and farm properties.

BILL

An Act to amend The Municipal Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 308 of *The Municipal Act*, as amended by section 33 of *The Municipal Amendment Act, 1955* and section 12 of *The Municipal Amendment Act, 1956*, is repealed and the following substituted therefor: R.S.O. 1950, c. 243, s. 308, re-enacted

308.—(1) The council of every municipality in each year shall levy on the whole of, Yearly rates to be levied

(a) the assessment for real property that is used as the basis for computing business assessment including the assessment for real property that is rented and occupied or used by the Crown in right of Canada or any province or any board, commission, corporation or other agency thereof, or by any municipal corporation or local board thereof; and

(b) the business assessment; and

(c) the assessment for mineral lands, railway lands and pipe lines and the assessment of telephone and telegraph companies,

according to the last revised assessment roll, a sum equal to the proportion of the aggregate amount of the rates necessary for payment within the year of,

(d) the current annual expenditure of the corporation adopted under section 311; and

(e) an amount sufficient to pay all debts of the corporation including principal and interest maturing; and

(f) the necessary amounts required to be paid into the sinking fund,

that the total of the assessments under clauses *a*, *b* and *c* bears to the total assessment for real property and business assessment according to the last revised assessment roll.

Idem

- (2) The council of every municipality in each year shall levy on the whole assessment for real property, except the assessment for real property mentioned in clauses *a* and *c* of subsection 1, according to the last revised assessment roll, a sum equal to the proportion of the aggregate amount of the rates necessary for payment within the year of,
- (a) the current annual expenditure of the corporation adopted under section 311; and
 - (b) an amount sufficient to pay all debts of the corporation including principal and interest maturing; and
 - (c) the necessary amounts required to be paid into the sinking fund,

that the total of the assessment for real property, except the assessment for real property mentioned in clauses *a* and *c* of subsection 1, according to the last revised assessment roll, bears to the total assessment for real property and business assessment according to such roll, less the amount of the estimated revenue from payments to be received in that year by the corporation under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

R.S.O. 1950,
c. 243, s. 311,
sub. 2,
amended

2. Subsection 2 of section 311 of *The Municipal Act*, as amended by section 18 of *The Municipal Amendment Act, 1954*, is further amended by adding at the end thereof "but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*", so that the subsection shall read as follows:

Allowances
to be made
in estimates

- (2) In preparing the estimates the council shall make due allowance for a surplus of any previous year which will be available during the current year and shall provide for any operating deficit of any previous year and for the cost of collection, abatement of and discount on taxes and for uncollectable taxes and may provide for taxes which it is estimated will not be collected during the year, but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

SECTION 2. The amendment provides that no allowance for payments to be received by a municipality under *The Municipal Unconditional Grants Act, 1953* shall be made in preparing the estimates. The amendment is complementary to the re-enactment of section 308 by section 1 of this bill.

3. This Act shall be deemed to have come into force on the ^{Commence-}
1st day of January, 1957. _{ment}

4. This Act may be cited as *The Municipal Amendment* ^{Short title}
Act, 1957.

An Act to amend
The Municipal Act

1st Reading

February 22nd, 1957

2nd Reading

March 7th, 1957

3rd Reading

MR. WARRENDER

*(Reprinted as amended by the
Committee of the Whole House)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Municipal Act

MR. WARRENDER



BILL

An Act to amend The Municipal Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

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308.—(1) The council of every municipality in each year shall levy on the whole of, Yearly rates to be levied

- (a) the assessment for real property that is used as the basis for computing business assessment including the assessment for real property that is rented and occupied or used by the Crown in right of Canada or any province or any board, commission, corporation or other agency thereof, or by any municipal corporation or local board thereof; and
- (b) the business assessment; and
- (c) the assessment for mineral lands, railway lands and pipe lines and the assessment of telephone and telegraph companies,

according to the last revised assessment roll, a sum equal to the proportion of the aggregate amount of the rates necessary for payment within the year of,

- (d) the current annual expenditure of the corporation adopted under section 311; and
- (e) an amount sufficient to pay all debts of the corporation including principal and interest maturing; and
- (f) the necessary amounts required to be paid into the sinking fund,

that the total of the assessments under clauses *a*, *b* and *c* bears to the total assessment for real property and business assessment according to the last revised assessment roll.

Idem

- (2) The council of every municipality in each year shall levy on the whole assessment for real property, except the assessment for real property mentioned in clauses *a* and *c* of subsection 1, according to the last revised assessment roll, a sum equal to the proportion of the aggregate amount of the rates necessary for payment within the year of,
- (a) the current annual expenditure of the corporation adopted under section 311; and
 - (b) an amount sufficient to pay all debts of the corporation including principal and interest maturing; and
 - (c) the necessary amounts required to be paid into the sinking fund,

that the total of the assessment for real property, except the assessment for real property mentioned in clauses *a* and *c* of subsection 1, according to the last revised assessment roll, bears to the total assessment for real property and business assessment according to such roll, less the amount of the estimated revenue from payments to be received in that year by the corporation under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

R.S.O. 1950,
c. 243, s. 311,
subs. 2,
amended

2. Subsection 2 of section 311 of *The Municipal Act*, as amended by section 18 of *The Municipal Amendment Act, 1954*, is further amended by adding at the end thereof "but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*", so that the subsection shall read as follows:

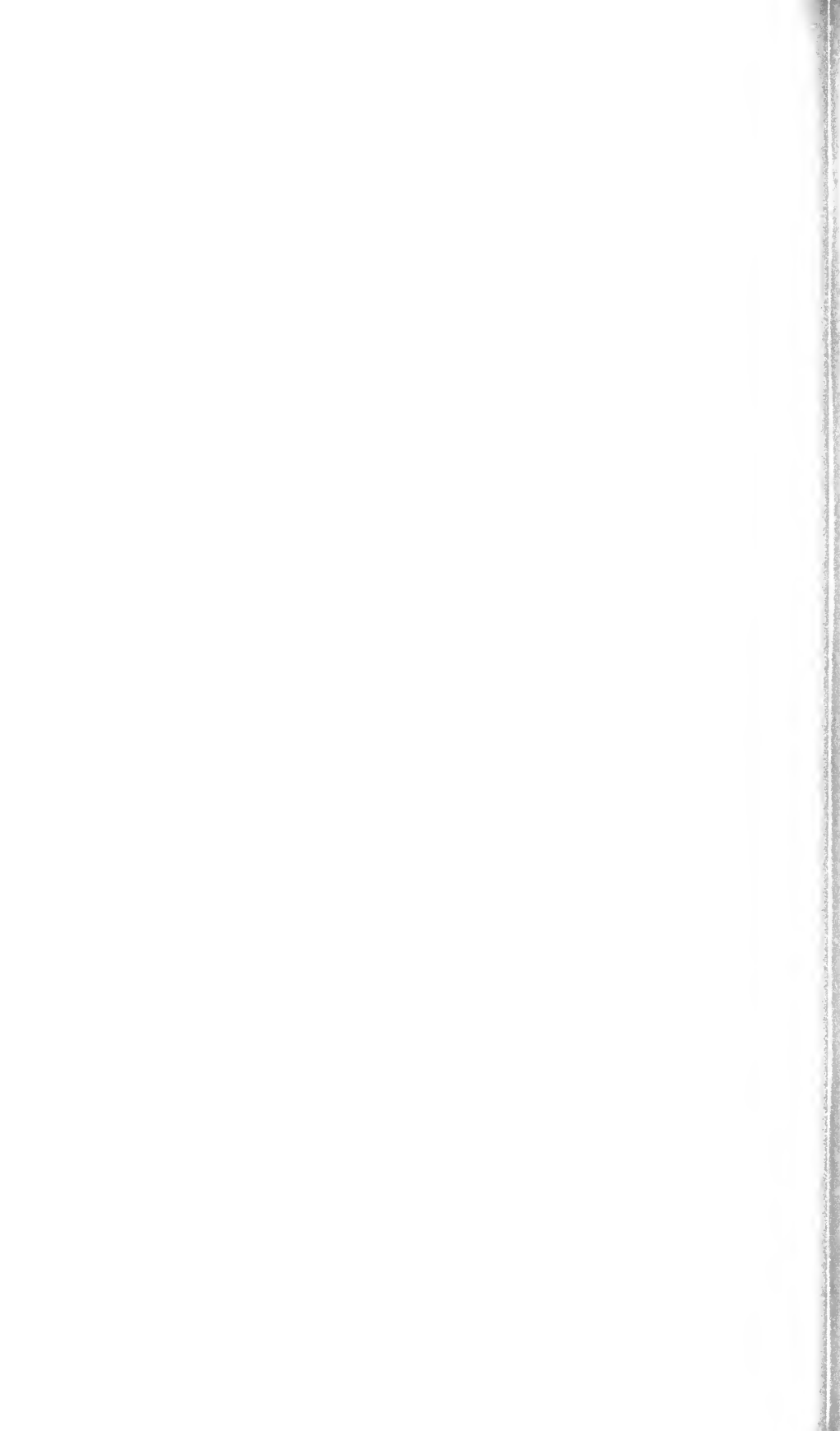
Allowances
to be made
in estimates

- (2) In preparing the estimates the council shall make due allowance for a surplus of any previous year which will be available during the current year and shall provide for any operating deficit of any previous year and for the cost of collection, abatement of and discount on taxes and for uncollectable taxes and may provide for taxes which it is estimated will not be collected during the year, but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

3. This Act shall be deemed to have come into force on the ^{Commence-}1st day of January, 1957.
_{ment}

4. This Act may be cited as *The Municipal Amendment* ^{Short title}
Act, 1957.



BILL

An Act to amend
The Municipal Act

1st Reading

February 22nd, 1957

2nd Reading

March 7th, 1957

3rd Reading

March 29th, 1957

MR. WARRENDER

No. 102

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend

The Municipality of Metropolitan Toronto Act, 1953

MR. WARRENDER

EXPLANATORY NOTES

SECTION 1. The amendment provides that no allowance for payments to be received by the Metropolitan Corporation under *The Municipal Unconditional Grants Act, 1953* shall be made in preparing the estimates. The amendment is complementary to the new section 190a in section 2 of this Bill.

SECTION 2. The amendment provides for the yearly rates to be levied separately on business property and residential property and provides that the payments under *The Municipal Unconditional Grants Act, 1953* are to be applied solely for the benefit of residential and farm properties.

BILL

An Act to amend The Municipality of Metropolitan Toronto Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 189 of *The Municipality of Metropolitan Toronto Act, 1953* is amended by adding at the end thereof "but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*", so that the subsection shall read as follows: 1953, c. 73, s. 189, subs. 2, amended

(2) In preparing the estimates the Metropolitan Council shall make due allowance for a surplus of any previous year which will be available during the current year and shall provide for any operating deficit of any previous year but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*. Allowance to be made in estimates 1953, c. 72

2. *The Municipality of Metropolitan Toronto Act, 1953* is amended by adding thereto the following section: 1953, c. 73, amended

190a.—(1) The Metropolitan Council in each year shall determine, in accordance with subsections 2 and 3, what proportion of the total of the sums to be levied against the area municipalities under section 190 shall be raised by levy, Metropolitan Council to determine amounts to be raised by levy on business and residential properties

(a) on the total of,

- (i) the assessment for real property that is used as a basis for computing business assessment, and
- (ii) the business assessment, and
- (iii) the assessment for mineral lands and railway lands,

in the Metropolitan Area, according to the last revised assessment rolls; and

- (b) on the total assessment for real property in the Metropolitan Area according to the last revised assessment rolls except the assessments for real property mentioned in subclauses i and ii of clause a.

Business
properties

- (2) The amount to be raised in each year by levy on the total of the assessments under clause a of subsection 1 shall be a sum equal to the proportion of the total of the sums to be levied against the area municipalities under section 190 that the total of the assessments under clause a of subsection 1 bears to the total assessment for real property and business assessment in the Metropolitan Area according to the last revised assessment rolls.

Residential
properties

- (3) The amount to be raised in each year by levy on the total assessment under clause b of subsection 1 shall be a sum equal to the proportion of the total of the sums to be levied against the area municipalities under section 190 that the total assessment under clause b of subsection 1 bears to the total assessment for real property and business assessment in the Metropolitan Area according to the last revised assessment rolls less the amount of the estimated revenue from payments to be received in that year by the Metropolitan Corporation under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

Yearly
rates to
be levied

- (4) The Metropolitan Council in each year shall require each area municipality to levy,

(a) on the whole of,

- (i) the assessment for real property that is used as the basis for computing business assessment, and
- (ii) the business assessment, and
- (iii) the assessment for mineral lands and railway lands,

according to the last revised assessment roll, a sum equal to the proportion of the amount required to be raised under subsection 2 that the whole of such assessments bears to the total of such assessments in the Metropolitan

Area according to the last revised assessment rolls; and

- (b) on the whole of the assessment for real property, except the assessment for real property mentioned in subclauses i and ii of clause a, according to the last revised assessment roll, a sum equal to the proportion of the amount required to be raised under subsection 3 that the whole of such assessment bears to the total of such assessments in the Metropolitan Area according to the last revised assessment rolls.

3. This Act shall be deemed to have come into force on ^{Commence-}the 1st day of January, 1957. _{ment}

4. This Act may be cited as *The Municipality of Metro-* Short title
politan Toronto Amendment Act, 1957.



An Act to amend
The Municipality of Metropolitan
Toronto Act, 1953

1st Reading

February 22nd, 1957

2nd Reading

3rd Reading

MR. WARRENDER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend

The Municipality of Metropolitan Toronto Act, 1953

MR. WARRENDER

(Reprinted as amended by the Committee of the Whole House)

TORONTO

PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The amendment provides that no allowance for payments to be received by the Metropolitan Corporation under *The Municipal Unconditional Grants Act, 1953* shall be made in preparing the estimates. The amendment is complementary to the new section 190a in section 2 of this Bill.

SECTION 2. The amendment provides for the yearly rates to be levied separately on business property and residential property and provides that the payments under *The Municipal Unconditional Grants Act, 1953* are to be applied solely for the benefit of residential and farm properties.

BILL

An Act to amend The Municipality of Metropolitan Toronto Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 189 of *The Municipality of Metropolitan Toronto Act, 1953* is amended by adding at the end thereof "but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*", so that the subsection shall read as follows:

(2) In preparing the estimates the Metropolitan Council shall make due allowance for a surplus of any previous year which will be available during the current year and shall provide for any operating deficit of any previous year but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 73,
s. 189,
subs. 2,
amended

Allowance to be made in estimates

1953, c. 72

2. *The Municipality of Metropolitan Toronto Act, 1953* is amended by adding thereto the following section:

1953, c. 73,
amended

190a.—(1) The Metropolitan Council in each year shall determine, in accordance with subsections 2 and 3, what proportion of the total of the sums to be levied against the area municipalities under section 190 shall be raised by levy,

Metropolitan Council to determine amounts to be raised by levy on business and residential properties

(a) on the total of,

(i) the assessment for real property that is used as a basis for computing business assessment including the assessment for real property that is rented and occupied or used by the Crown in right of Canada or any province or any board, commission, corporation or other agency thereof, or by any municipal or metropolitan corporation or local board thereof, and

(ii) the business assessment, and

(iii) the assessment for mineral lands, railway lands and pipe lines and the assessment of telephone and telegraph companies,

in the Metropolitan Area, according to the last revised assessment rolls; and

(b) on the total assessment for real property in the Metropolitan Area according to the last revised assessment rolls except the assessments for real property mentioned in subclauses i and iii of clause a.

Business
properties

(2) The amount to be raised in each year by levy on the total of the assessments under clause a of subsection 1 shall be a sum equal to the proportion of the total of the sums to be levied against the area municipalities under section 190 that the total of the assessments under clause a of subsection 1 bears to the total assessment for real property and business assessment in the Metropolitan Area according to the last revised assessment rolls.

Residential
properties

(3) The amount to be raised in each year by levy on the total assessment under clause b of subsection 1 shall be a sum equal to the proportion of the total of the sums to be levied against the area municipalities under section 190 that the total assessment under clause b of subsection 1 bears to the total assessment for real property and business assessment in the Metropolitan Area according to the last revised assessment rolls less the amount of the estimated revenue from payments to be received in that year by the Metropolitan Corporation under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

Yearly
rates to
be levied

(4) The Metropolitan Council in each year shall require each area municipality to levy,

(a) on the whole of,

(i) the assessment for real property that is used as the basis for computing business assessment including the assessment for real property that is rented and occupied or used by the Crown in right of Canada or any province or any board, commission, corporation or other agency thereof, or by any municipal or metropolitan corporation or local board thereof, and

(ii) the business assessment, and

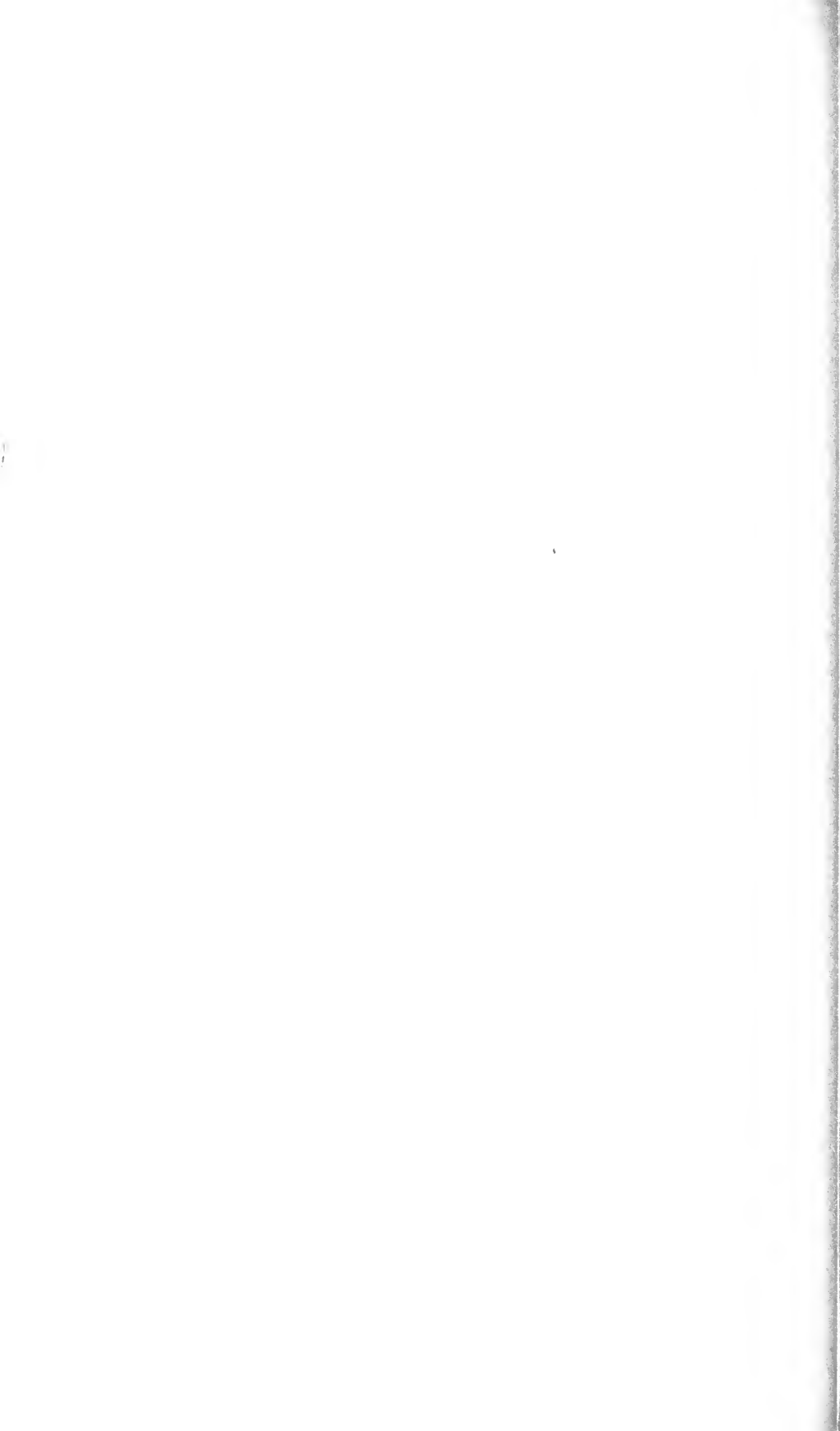
(iii) the assessment for mineral lands, railway lands and pipe lines and the assessment of telephone and telegraph companies,

according to the last revised assessment roll, a sum equal to the proportion of the amount required to be raised under subsection 2 that the whole of such assessments bears to the total of such assessments in the Metropolitan Area according to the last revised assessment rolls; and

(b) on the whole of the assessment for real property, except the assessment for real property mentioned in subclauses i and iii of clause a, according to the last revised assessment roll, a sum equal to the proportion of the amount required to be raised under subsection 3 that the whole of such assessment bears to the total of such assessments in the Metropolitan Area according to the last revised assessment rolls.

3. This Act shall be deemed to have come into force on Commence-
ment the 1st day of January, 1957.

4. This Act may be cited as *The Municipality of Metro* Short title
politan Toronto Amendment Act, 1957.



An Act to amend
The Municipality of Metropolitan
Toronto Act, 1953

1st Reading

February 22nd, 1957

2nd Reading

March 7th, 1957

3rd Reading

MR. WARRENDER

*(Reprinted as amended by the
Committee of the Whole House)*

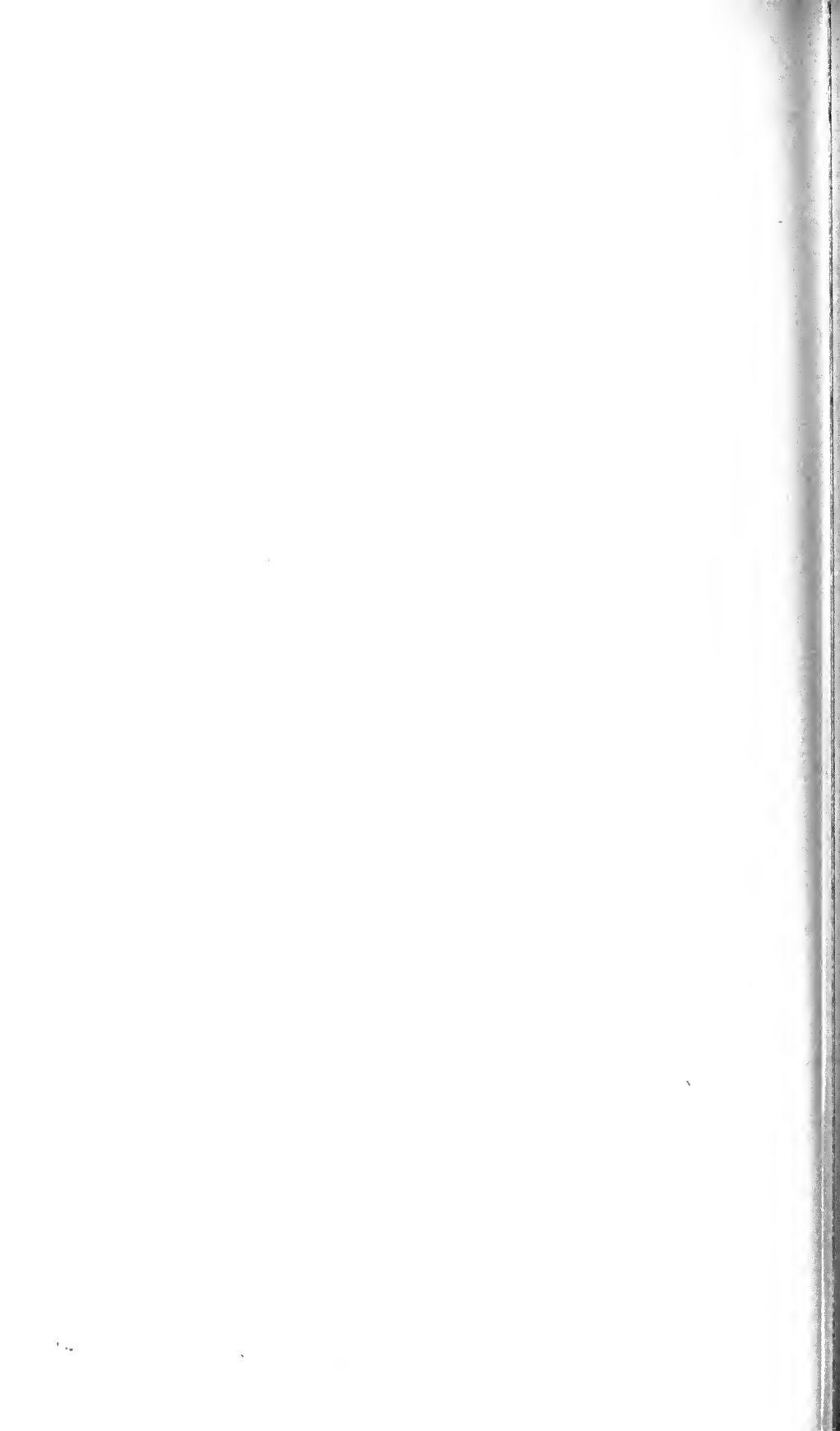
3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend

The Municipality of Metropolitan Toronto Act, 1953

MR. WARRENDER



BILL

An Act to amend The Municipality of Metropolitan Toronto Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 189 of *The Municipality of Metropolitan Toronto Act, 1953* is amended by adding at the end thereof "but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*", so that the subsection shall read as follows:

- (2) In preparing the estimates the Metropolitan Council shall make due allowance for a surplus of any previous year which will be available during the current year and shall provide for any operating deficit of any previous year but shall not make any allowance for payments to be received during the current year under *The Municipal Unconditional Grants Act, 1953*.

2. *The Municipality of Metropolitan Toronto Act, 1953* is amended by adding thereto the following section:

190a.—(1) The Metropolitan Council in each year shall determine, in accordance with subsections 2 and 3, what proportion of the total of the sums to be levied against the area municipalities under section 190 shall be raised by levy,

(a) on the total of,

- (i) the assessment for real property that is used as a basis for computing business assessment including the assessment for real property that is rented and is occupied or used by the Crown in right of Canada or any province or any board, commission, corporation or other agency thereof, or by any municipal or metropolitan corporation or local board thereof, and

(ii) the business assessment, and

(iii) the assessment for mineral lands, railway lands and pipe lines and the assessment of telephone and telegraph companies,

in the Metropolitan Area, according to the last revised assessment rolls; and

(b) on the total assessment for real property in the Metropolitan Area according to the last revised assessment rolls except the assessments for real property mentioned in subclauses i and iii of clause a.

Business
properties

(2) The amount to be raised in each year by levy on the total of the assessments under clause a of subsection 1 shall be a sum equal to the proportion of the total of the sums to be levied against the area municipalities under section 190 that the total of the assessments under clause a of subsection 1 bears to the total assessment for real property and business assessment in the Metropolitan Area according to the last revised assessment rolls.

Residential
properties

(3) The amount to be raised in each year by levy on the total assessment under clause b of subsection 1 shall be a sum equal to the proportion of the total of the sums to be levied against the area municipalities under section 190 that the total assessment under clause b of subsection 1 bears to the total assessment for real property and business assessment in the Metropolitan Area according to the last revised assessment rolls less the amount of the estimated revenue from payments to be received in that year by the Metropolitan Corporation under *The Municipal Unconditional Grants Act, 1953*.

1953, c. 72

Yearly
rates to
be levied

(4) The Metropolitan Council in each year shall require each area municipality to levy,

(a) on the whole of,

(i) the assessment for real property that is used as the basis for computing business assessment including the assessment for real property that is rented and occupied or used by the Crown in right of Canada or any province or any board, commission, corporation or other agency thereof, or by any municipal or metropolitan corporation or local board thereof, and

- (ii) the business assessment, and
- (iii) the assessment for mineral lands, railway lands and pipe lines and the assessment of telephone and telegraph companies,

according to the last revised assessment roll, a sum equal to the proportion of the amount required to be raised under subsection 2 that the whole of such assessments bears to the total of such assessments in the Metropolitan Area according to the last revised assessment rolls; and

- (b) on the whole of the assessment for real property, except the assessment for real property mentioned in subclauses i and iii of clause a, according to the last revised assessment roll, a sum equal to the proportion of the amount required to be raised under subsection 3 that the whole of such assessment bears to the total of such assessments in the Metropolitan Area according to the last revised assessment rolls.

3. This Act shall be deemed to have come into force on Commence-
ment the 1st day of January, 1957.

4. This Act may be cited as *The Municipality of Metro-* Short title
politan Toronto Amendment Act, 1957.



An Act to amend
The Municipality of Metropolitan
Toronto Act, 1953

1st Reading

February 22nd, 1957

2nd Reading

March 7th, 1957

3rd Reading

March 29th, 1957

MR. WARRENDER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

**An Act to amend
The Municipal Unconditional Grants Act, 1953**

MR. WARRENDER

EXPLANATORY NOTES

SECTION 1. The amendment provides that grants under this Act will hereafter be paid out of the moneys appropriated therefor by the Legislature instead of out of the Consolidated Revenue Fund.

SECTION 2. The Schedule is re-enacted to provide additional grants to municipalities towards the cost of the administration of justice and welfare and social services.

BILL

An Act to amend The Municipal Unconditional Grants Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 6 of *The Municipal Unconditional Grants Act*, 1953, c. 72, 1953 is amended by striking out "In the year 1954 and in each year thereafter there shall be paid out of the Consolidated Revenue Fund" in the first and second lines and inserting in lieu thereof "In each year there shall be paid out of the moneys appropriated therefor by the Legislature", so that the section shall read as follows:

6. In each year there shall be paid out of the moneys appropriated therefor by the Legislature to each municipality in Ontario a per capita payment or payments in accordance with the population of the municipality as last determined under this Act in the amounts set out in the Schedule to this Act.

2. The Schedule to *The Municipal Unconditional Grants Act*, 1953 is repealed and the following substituted therefor:

SCHEDULE

(Section 6)

PART I

To assist each municipality in Ontario, the taxpayers of which contribute through municipal taxes toward the cost of the administration of justice in a county, by way of unconditional grant:

\$1.00 per capita

PART II

To assist each municipality in Ontario in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for its inhabitants, by way of unconditional grant:

\$2.00 per capita

PART III

In recognition of the larger per capita expenditures that municipalities with larger populations are required to make in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for their inhabitants, the following per capita payments to municipalities having a population of over 2,000, in addition to those set out in Part I and Part II, by way of unconditional grant:

- (a) \$0.10 per capita in the case of towns and villages having a population of over 2,000 and not exceeding 5,000;
- (b) \$0.10 per capita in the case of townships having a population of over 2,000 and not exceeding 5,000;
- (c) \$0.25 per capita in the case of towns and villages having a population of over 5,000 and not exceeding 7,000;
- (d) \$0.25 per capita in the case of townships having a population of over 5,000 and not exceeding 10,000;
- (e) \$0.35 per capita in the case of townships having a population of over 10,000 and not exceeding 15,000;
- (f) \$0.50 per capita in the case of towns and villages having a population of over 7,000 and not exceeding 10,000;
- (g) \$0.50 per capita in the case of townships having a population of over 15,000 and not exceeding 20,000;
- (h) \$0.75 per capita in the case of towns and villages having a population of over 10,000;
- (i) \$0.75 per capita in the case of townships having a population of over 20,000;
- (j) \$1.00 per capita in the case of cities having a population of 75,000 and under;
- (k) \$1.25 per capita in the case of cities having a population of over 75,000 and not exceeding 200,000;
- (l) \$1.50 per capita in the case of cities having a population of over 200,000 and not exceeding 400,000;
- (m) \$2.00 per capita in the case of cities having a population of over 400,000 and not exceeding 750,000;
- (n) \$2.50 per capita in the case of metropolitan municipalities and cities having a population of over 750,000.

Commence-
ment

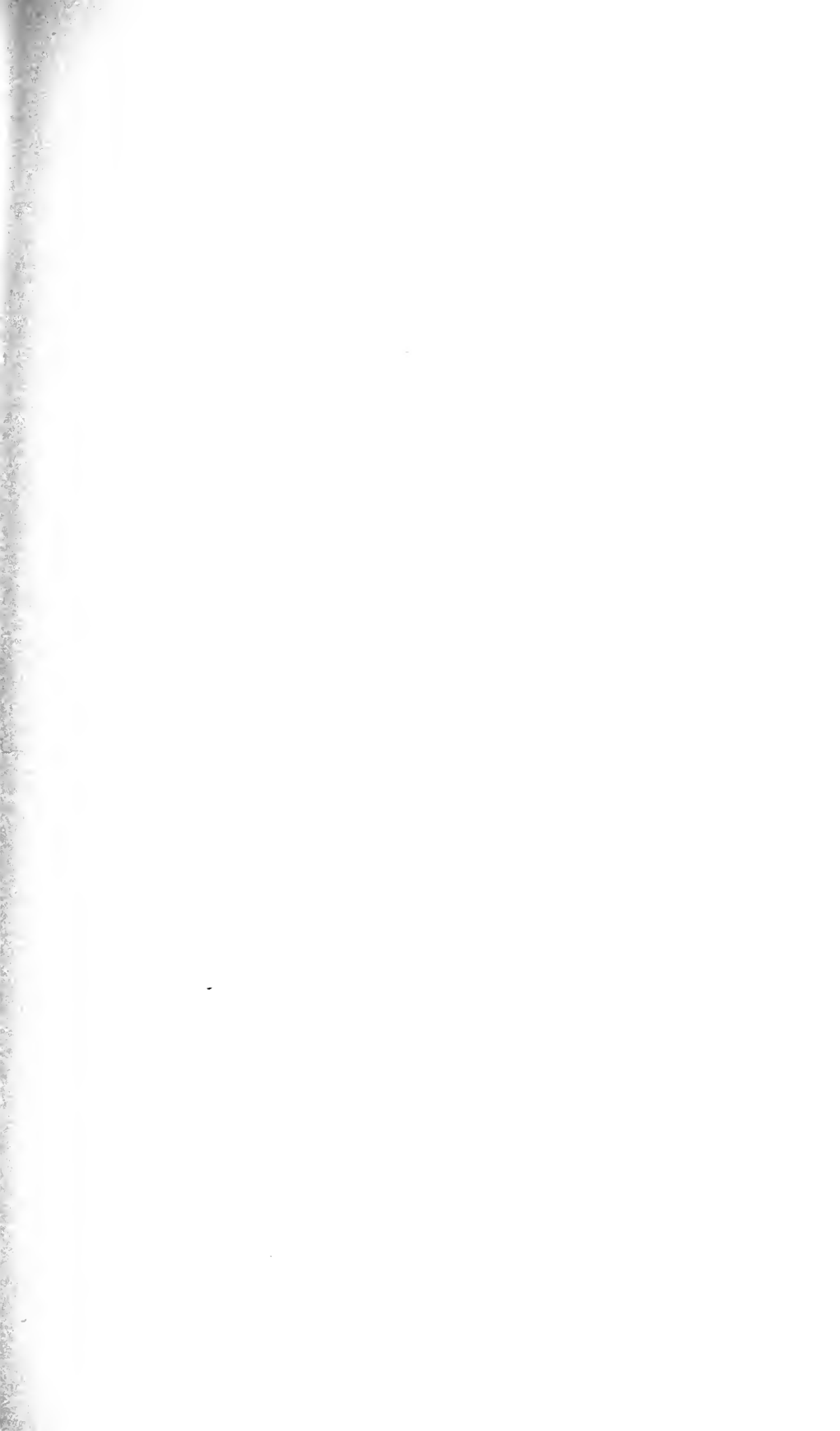
3. This Act shall be deemed to have come into force on the 1st day of January, 1957.

Short title

4. This Act may be cited as *The Municipal Unconditional Grants Amendment Act, 1957*.







BILL

An Act to amend
The Municipal Unconditional Grants
Act, 1953

1st Reading

February 22nd, 1957

2nd Reading

3rd Reading

MR. WARRENDER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend
The Municipal Unconditional Grants Act, 1953

MR. WARRENDER

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

SECTION 1. The amendment provides that grants under this Act will hereafter be paid out of the moneys appropriated therefor by the Legislature instead of out of the Consolidated Revenue Fund.

SECTION 2. The Schedule is re-enacted to provide additional grants to municipalities towards the cost of the administration of justice and welfare and social services.

BILL

An Act to amend The Municipal Unconditional Grants Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 6 of *The Municipal Unconditional Grants Act, 1953, c. 72, 1953* is amended by striking out "In the year 1954 and in each year thereafter there shall be paid out of the Consolidated Revenue Fund" in the first and second lines and inserting in lieu thereof "In each year there shall be paid out of the moneys appropriated therefor by the Legislature", so that the section shall read as follows:

6. In each year there shall be paid out of the moneys appropriated therefor by the Legislature to each municipality in Ontario a per capita payment or payments in accordance with the population of the municipality as last determined under this Act in the amounts set out in the Schedule to this Act.

2. The Schedule to *The Municipal Unconditional Grants Act, 1953* is repealed and the following substituted therefor:

SCHEDULE

(Section 6)

PART I

To assist each municipality in Ontario, the taxpayers of which contribute through municipal taxes toward the cost of the administration of justice in a county, by way of unconditional grant:

\$1.00 per capita

PART II

To assist each municipality in Ontario in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for its inhabitants, by way of unconditional grant:

\$2.00 per capita

PART III

In recognition of the larger per capita expenditures that municipalities with larger populations are required to make in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for their inhabitants, the following per capita payments to municipalities having a population of over 2,000, in addition to those set out in Part I and Part II, by way of unconditional grant:

- (a) \$0.10 per capita in the case of towns and villages having a population of over 2,000 and not exceeding 5,000;
- (b) \$0.10 per capita in the case of townships having a population of over 2,000 and not exceeding 5,000;
- (c) \$0.25 per capita in the case of towns and villages having a population of over 5,000 and not exceeding 7,000;
- (d) \$0.25 per capita in the case of townships having a population of over 5,000 and not exceeding 10,000;
- (e) \$0.35 per capita in the case of townships having a population of over 10,000 and not exceeding 15,000;
- (f) \$0.50 per capita in the case of towns and villages having a population of over 7,000 and not exceeding 10,000;
- (g) \$0.50 per capita in the case of townships having a population of over 15,000 and not exceeding 20,000;
- (h) \$0.75 per capita in the case of towns and villages having a population of over 10,000;
- (i) \$0.75 per capita in the case of townships having a population of over 20,000;
- (j) \$1.00 per capita in the case of cities having a population of 75,000 and under;
- (k) \$1.25 per capita in the case of cities having a population of over 75,000 and not exceeding 200,000;
- (l) \$1.50 per capita in the case of cities having a population of over 200,000 and not exceeding 400,000;
- (m) \$2.00 per capita in the case of cities having a population of over 400,000 and not exceeding 750,000;
- (n) \$2.50 per capita in the case of metropolitan municipalities and cities having a population of over 750,000.

Commence-
ment

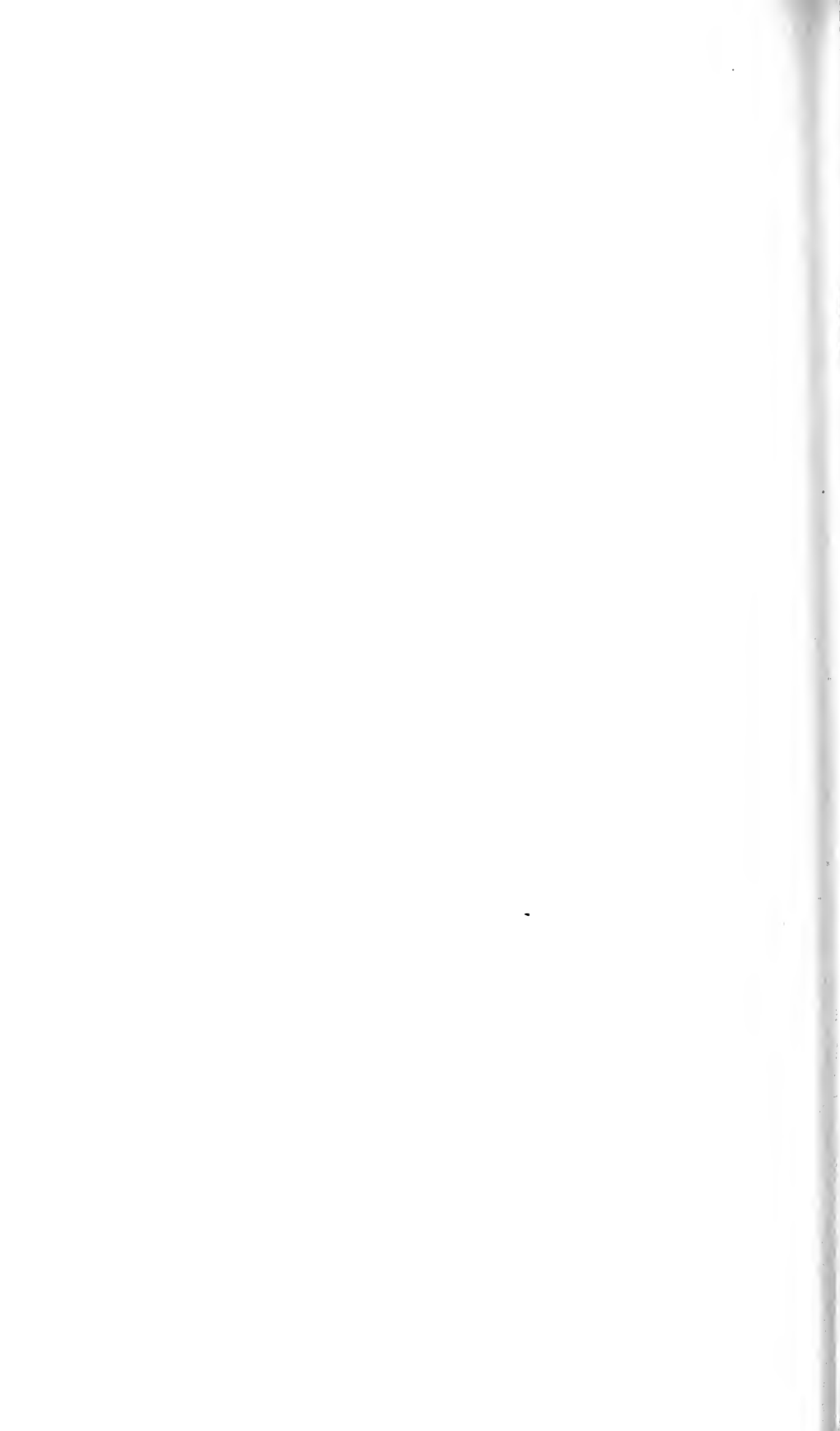
3. - (1) This Act, except section 1, shall be deemed to have come into force on the 1st day of January, 1957.

Idem

(2) Section 1 comes into force on the 1st day of April, 1958.

Short title

4. This Act may be cited as *The Municipal Unconditional Grants Amendment Act, 1957*.



BILL

An Act to amend
The Municipal Unconditional Grants
Act, 1953

1st Reading

February 22nd, 1957

2nd Reading

March 7th, 1957

3rd Reading

MR. WARRENDER

*(Reprinted as amended by the Committee
of the Whole House)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend
The Municipal Unconditional Grants Act, 1953

MR. WARRENDER



BILL

An Act to amend The Municipal Unconditional Grants Act, 1953

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 6 of *The Municipal Unconditional Grants Act*, 1953, c. 72, 1953 is amended by striking out "In the year 1954 and in each year thereafter there shall be paid out of the Consolidated Revenue Fund" in the first and second lines and inserting in lieu thereof "In each year there shall be paid out of the moneys appropriated therefor by the Legislature", so that the section shall read as follows:

6. In each year there shall be paid out of the moneys appropriated therefor by the Legislature to each municipality in Ontario a per capita payment or payments in accordance with the population of the municipality as last determined under this Act in the amounts set out in the Schedule to this Act. Per capita }
payments : 2

2. The Schedule to *The Municipal Unconditional Grants Act*, 1953 is repealed and the following substituted therefor: 1953, c. 72,
Sched.,
re-enacted

SCHEDULE

(Section 6)

PART I

To assist each municipality in Ontario, the taxpayers of which contribute through municipal taxes toward the cost of the administration of justice in a county, by way of unconditional grant:

\$1.00 per capita

PART II

To assist each municipality in Ontario in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for its inhabitants, by way of unconditional grant:

\$2.00 per capita

PART III

In recognition of the larger per capita expenditures that municipalities with larger populations are required to make in the provision of welfare and social services, including indigent and unemployment relief, hospitalization and institutional care costs and other services for their inhabitants, the following per capita payments to municipalities having a population of over 2,000, in addition to those set out in Part I and Part II, by way of unconditional grant:

- (a) \$0.10 per capita in the case of towns and villages having a population of over 2,000 and not exceeding 5,000;
- (b) \$0.10 per capita in the case of townships having a population of over 2,000 and not exceeding 5,000;
- (c) \$0.25 per capita in the case of towns and villages having a population of over 5,000 and not exceeding 7,000;
- (d) \$0.25 per capita in the case of townships having a population of over 5,000 and not exceeding 10,000;
- (e) \$0.35 per capita in the case of townships having a population of over 10,000 and not exceeding 15,000;
- (f) \$0.50 per capita in the case of towns and villages having a population of over 7,000 and not exceeding 10,000;
- (g) \$0.50 per capita in the case of townships having a population of over 15,000 and not exceeding 20,000;
- (h) \$0.75 per capita in the case of towns and villages having a population of over 10,000;
- (i) \$0.75 per capita in the case of townships having a population of over 20,000;
- (j) \$1.00 per capita in the case of cities having a population of 75,000 and under;
- (k) \$1.25 per capita in the case of cities having a population of over 75,000 and not exceeding 200,000;
- (l) \$1.50 per capita in the case of cities having a population of over 200,000 and not exceeding 400,000;
- (m) \$2.00 per capita in the case of cities having a population of over 400,000 and not exceeding 750,000;
- (n) \$2.50 per capita in the case of metropolitan municipalities and cities having a population of over 750,000.

Commence-
ment

3.—(1) This Act, except section 1, shall be deemed to have come into force on the 1st day of January, 1957.

Idem

(2) Section 1 comes into force on the 1st day of April, 1958.

Short title

4. This Act may be cited as *The Municipal Unconditional Grants Amendment Act, 1957*.





BILL

An Act to amend
The Municipal Unconditional Grants
Act, 1953

1st Reading

February 22nd, 1957

2nd Reading

March 7th, 1957

3rd Reading

April 2nd, 1957

MR. WARRENDER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Fire Marshals Act

MR. ROBERTS

EXPLANATORY NOTE

The purpose of this bill is to authorize the Lieutenant-Governor in Council to raise the rate of tax on insurance companies in respect of fire insurance premiums from its present maximum of $\frac{1}{3}$ of 1 per cent to a rate not exceeding 1 per cent thereof.

The principle of this tax is to provide enough money (but no more than enough) to operate the office of the Fire Marshal.

BILL

An Act to amend The Fire Marshals Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subsection 1 of section 11 of *The Fire Marshals Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 140, s. 11,
subs. 1,
re-enacted

- (1) Every person, syndicate, reciprocal exchange or corporation transacting the business of fire insurance within the meaning of *The Insurance Act* shall, in addition to the taxes and fees now required by law to be paid, pay to the Treasurer of Ontario on or before the 15th day of March in each year such sum as is determined by the Lieutenant-Governor in Council, not exceeding 1 per cent, calculated upon the gross premiums, fixed payments and assessments received during the preceding year in respect of fire insurance business transacted in Ontario, excluding,
- (a) premiums returned;
- (b) premiums paid in respect of reinsurance ceded to insurance companies licensed to transact business Ontario; and
- (c) the cash value of dividends paid or credited to policyholders by mutual insurance companies and reciprocal exchanges,

Fund for
expenses
of Fire
Marshal
R.S.O. 1950,
c. 183

as shown by the annual statement furnished to the Department of Insurance under *The Insurance Act*.

(2) Subsection 4 of the said section 11 is repealed and the following substituted therefor:

R.S.O. 1950,
c. 140, s. 11,
subs. 4,
re-enacted

- (4) The Treasurer of Ontario may make a preliminary assessment of the sum as provided in subsection 1 and such assessment shall be made upon the basis of the premiums, fixed payments and assessments

Preliminary
assessment
for
expenses

received in respect of business transacted in Ontario during the last complete year for which annual statements have been filed in accordance with *The Corporations Tax Act, 1957* and *The Insurance Act* and the amount of the assessment shall be subject to subsection 3.

1957, c. . . .
R.S.O. 1950,
c. 183

Commence-
ment

2. This Act comes into force on the day it receives Royal Assent and is effective with respect to premiums, fixed payments and assessments received in respect of business transacted in Ontario during 1957 and later years.

Short title

3. This Act may be cited as *The Fire Marshals Amendment Act, 1957*.



An Act to amend
The Fire Marshals Act

1st Reading

February 22nd, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 104

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Fire Marshals Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Fire Marshals Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Subsection 1 of section 11 of *The Fire Marshals Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 140, s. 11, subs. 1, re-enacted

- (1) Every person, syndicate, reciprocal exchange or corporation transacting the business of fire insurance within the meaning of *The Insurance Act* shall, in addition to the taxes and fees now required by law to be paid, pay to the Treasurer of Ontario on or before the 15th day of March in each year such sum as is determined by the Lieutenant-Governor in Council, not exceeding 1 per cent, calculated upon the gross premiums, fixed payments and assessments received during the preceding year in respect of fire insurance business transacted in Ontario, excluding, Fund for expenses of Fire Marshal R.S.O. 1950, c. 183
- (a) premiums returned;
 - (b) premiums paid in respect of reinsurance ceded to insurance companies licensed to transact business in Ontario; and
 - (c) the cash value of dividends paid or credited to policyholders by mutual insurance companies and reciprocal exchanges,

as shown by the annual statement furnished to the Department of Insurance under *The Insurance Act*.

(2) Subsection 4 of the said section 11 is repealed and the following substituted therefor: R.S.O. 1950, c. 140, s. 11, subs. 4, re-enacted

- (4) The Treasurer of Ontario may make a preliminary assessment of the sum as provided in subsection 1 and such assessment shall be made upon the basis of the premiums, fixed payments and assessments Preliminary assessment for expenses

received in respect of business transacted in Ontario during the last complete year for which annual statements have been filed in accordance with *The Corporations Tax Act, 1957* and *The Insurance Act* and the amount of the assessment shall be subject to subsection 3.

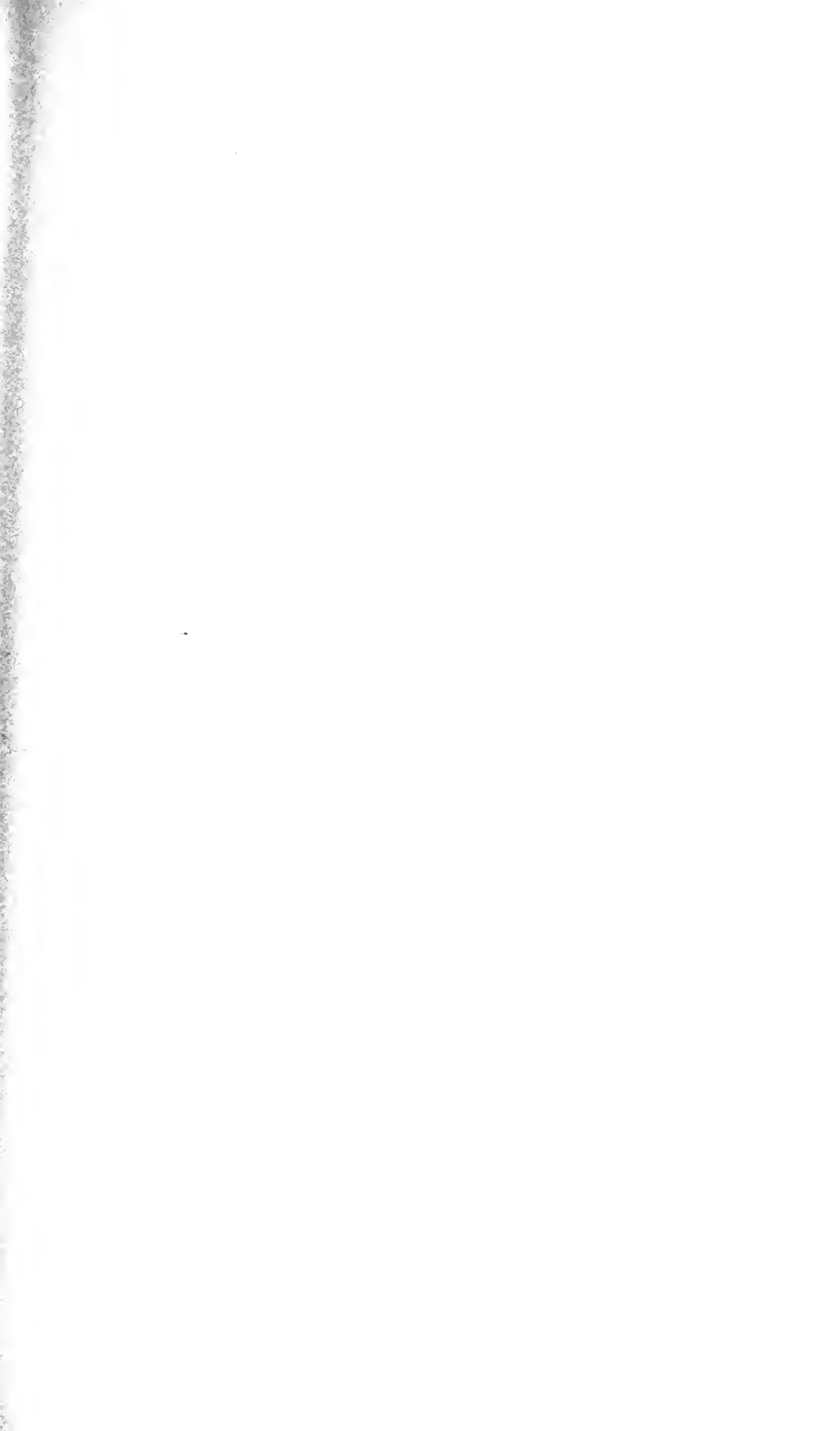
1957, c. . . .
R.S.O. 1950,
c. 183

Commence-
ment

2. This Act comes into force on the day it receives Royal Assent and is effective with respect to premiums, fixed payments and assessments received in respect of business transacted in Ontario during 1957 and later years.

Short title

3. This Act may be cited as *The Fire Marshals Amendment Act, 1957*.





BILL

An Act to amend
The Fire Marshals Act

1st Reading

February 22nd, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Old Age Assistance Act, 1951

MR. CECILE

EXPLANATORY NOTES

SECTION 1—Subsection 1. “Assistance” is redefined to permit greater flexibility in agreements made with the Government of Canada under the Act.

Subsection 2. “Local authority” is redefined to conform with current administrative practice in which all applications for assistance are taken by provincial field workers. This practice has eliminated costly duplication of work by municipal and provincial representatives.

SECTION 2. This section will remove the present maximum of \$40 monthly on assistance paid to individuals and thus give general power to the Province by agreement with the Government of Canada to increase old age assistance when the federal government authorizes such increases under its legislation.

BILL

An Act to amend The Old Age Assistance Act, 1951

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *a* of section 1 of *The Old Age Assistance Act, 1951* is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 2, s. 1, cl. *a*, re-enacted

(*a*) “assistance” means old age assistance provided under this Act and the regulations to the persons and under the conditions specified in any agreement made under section 2.

(2) Clause *d* of the said section 1, as re-enacted by section 1 of *The Old Age Assistance Amendment Act, 1952*, is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 2, s. 1, cl. *d* (1952, c. 68, s. 1), re-enacted

(*d*) “local authority” means a field worker, district welfare administrator or district welfare supervisor of the Department of Public Welfare or any other employee of the Department of Public Welfare the Minister designates under this Act.

2. Section 2 of *The Old Age Assistance Act, 1951*, as amended by section 1 of *The Old Age Assistance Amendment Act, 1955*, is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 2, s. 2, re-enacted

2.—(1) The Minister, with the approval of the Lieutenant-Governor in Council, may make agreements with the Crown in right of Canada to provide for payment by Canada to Ontario in accordance with the *Old Age Assistance Act* (Canada) and the regulations made under it of any portion of amounts of assistance paid by Ontario pursuant to this Act and the regulations. Agreements with Canada authorized R.S.C. 1952, c. 199

(2) Assistance may be paid in accordance with any agreement made under subsection 1. Payment authorized

1951 (2nd Sess.), c. 2, s. 9, subs. 1, subs. 1^a (1952, c. 68, s. 3), repealed

3. Subsection 1 and subsection 1a, as enacted by section 3 of *The Old Age Assistance Amendment Act, 1952*, of section 9 of *The Old Age Assistance Act, 1951* are repealed.

1951 (2nd Sess.), c. 2, s. 12, cl. c, re-enacted; cl. f, repealed

4. Clauses *e* and *f* of section 12 of *The Old Age Assistance Act, 1951* are repealed and the following substituted therefor:

(*e*) prescribing the powers and duties of local authorities.

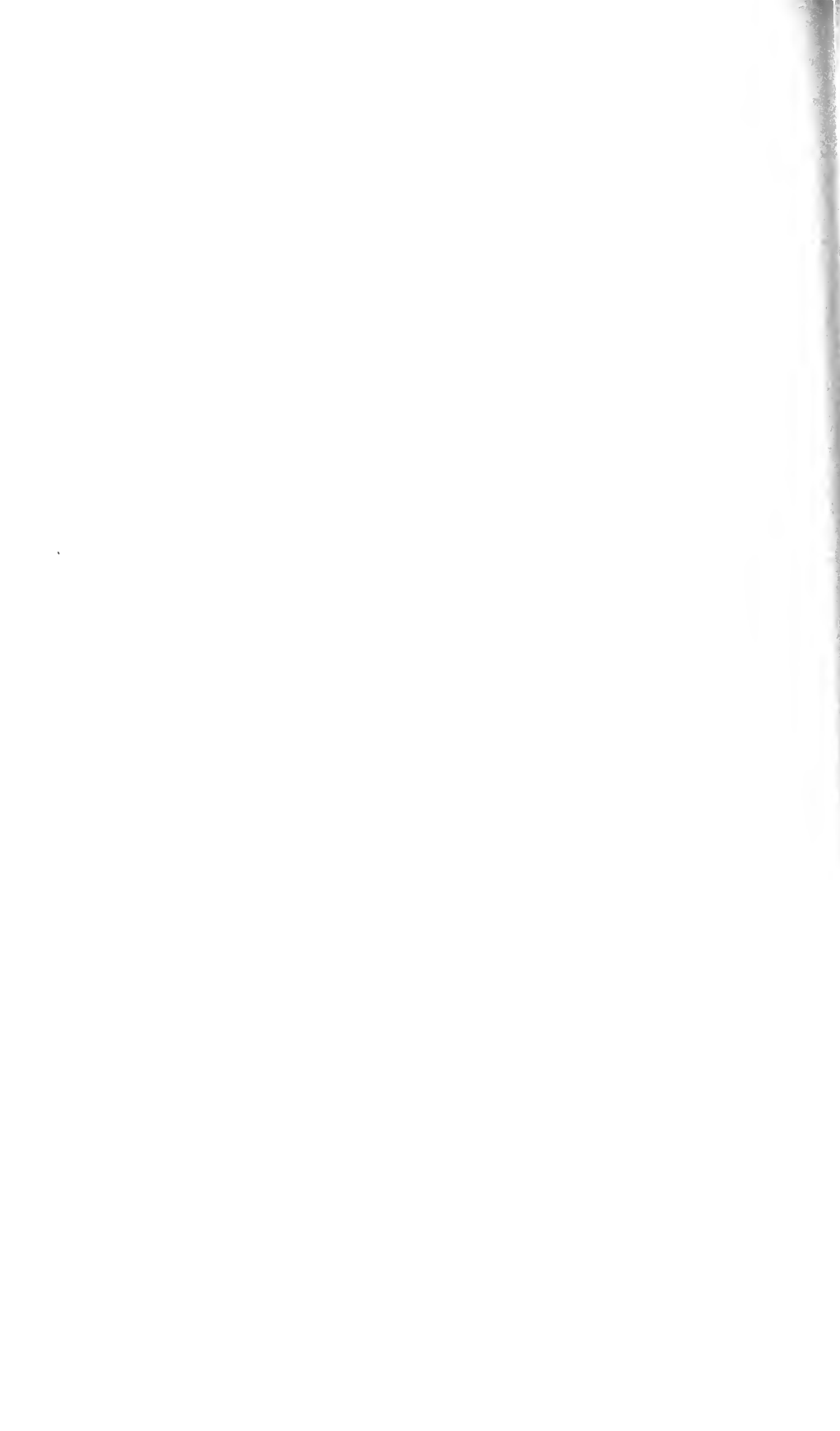
Commencement

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Old Age Assistance Amendment Act, 1957*.

SECTION 3 and 4. The amendments made by these sections are complementary to the amendment made by subsection 2 of section 1 of this bill.





BILL

An Act to amend
The Old Age Assistance Act, 1951

1st Reading

February 25th, 1957

2nd Reading

3rd Reading

MR. CECILE

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Old Age Assistance Act, 1951

MR. CECILE

BILL

An Act to amend The Old Age Assistance Act, 1951

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *a* of section 1 of *The Old Age Assistance Act, 1951* is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 2, s. 1, cl. *a*, re-enacted

(*a*) “assistance” means old age assistance provided under this Act and the regulations to the persons and under the conditions specified in any agreement made under section 2.

(2) Clause *d* of the said section 1, as re-enacted by section 1 of *The Old Age Assistance Amendment Act, 1952*, is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 2, s. 1, cl. *d* (1952, c. 68, s. 1), re-enacted

(*d*) “local authority” means a field worker, district welfare administrator or district welfare supervisor of the Department of Public Welfare or any other employee of the Department of Public Welfare the Minister designates under this Act.

2. Section 2 of *The Old Age Assistance Act, 1951*, as amended by section 1 of *The Old Age Assistance Amendment Act, 1955*, is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 2, s. 2, re-enacted

2.—(1) The Minister, with the approval of the Lieutenant-Governor in Council, may make agreements with the Crown in right of Canada to provide for payment by Canada to Ontario in accordance with the *Old Age Assistance Act* (Canada) and the regulations made under it of any portion of amounts of assistance paid by Ontario pursuant to this Act and the regulations. Agreements with Canada authorized
R.S.C. 1952, c. 199

(2) Assistance may be paid in accordance with any agreement made under subsection 1. Payment authorized

1951 (2nd Sess.), c. 2, s. 9, subs. 1, subs. 1a (1952, c. 68, s. 3), repealed

3. Subsection 1 and subsection 1a, as enacted by section 3 of *The Old Age Assistance Amendment Act, 1952*, of section 9 of *The Old Age Assistance Act, 1951* are repealed.

1951 (2nd Sess.), c. 2, s. 12, cl. 4, re-enacted; cl. f, repealed

4. Clauses *e* and *f* of section 12 of *The Old Age Assistance Act, 1951* are repealed and the following substituted therefor:

(*e*) prescribing the powers and duties of local authorities.

Commencement

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Old Age Assistance Amendment Act, 1957*.







BILL

An Act to amend
The Old Age Assistance Act, 1951

1st Reading

February 25th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. CECILE

No. 106

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Disabled Persons' Allowances Act, 1955

MR. CECILE

EXPLANATORY NOTES

SECTION 1. "Allowance" is re-defined to permit greater flexibility in agreements made with the Government of Canada under the Act.

SECTION 2. Section 2 of the Act is repealed since the provisions included in it must form part of any agreement under section 14 of the Act. The repeal of this section will also remove the present maximum of \$40 monthly on allowances paid to individuals and thus give general power to the Province by agreement with the Government of Canada to increase disabled persons' allowances when the Federal government authorizes such increase under its legislation.

SECTION 3. Subsection 1 of the new section 14 is complementary to the repeal of section 2.

Subsection 2 of the new section 14 authorizes the payment of allowances in accordance with any agreement made under subsection 1.

BILL

An Act to amend The Disabled Persons' Allowances Act, 1955

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Disabled Persons' Allowances Act, 1955* is repealed and the following substituted therefor: 1955, c. 17, s. 1, cl. a, re-enacted

(a) "allowance" means a disabled person's allowance provided under this Act and the regulations to the persons and under the conditions specified in any agreement made under section 14.

2. Section 2 of *The Disabled Persons' Allowances Act, 1955* is repealed. 1955, c. 17, s. 2, repealed

3. Section 14 of *The Disabled Persons' Allowances Act, 1955* is repealed and the following substituted therefor: 1955, c. 17, s. 14, re-enacted

14.—(1) The Minister, with the approval of the Lieutenant-Governor in Council, may make agreements with the Crown in right of Canada to provide for payment by Canada to Ontario in accordance with the *Disabled Persons Act* (Canada) and the regulations made under it of any portion of amounts of allowances paid by Ontario pursuant to this Act and the regulations. Agreements with Canada authorized 1953-54, c. 55 (Can.)

(2) Allowances may be paid in accordance with any agreement made under subsection 1. Payment authorized

4. This Act comes into force on the day it receives Royal Assent. Commencement

5. This Act may be cited as *The Disabled Persons' Allowances Amendment Act, 1957*. Short title

BILL

An Act to amend
The Disabled Persons' Allowances
Act, 1955

1st Reading

February 25th, 1957

2nd Reading

3rd Reading

MR. CECILE

No. 106

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Disabled Persons' Allowances Act, 1955

MR. CECILE

TORONTO
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PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Disabled Persons' Allowances Act, 1955

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Disabled Persons' Allowances Act, 1955* is repealed and the following substituted therefor: 1955, c. 17, s. 1, cl. a, re-enacted

(a) "allowance" means a disabled person's allowance provided under this Act and the regulations to the persons and under the conditions specified in any agreement made under section 14.

2. Section 2 of *The Disabled Persons' Allowances Act, 1955* is repealed. 1955, c. 17, s. 2, repealed

3. Section 14 of *The Disabled Persons' Allowances Act, 1955* is repealed and the following substituted therefor: 1955, c. 17, s. 14, re-enacted

14.—(1) The Minister, with the approval of the Lieutenant-Governor in Council, may make agreements with the Crown in right of Canada to provide for payment by Canada to Ontario in accordance with the *Disabled Persons Act* (Canada) and the regulations made under it of any portion of amounts of allowances paid by Ontario pursuant to this Act and the regulations. Agreements with Canada authorized 1953-54, c. 55 (Can.)

(2) Allowances may be paid in accordance with any agreement made under subsection 1. Payment authorized

4. This Act comes into force on the day it receives Royal Assent. Commencement

5. This Act may be cited as *The Disabled Persons' Allowances Amendment Act, 1957*. Short title

BILL

An Act to amend
The Disabled Persons' Allowances
Act, 1955

1st Reading

February 25th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. CECILE

No. 107

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Blind Persons' Allowances Act, 1951

MR. CECILE

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

SECTION 1. "Allowance" is re-defined to permit greater flexibility in agreements made with the Government of Canada under the Act.

SECTION 2. Subsection 1 of the new section 2 will remove the present maximum of \$40 monthly on allowances paid to individuals and thus give general power to the Province by agreement with the Government of Canada to increase blind persons' allowances when the Federal government authorizes such increase under its legislation.

Subsection 2 of the new section 2 authorizes the payment of allowances in accordance with any agreement made under subsection 1.

SECTION 3. Self-explanatory.

BILL

An Act to amend The Blind Persons' Allowances Act, 1951

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Blind Persons' Allowances Act, 1951* is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 1, s. 1, cl. *a*, re-enacted
 - (a) "allowance" means a blind person's allowance provided under this Act and the regulations to the persons and under the conditions specified in any agreement made under section 2.

2. Section 2 of *The Blind Persons' Allowances Act, 1951*, as amended by section 1 of *The Blind Persons' Allowances Amendment Act, 1955*, is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 1, s. 2, re-enacted
 - 2.—(1) The Minister, with the approval of the Lieutenant-Governor in Council, may make agreements with the Crown in right of Canada to provide for payment by Canada to Ontario in accordance with the *Blind Persons Act* (Canada) and the regulations made under it of any portion of amounts of allowances paid by Ontario pursuant to this Act and the regulations. Agreements with Canada authorized R.S.C. 1952, c. 17
 - (2) Allowances may be paid in accordance with any agreement made under subsection 1. Payment authorized

3. Clauses *e* and *f* of section 11 of *The Blind Persons' Allowances Act, 1951* are repealed and the following substituted therefor: 1951 (2nd Sess.), c. 1, s. 11, cl. *e*, re-enacted; cl. *f*, repealed
 - (e) prescribing the powers and duties of local authorities.

4. This Act comes into force on the day it receives Royal Assent. Commencement

5. This Act may be cited as *The Blind Persons' Allowances Amendment Act, 1957*. Short title

An Act to amend
The Blind Persons' Allowances Act, 1951

1st Reading

February 25th, 1957

2nd Reading

3rd Reading

MR. CECILE

No. 107

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Blind Persons' Allowances Act, 1951

MR. CECILE



BILL

An Act to amend The Blind Persons' Allowances Act, 1951

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 1 of *The Blind Persons' Allowances Act, 1951* is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 1, s. 1, cl. *a*, re-enacted
 - (a) "allowance" means a blind person's allowance provided under this Act and the regulations to the persons and under the conditions specified in any agreement made under section 2.

2. Section 2 of *The Blind Persons' Allowances Act, 1951*, as amended by section 1 of *The Blind Persons' Allowances Amendment Act, 1955*, is repealed and the following substituted therefor: 1951 (2nd Sess.), c. 1, s. 2, re-enacted
 - 2.—(1) The Minister, with the approval of the Lieutenant-Governor in Council, may make agreements with the Crown in right of Canada to provide for payment by Canada to Ontario in accordance with the *Blind Persons Act* (Canada) and the regulations made under it of any portion of amounts of allowances paid by Ontario pursuant to this Act and the regulations. Agreements with Canada authorized R.S.C. 1952, c. 17
 - (2) Allowances may be paid in accordance with any agreement made under subsection 1. Payment authorized

3. Clauses *e* and *f* of section 11 of *The Blind Persons' Allowances Act, 1951* are repealed and the following substituted therefor: 1951 (2nd Sess.), c. 1, s. 11, cl. *e*, re-enacted; cl. *f*, repealed
 - (*e*) prescribing the powers and duties of local authorities.

4. This Act comes into force on the day it receives Royal Assent. Commencement

5. This Act may be cited as *The Blind Persons' Allowances Amendment Act, 1957*. Short title

BILL

An Act to amend
The Blind Persons' Allowances Act, 1951

1st Reading

February 25th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. CECILE

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Highway Traffic Act

MR. ALLAN (Haldimand-Norfolk)

EXPLANATORY NOTES

SECTION 1. The amendment is complementary to subsection 2 of section 8 of this bill.

SECTION 2. The new section is to clarify the provisions of the Act providing for the payment of fees.

SECTION 3—Subsection 1. The amendment is to make it clear that candlepower rating applies to the beam emitted by the lamp.

BILL

An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Highway Traffic Act* is amended by adding thereto the following clause: R.S.O. 1950, c. 167, s. 1, subs. 1, amended

(v) "through highway" means any highway or part of a highway designated as such by the Minister or by by-law of a municipality approved by the Department, and every such highway shall be marked by a stop sign or yield right-of-way sign in compliance with the regulations of the Department.

2. *The Highway Traffic Act* is amended by adding thereto the following section: R.S.O. 1950, c. 167, amended

2a. The Lieutenant-Governor in Council may make Regulations regulations,

(a) providing for the payment of fees for the issue, renewal, replacement or transfer of permits, licences and number plates under this Act and prescribing the amount of such fees;

(b) providing for the payment of fees for copies of or access to any writing, paper or document filed in the Department pursuant to this Act or any statement containing information from the records of the Department and prescribing the amount of such fees.

3.—(1) Subsection 4 of section 10 of *The Highway Traffic Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 167, s. 10, subs. 4, re-enacted

(4) No motor vehicle shall carry on the front thereof more than four lighted lamps that project a beam having an intensity of over 300 candle power. Strength of front lamps

R.S.O. 1950,
c. 167, s. 10,
subs. 5,
amended

(2) Subsection 5 of the said section 10, as amended by subsection 3 of section 1 of *The Highway Traffic Amendment Act, 1955*, is further amended by inserting after "green" in the sixth line "or amber", so that the subsection shall read as follows:

Clearance
lamps
required
on wide
vehicles

- (5) Whenever on a highway after dusk and before dawn, every motor vehicle and every trailer having a width at any part in excess of 80 inches shall carry, in addition to the lamps required by subsection 1, two clearance lamps, one of which shall be located at the front of the vehicle and shall display a green or amber light and the other of which shall be located at the rear of the vehicle and shall display a red light, and the Department may by regulation permit a reflector, approved by the Department, to be displayed in lieu of a clearance lamp on the rear of a vehicle, and any lamp or reflector so used shall be clearly visible at a distance of at least 500 feet from the front or rear as the case may be, and shall be affixed within six inches of the extreme left side of the vehicle.

R.S.O. 1950,
c. 167, s. 20b
(1955, c. 29,
s. 2),
re-enacted

4. Section 20b of *The Highway Traffic Act*, as enacted by section 2 of *The Highway Traffic Amendment Act, 1955*, is repealed and the following substituted therefor:

Certificate
of mechanical
fitness

- 20b.—(1) When a used motor vehicle is sold by a dealer in used motor vehicles, the dealer shall deliver to the purchaser at the time of the sale a certificate of mechanical fitness signed by the dealer stating that the motor vehicle is, or is not, in a safe condition to be operated on a highway, and such certificate shall be on a separate form from any bill of sale or other document.

Penalty

- (2) Every dealer who fails to comply with subsection 1 or who makes a false statement in any such certificate shall be guilty of an offence and liable to a penalty of not less than \$50 and not more than \$300.

R.S.O. 1950,
c. 167, s. 28,
subs. 1a
(1954, c. 35,
s. 5, subs. 2),
amended

5.—(1) Subsection 1a of section 28 of *The Highway Traffic Act*, as enacted by subsection 2 of section 5 of *The Highway Traffic Amendment Act, 1954*, is amended by inserting after "township" in the fifth line "or county", so that the subsection shall read as follows:

decrease
by by-law

- (1a) The council of a city, town or village and the trustees of a police village may by by-law prescribe a speed limit of 25 miles per hour for motor vehicles driven upon any highway or portion of a highway under

Subsection 2. Subsection 5 requires certain commercial vehicles and trailers to carry clearance lamps with the one at the front displaying a green light. The amendment will permit the one at the front to display a green or amber light.

SECTION 4. The section requiring a dealer in used motor vehicles to give a certificate of mechanical fitness to a purchaser is re-enacted to require that the certificate be a separate form from any bill of sale or other document and provides greater penalties for failing to give the certificate and for making false statements therein.

SECTION 5. The amendment authorizes the council of a county to prescribe a speed limit of 25 miles per hour in built-up areas on county roads.

Subsection 2. The amendment authorizes the Lieutenant-Governor in Council to make regulations prescribing a higher or lower rate of speed than 30 miles per hour on any part of the King's Highway in a built-up area.

SECTION 6. When a weighing machine cannot be reached in a distance of 10 miles as required by the section, the driver may produce a weigh bill with the weight, etc., verified in writing by the owner. The amendment provides that the verification may be signed by a person authorized so to do by the owner.

SECTION 7. At present commercial vehicles and trailers drawn by commercial vehicles are required to have the name and address on both sides of the vehicle and trailer. The amendment provides that commercial vehicles only are required to have the owner's name on both sides.

its jurisdiction, and the council of a township or county may by by-law prescribe a speed limit of 25 miles per hour for motor vehicles driven upon highways under its jurisdiction in any built-up area within the municipality.

(2) Subsection 3b of the said section 28, as enacted by R.S.O. 1950, c. 167, s. 28, subs. 3b (1956, c. 29, s. 5, subs. 3), re-enacted subsection 3 of section 5 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

(3b) The Lieutenant-Governor in Council may make on King's Highway regulations,

(a) prescribing a higher or lower rate of speed than 50 miles per hour for any class or classes of motor vehicles upon the King's Highway or any part thereof; and

(b) prescribing a higher or lower rate of speed than 30 miles per hour for any class or classes of motor vehicles upon the King's Highway or any part thereof within a built-up area,

which rates of speed may be different for any period or periods of the day or night.

6. Subsection 3 of section 37 of *The Highway Traffic Act* R.S.O. 1950, c. 167, s. 37, subs. 3, amended is amended by adding at the end thereof "or by a person authorized in writing by the owner to make such verification", so that the subsection shall read as follows:

(3) When a weighing machine capable of weighing a Production of inventory showing weight of truck and load vehicle cannot be reached within the prescribed distance, or in lieu of proceeding to such weighing machine, the driver of the vehicle shall produce forthwith an inventory showing the true weight of the vehicle and the goods or load thereon, verified in writing by the owner of the vehicle or by a person authorized in writing by the owner to make such verification.

7. Subsection 1 of section 40 of *The Highway Traffic Act* R.S.O. 1950, c. 167, s. 40, subs. 1, re-enacted is repealed and the following substituted therefor:

(1) Every commercial motor vehicle shall have attached Name of owner on commercial vehicles to or painted on both sides of the vehicle in a clearly visible position a sign showing the name of the owner, provided that the Department may by regulation designate any vehicle or classes of vehicles to which this subsection shall not apply.

R.S.O. 1950,
c. 167, s. 41,
subs. 2;
clause i,
amended

8.—(1) Clause *i* of subsection 2 of section 41 of *The Highway Traffic Act*, as amended by subsection 3 of section 7 of *The Highway Traffic Amendment Act, 1951*, is further amended by adding thereto the following subclause:

- (iv) Additional signal-lights may be installed with the approval of the Department for use in conjunction with any signal-light traffic control system.

R.S.O. 1950,
c. 167, s. 41,
subs. 3,
amended

(2) Subsection 3 of the said section 41, as amended by subsection 5 of section 6 of *The Highway Traffic Amendment Act, 1954* and subsection 2 of section 6 of *The Highway Traffic Amendment Act, 1955*, is repealed and the following substituted therefor:

Full stop
at through
highway

- (3) The driver or operator of every vehicle or car of an electric railway,

(a) upon approaching a stop sign at the entrance to a through highway shall bring the vehicle or car to a full stop immediately before entering the nearest crosswalk or if none at a clearly marked stop-line or if there is no crosswalk or stop-line then immediately before entering the travelled portion of the through highway; and

(b) who has come to a full stop as required by this subsection, upon entering the through highway shall yield the right-of-way to other vehicles which have entered the intersection from the through highway or which are approaching so closely on the through highway as to constitute an immediate hazard and after having so yielded the right-of-way may proceed and the drivers or operators of all other vehicles approaching the intersection on the through highway shall yield the right-of-way to the vehicle so proceeding into or across the through highway.

R.S.O. 1950,
c. 167, s. 41,
amended

(3) The said section 41 is amended by adding thereto the following subsections:

When driver
may pass
to right of
vehicle

(5a) Notwithstanding subsections 10, 11, 12, 15 and 16 and subject to subsection 5b, the driver of a motor vehicle may overtake and pass to the right of another vehicle only under the following conditions:

- (a) when the vehicle overtaken is making or about to make a left turn;

SECTION 8—Subsection 1. The amendment authorizes the use of additional signal-lights in conjunction with any signal-light traffic control system.

Subsection 2. At present a driver is required to stop before entering a through highway. The amendment will permit the use of yield right-of-way signs at approaches to a through highway in accordance with the Act and the regulations.

Subsection 3. The amendments permit overtaking and passing to the right of another vehicle under certain conditions.

Subsection 4. The amendment is for clarification purposes only with no change in principle.

Subsection 5. The penalties for making improper turns, failing to stop at a through highway and failing to signal are brought into line with the penalties for speeding.

SECTION 9. At present the licence of any person convicted of driving while his ability is impaired is suspended for three months or where personal injury or property damage is caused for six months. The amendment provides for the same suspension where a person is convicted of criminal negligence under the *Criminal Code*.

(b) upon a highway with unobstructed pavement of sufficient width for two or more lines of vehicles in each direction;

(c) upon a highway designated for the use of one-way traffic only.

(5b) No driver of a motor vehicle shall overtake and pass to the right of another vehicle where such movement cannot be made in safety and in no event shall a driver make such movement by driving off the travelled portion of the highway. May pass to right only under safe conditions

(4) Subsection 18 of the said section 41 is repealed and the following substituted therefor: R.S.O. 1950, c. 167, s. 41, subs. 18, re-enacted

(18) The driver of a vehicle, upon the approach of an ambulance, fire or police department vehicle or public utility emergency vehicle, upon which a bell or siren is sounding, shall immediately bring such vehicle to a standstill as near as is practicable to the right-hand curb or edge of the roadway and parallel therewith and clear of any intersection. Approaching ambulance, fire department vehicle, etc.

(5) Subsection 20 of the said section 41 is repealed and the following substituted therefor: R.S.O. 1950, c. 167, s. 41 subs. 20, re-enacted

(20) Any person who violates any of the provisions of this section shall be liable for the first offence to a penalty of not less than \$5 and not more than \$50; for the second offence to a penalty of not less than \$10 and not more than \$100, and in addition his licence or permit may be suspended for a period of not more than three months; and for any subsequent offence to a penalty of not less than \$20 and not more than \$200, and in addition his licence or permit may be suspended for a period of not more than six months. Penalty

9. Section 54a of *The Highway Traffic Act*, as enacted by section 10 of *The Highway Traffic Amendment Act, 1955* and amended by section 12 of *The Highway Traffic Amendment Act, 1956*, is further amended by inserting after "under" in the fourth line "subsection 1 of section 221 and", so that the section shall read as follows: R.S.O. 1950, c. 167, s. 54a (1955, c. 29, s. 10), amended

54a. The licence of a person who is convicted of an offence under subsection 1 of section 221 and section 223 of the *Criminal Code* (Canada) is thereupon and hereby suspended for a period of three months, but where injury to or death of any person or damage Suspension for driving while ability impaired 1953-54, c. 51 (Can.)

to property occurred in connection with the offence, six months; provided that if an order is made under subsection 1 of section 225 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period.

R.S.O. 1950,
c. 167, s. 60,
amended

10. Section 60 of *The Highway Traffic Act* is amended by adding thereto the following subsection:

Withdrawal
of approval
by Depart-
ment

- (3) The Department may withdraw its approval to any by-law or any part thereof by notice sent by registered letter to the clerk of the municipality and such by-law or part thereof shall be deemed to be repealed twenty-one days after the sending of the notice.

R.S.O. 1950,
c. 167, s. 67,
re-enacted

11. Section 67 of *The Highway Traffic Act* is repealed and the following substituted therefor:

General
penalty

67. Any person who violates any of the provisions of this Act or of any regulation where a penalty for the violation is not provided for herein shall be liable for the first offence to a penalty of not less than \$5 and not more than \$50; for the second offence to a penalty of not less than \$10 and not more than \$100; and for any subsequent offence to a penalty of not less than \$20 and not more than \$200.

R.S.O. 1950,
c. 167, s. 70,
re-enacted

12. Section 70 of *The Highway Traffic Act* is repealed and the following substituted therefor:

Impounding
of vehicle
on appeal

- 70.—(1) If a person to whom section 59 applies enters an appeal against his conviction and there is filed with the convicting magistrate sufficient security for the production of the motor vehicle if the appeal should fail, section 59 shall not apply unless the conviction is sustained on appeal.

Suspension
on appeal

- (2) If a person whose licence has been suspended enters an appeal against his conviction and there is filed proof of financial responsibility under section 81, the suspension shall not apply unless the conviction is sustained on appeal.

R.S.O. 1950,
c. 167, s. 81,
subs. 1, cl. c
(1953, c. 46,
s. 15),
re-enacted

13. Clause *c* of subsection 1 of section 81 of *The Highway Traffic Act*, as re-enacted by section 15 of *The Highway Traffic Amendment Act, 1953* and amended by section 15 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

SECTION 10. At present all municipal by-laws regulating traffic must be approved by the Department before they become operative. The amendment authorizes the Department to withdraw its approval and provides for the repeal of the by-law when such approval is withdrawn.

SECTION 10. The penalties for violation of any provisions of the Act where there is no specific penalty for such violation are increased and brought in line with the penalties for speeding.

SECTION 12. At present where a person appeals a conviction for drunk driving, the suspension of his licence does not apply unless the conviction is sustained on appeal. This principal is extended where suspension of licence results from any conviction.

SECTION 13. Section 81 requires the suspension of licences following convictions for certain offences until proof of financial responsibility is filed. The offence of taking a motor vehicle without the owner's consent is deleted from the provisions.

SECTION 14. The minimum liability requirements under the financial responsibility provisions are increased from \$5,000, \$10,000 and \$1,000 to \$10,000, \$20,000 and \$5,000 respectively.

SECTION 15—Subsection 1. At present proof of financial responsibility may be filed in the form of a bond issued by a surety company or a bond with personal sureties. The amendment deletes the provision providing for a bond with personal sureties.

- (c) any offence under section 192, 193, 207, 221, 222 or 223 of the *Criminal Code* (Canada) as amended ^{1953-54,} _{c. 51 (Can.)} or re-enacted from time to time involving the use of a motor vehicle.

14.—(1) Clause *a* of section 86 of *The Highway Traffic Act* ^{R.S.O. 1950,} _{c. 167, s. 86,} is amended by striking out “\$5,000” in the first line and inserting in lieu thereof “\$10,000” and by striking out ^{amended} “\$10,000” in the fourth line and inserting in lieu thereof “\$20,000”, so that the clause shall read as follows:

- (a) at least \$10,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or the death of any one person and, subject to such limit for any one person so injured or killed, at least \$20,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or death of two or more persons in any one accident; and

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(2) Clause *b* of the said section 86 is amended by striking ^{R.S.O. 1950,} _{c. 167, s. 86,} out “\$1,000” in the first line and inserting in lieu thereof ^{amended} “\$5,000”, so that the clause shall read as follows:

- (b) at least \$5,000 (exclusive of interest and costs) for damage to property, except property carried in or upon the motor vehicle, resulting from any one accident.

15.—(1) Clause *b* of subsection 1 of section 87 of *The Highway Traffic Act* ^{R.S.O. 1950,} _{c. 167, s. 87,} is amended by striking out “or a bond ^{amended} _{subs. 1, cl. b,} with personal sureties, approved as adequate security here- under upon application to a judge of the county or district court of the county or district in which such sureties reside” in the third, fourth, fifth and sixth lines, so that the clause shall read as follows:

- (b) the bond of a guarantee insurance or surety company, ^{surety bond;} _{R.S.O. 1950,} ^{c. 133} duly licensed in Ontario pursuant to *The Insurance Act*, and the bond shall be in form approved by the Registrar and shall be conditioned upon the payment of the amounts specified in this Part, and shall not be cancelled or expire except after ten days written notice to the Registrar, but not after the happening of the injury or damage secured by the bond as to such accident, injury, or damage, and the bond shall be filed with the Registrar.

R.S.O. 1950, c. 167, s. 87, subs. 1, cl. c, amended (2) Clause *c* of subsection 1 of the said section 87 is amended by striking out "\$11,000" in the fourth line and inserting in lieu thereof "\$25,000", so that the clause shall read as follows:

money or securities

- (c) the certificate of the Treasurer that the person named therein has deposited with him a sum of money or securities for money approved by him in the amount or value of \$25,000 for each motor vehicle registered in the name of such person, and the Treasurer shall accept any such deposits and issue a certificate therefor if such deposit is accompanied by evidence that there are no unsatisfied executions against the depositor registered in the office of the sheriff for the county or district in which the depositor resides.

R.S.O. 1950, c. 167, s. 87, subs. 3, amended

(3) Subsection 3 of the said section 87 is amended by striking out "\$50,000" in the third line and inserting in lieu thereof "\$100,000", so that the subsection shall read as follows:

Fleet of cars

- (3) In the case of an owner of ten or more motor vehicles to whom this Part applies, proof of financial responsibility in a form and in an amount, not less than \$100,000, satisfactory to the Minister, may be accepted as sufficient for the purposes of this Part.

R.S.O. 1950, c. 167, s. 92, subs. 1, amended

16. Subsection 1 of section 92 of *The Highway Traffic Act* is amended by striking out "\$1" in the thirteenth line and inserting in lieu thereof "\$2", so that the subsection shall read as follows:

Abstract of operating record

- (1) The Registrar shall, upon request, furnish to any insurer, surety or other person a certified abstract of the operating record of any person subject to the provisions of this Part, which abstract shall fully designate the motor vehicles, if any, registered in the name of such person, and the record of any conviction of such person for a violation of any provision of any statute relating to the operation of motor vehicles, or any judgment against such person for any injury or damage caused by such person, according to the records of the Registrar, and if there is no record of any such conviction or judgment in the office of the Registrar, the Registrar shall so certify, and the Registrar shall collect as a fee for each such certificate the sum of \$2.

R.S.O. 1950, c. 167, s. 97, amended

17. Section 97 of *The Highway Traffic Act* is amended by adding thereto the following subsection:

Subsections 2 and 3. The amendments are complementary to section 14 increasing the minimum liability requirements under the financial responsibility provisions.

SECTION 16. The fee required to be paid to the Department for the furnishing of a certified abstract of the operating record of a driver is increased from \$1 to \$2.

SECTION 17. The amendment requires uninsured owners of motor vehicles to pay a fee of \$5 on the issuance or transfer of a permit, which fee becomes part of the Unsatisfied Judgment Fund.

SECTION 18—Subsection 1. Where applications for payment out of the Unsatisfied Judgment Fund are not opposed by the Minister a local judge of the Supreme Court may make an order directing payment out of the Fund. The amendment will permit the Master of the Supreme Court to make such orders in the County of York.

Subsections 2 and 3. The amendments increase the amounts that may be paid out of the Unsatisfied Judgment Fund from \$5,000 for injury or death to one person, \$10,000 for injury or death to two or more persons and \$1,000 for property damage to \$10,000, \$20,000 and \$2,000 respectively.

SECTION 19. The amendment increases the amounts that may be paid out of the Unsatisfied Judgment Fund in cases where the identity of the vehicle cannot be established from \$5,000 for injury or death to one person and \$10,000 for injury or death to two or more persons to \$10,000 and \$20,000 respectively.

- (3) Unless the owner of a motor vehicle satisfies the Registrar that the motor vehicle is insured under a motor vehicle liability policy in a form prescribed by *The Insurance Act* and approved thereunder by the Superintendent of Insurance for not less than the amounts prescribed under clauses *a* and *b* of section 86, upon the issuance or transfer of a permit for the motor vehicle there shall be paid to the Minister by the person to whom the permit or transfer is issued, in addition to any other fee, a further fee of \$5 which shall be paid into and form part of the Unsatisfied Judgment Fund.
- Fee to be paid by uninsured owners on issue or transfer of permit
R.S.O. 1950, c. 183

18.—(1) Subsection 1a of section 98 of *The Highway Traffic Act*, as enacted by subsection 1 of section 20 of *The Highway Traffic Amendment Act, 1953*, is amended by inserting after “Court” in the third line “or in the County of York the Master of the Supreme Court”, so that the subsection shall read as follows:

R.S.O. 1950, c. 167, s. 98, subs. 1a (1953, c. 46, s. 20, subs. 1), amended

- (1a) Where the Minister, through his solicitor, advises the applicant that he does not intend to oppose the application, a local judge of the Supreme Court or in the County of York the Master of the Supreme Court may, without the giving of any further notice, make the order directing payment out of the Fund.
- Unopposed applications

(2) Clause *a* of subsection 5 of the said section 98 is amended by striking out “\$5,000” in the first line and inserting in lieu thereof “\$10,000” and by striking out “\$10,000” in the fourth line and inserting in lieu thereof “\$20,000”, so that the clause shall read as follows:

R.S.O. 1950, c. 167, s. 98, subs. 5, cl. a, amended

- (a) more than \$10,000, exclusive of costs, on account of injury to or the death of one person, and subject to such limit for any one person so injured or killed, not more than \$20,000, exclusive of costs, on account of injury to or the death of two or more persons in any one accident; and

(3) Clause *b* of subsection 5 of the said section 98 is amended by striking out “\$1,000” in the first line and inserting in lieu thereof “\$2,000”, so that the clause shall read as follows:

R.S.O. 1950, c. 167, s. 98, subs. 5, cl. b, amended

- (b) not more than \$2,000, exclusive of costs, for damage to property resulting from any one accident.

19. Subsection 2 of section 107 of *The Highway Traffic Act* is amended by striking out “\$5,000” in the second line and

R.S.O. 1950, c. 167, s. 107, subs. 2, amended

inserting in lieu thereof "\$10,000" and by striking out "\$10,000" in the fifth line and inserting in lieu thereof "\$20,000", so that the subsection shall read as follows:

Amount of
payment out
of Fund

(2) The Minister shall not pay out of the Fund under any judgment, more than \$10,000, exclusive of costs, on account of injury to or the death of one person, and subject to such limit for any one person so injured or killed, not more than \$20,000, exclusive of costs, on account of injury to or the death of two or more persons in any one accident.

Application
of subs. 2, 3
of s. 18 and
s. 19

20. Subsections 2 and 3 of section 18 and section 19 shall apply to accidents that occur on or after the 1st day of January, 1958.

Commence-
ment

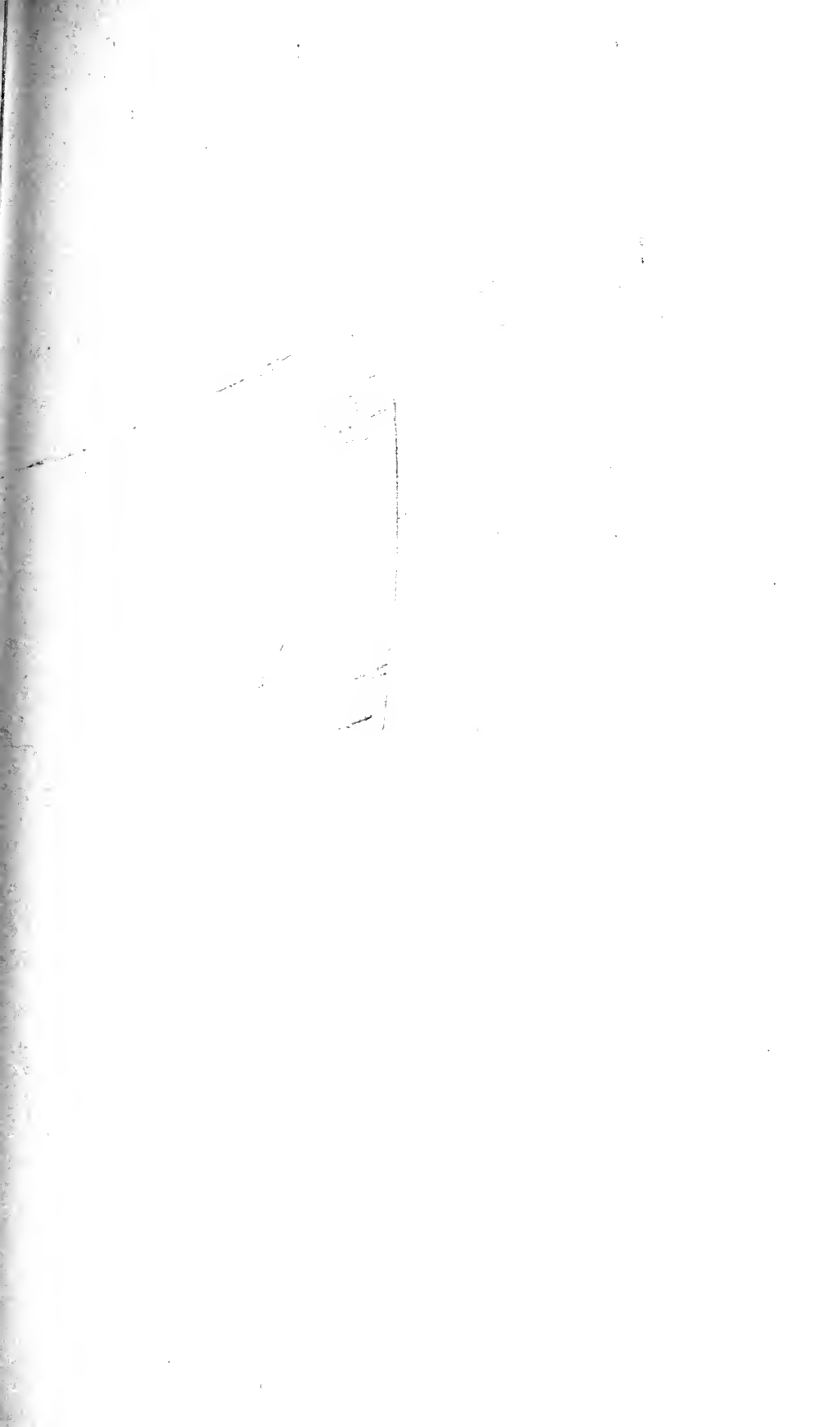
21.—(1) Sections 2, 10 and 16 come into force on the day this Act receives Royal Assent.

Idem

(2) Sections 14, 15 and 17, subsections 2 and 3 of section 18 and sections 19 and 20 come into force on the 1st day of January, 1958.

Short title

22. This Act may be cited as *The Highway Traffic Amendment Act, 1957*.





An Act to amend
The Highway Traffic Act

1st Reading

February 25th, 1957

2nd Reading

3rd Reading

MR. ALAN (Haldimand-Norfolk)

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Highway Traffic Act

MR. ALLAN (Haldimand-Norfolk)

(Reprinted as amended by the Committee on Highway Safety)

EXPLANATORY NOTES

SECTION 1. Clause *kk* self-explanatory; clause *vv* complementary to subsection 2 of section 8 of this bill.

SECTION 2. The new section is to clarify the provisions of the Act providing for the payment of fees.

SECTION 3—Subsection 1. The amendment is to make it clear that candlepower rating applies to the beam emitted by the lamp.

BILL

An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Highway Traffic Act* is amended by adding thereto the following clauses:

R.S.O. 1950,
c. 167, s. 1,
subs. 1,
amended

(kk) "King's Highway" includes secondary highways designated under section 39 of *The Highway Improvement Act, 1957*;

1957, c.

.

(vv) "through highway" means any highway or part of a highway designated as such by the Minister or by by-law of a municipality approved by the Department, and every such highway shall be marked by a stop sign or yield right-of-way sign in compliance with the regulations of the Department.

2. *The Highway Traffic Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 167,
amended

2a. The Lieutenant-Governor in Council may make regulations,

Regulations

(a) providing for the payment of fees for the issue, renewal, replacement or transfer of permits, licences and number plates under this Act and prescribing the amount of such fees;

(b) providing for the payment of fees for copies of or access to any writing, paper or document filed in the Department pursuant to this Act or any statement containing information from the records of the Department and prescribing the amount of such fees.

3.—(1) Subsection 4 of section 10 of *The Highway Traffic Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 167, s. 10,
subs. 4,
re-enacted

Strength of
front lamps

- (4) No motor vehicle shall carry on the front thereof more than four lighted lamps that project a beam having an intensity of over 300 candle power.

R.S.O. 1950,
c. 167, s. 10,
subs. 5,
amended

- (2) Subsection 5 of the said section 10, as amended by subsection 3 of section 1 of *The Highway Traffic Amendment Act, 1955*, is further amended by inserting after "green" in the sixth line "or amber", so that the subsection shall read as follows:

Clearance
lamps
required
on wide
vehicles

- (5) Whenever on a highway after dusk and before dawn, every motor vehicle and every trailer having a width at any part in excess of 80 inches shall carry, in addition to the lamps required by subsection 1, two clearance lamps, one of which shall be located at the front of the vehicle and shall display a green or amber light and the other of which shall be located at the rear of the vehicle and shall display a red light, and the Department may by regulation permit a reflector, approved by the Department, to be displayed in lieu of a clearance lamp on the rear of a vehicle, and any lamp or reflector so used shall be clearly visible at a distance of at least 500 feet from the front or rear as the case may be, and shall be affixed within six inches of the extreme left side of the vehicle.

R.S.O. 1950,
c. 167, s. 20b
(1955, c. 29,
s. 2),
re-enacted

4. Section 20b of *The Highway Traffic Act*, as enacted by section 2 of *The Highway Traffic Amendment Act, 1955*, is repealed and the following substituted therefor:

Certificate
of mechanical
fitness

- 20b.—(1) When a used motor vehicle is sold by a dealer in used motor vehicles, the dealer shall deliver to the purchaser at the time of the sale a certificate of mechanical fitness signed by the dealer stating that the motor vehicle is, or is not, in a safe condition to be operated on a highway, and such certificate shall be on a separate form from any bill of sale or other document.

Penalty

- (2) Every dealer who fails to comply with subsection 1 or who makes a false statement in any such certificate shall be guilty of an offence and liable to a penalty of not less than \$50 and not more than \$300.

R.S.O. 1950,
c. 167, s. 24,
subs. 1 (1956,
c. 29, s. 4),
re-enacted

5. Subsection 1 of section 24 of *The Highway Traffic Act*, as re-enacted by section 4 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

Endorsement
of conviction
on licence
or permit

- (1) The judge, magistrate or justice of the peace by whom a person is convicted of a violation of this

Subsection 2. Subsection 5 requires certain commercial vehicles and trailers to carry clearance lamps with the one at the front displaying a green light. The amendment will permit the one at the front to display a green or amber light.

SECTION 4. The section requiring a dealer in used motor vehicles to give a certificate of mechanical fitness to a purchaser is re-enacted to require that the certificate be a separate form from any bill of sale or other document and provides greater penalties for failing to give the certificate and for making false statements therein.

SECTION 5. The amendment is to make it clear that where a licence is suspended by a magistrate or by the operation of the Act the convicting magistrate shall take such licence and forward it to the Registrar.

SECTION 6. The amendment authorizes the council of a county to prescribe a speed limit of 25 miles per hour in built-up areas on county roads.

Subsection 2. The amendment authorizes the Lieutenant-Governor in Council to make regulations prescribing a higher or lower rate of speed than 30 miles per hour on any part of the King's Highway in a built-up area.

SECTION 7. When a weighing machine cannot be reached in a distance of 10 miles as required by the section, the driver may produce a weigh bill with the weight, etc., verified in writing by the owner. The amendment provides that the verification may be signed by a person authorized so to do by the owner.

Act or of the *Criminal Code* (Canada) involving the use of a motor vehicle shall cause particulars of the conviction to be endorsed on the chauffeur's licence or operator's licence, as the case may be, and, if the licence or permit is suspended by the judge, magistrate or justice of the peace or by the operation of this Act, shall take and forward to the Registrar such licence or permit.

6.—(1) Subsection 1a of section 28 of *The Highway Traffic Act*, as enacted by subsection 2 of section 5 of *The Highway Traffic Amendment Act, 1954*, is amended by inserting after "township" in the fifth line "or county", so that the subsection shall read as follows:

(1a) The council of a city, town or village and the trustees of a police village may by by-law prescribe a speed limit of 25 miles per hour for motor vehicles driven upon any highway or portion of a highway under its jurisdiction, and the council of a township or county may by by-law prescribe a speed limit of 25 miles per hour for motor vehicles driven upon highways under its jurisdiction in any built-up area within the municipality.

(2) Subsection 3b of the said section 28, as enacted by subsection 3 of section 5 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

(3b) The Lieutenant-Governor in Council may make regulations,

- (a) prescribing a higher or lower rate of speed than 50 miles per hour for any class or classes of motor vehicles upon the King's Highway or any part thereof; and
- (b) prescribing a higher or lower rate of speed than 30 miles per hour for any class or classes of motor vehicles upon the King's Highway or any part thereof within a built-up area,

which rates of speed may be different for any period or periods of the day or night.

7. Subsection 3 of section 37 of *The Highway Traffic Act* is amended by adding at the end thereof "or by a person authorized in writing by the owner to make such verification", so that the subsection shall read as follows:

Production of inventory showing weight of truck and load

- (3) When a weighing machine capable of weighing a vehicle cannot be reached within the prescribed distance, or in lieu of proceeding to such weighing machine, the driver of the vehicle shall produce forthwith an inventory showing the true weight of the vehicle and the goods or load thereon, verified in writing by the owner of the vehicle or by a person authorized in writing by the owner to make such verification.

R.S.O. 1950, c. 167, s. 40, subs. 1, re-enacted

8. Subsection 1 of section 40 of *The Highway Traffic Act* is repealed and the following substituted therefor:

Name of owner on commercial vehicles

- (1) Every commercial motor vehicle shall have attached to or painted on both sides of the vehicle in a clearly visible position a sign showing the name of the owner, provided that the Department may by regulation designate any vehicle or classes of vehicles to which this subsection shall not apply.

R.S.O. 1950, c. 167, s. 41, amended

9.—(1) Subsection 1 of section 41 of *The Highway Traffic Act*, as amended by subsections 1 and 2 of section 7 of *The Highway Traffic Amendment Act, 1951*, section 10 of *The Highway Traffic Amendment Act, 1953*, subsections 1, 2, 3 and 4 of section 6 of *The Highway Traffic Amendment Act, 1954* and subsection 1 of section 6 of *The Highway Traffic Amendment Act, 1955*, is further amended by striking out "clause a of" in the amendment of 1955, so that the subsection, exclusive of the clauses, shall read as follows:

Right-of-way

- (1) Subject to subsection 3, where two persons in charge of vehicles or on horseback approach a crossroad or intersection, or enter an intersection, at the same time, the person on the left of the other vehicle or horseman shall yield the right-of-way to the person on the right.

R.S.O. 1950, c. 167, s. 41, subs. 2, clause i, amended

(2) Clause *i* of subsection 2 of the said section 41, as amended by subsection 3 of section 7 of *The Highway Traffic Amendment Act, 1951*, is further amended by adding thereto the following subclause:

- (iv) Additional signal-lights may be installed with the approval of the Department for use in conjunction with any signal-light traffic control system.

R.S.O. 1950, c. 167, s. 41, subs. 3, amended

(3) Subsection 3 of the said section 41, as amended by subsection 5 of section 6 of *The Highway Traffic Amendment Act, 1954* and subsection 2 of section 6 of *The Highway Traffic Amendment Act, 1955*, is repealed and the following substituted therefor:

SECTION 8. At present commercial vehicles and trailers drawn by commercial vehicles are required to have the name and address on both sides of the vehicle and trailer. The amendment provides that commercial vehicles only are required to have the owner's name on both sides.

SECTION 9—Subsection 1. The amendment is complementary to the amendment in subsection 3.

Subsection 2. The amendment authorizes the use of additional signal-lights in conjunction with any signal-light traffic control system.

Subsection 3. At present a driver is required to stop before entering a through highway. The amendment will permit the use of yield right-of-way signs at approaches to a through highway in accordance with the Act and the regulations.

Subsection 4. The amendments permit overtaking and passing to the right of another vehicle under certain conditions.

Subsection 5. The amendment is for clarification purposes only with no change in principle.

- (3) The driver or operator of every vehicle or car of an electric railway, Full stop at through highway

(a) upon approaching a stop sign at the entrance to a through highway shall bring the vehicle or car to a full stop immediately before entering the nearest crosswalk or if none at a clearly marked stop-line or if there is no crosswalk or stop-line then immediately before entering the travelled portion of the through highway; and

(b) who has come to a full stop as required by this subsection, upon entering the through highway shall yield the right-of-way to other vehicles which have entered the intersection from the through highway or which are approaching so closely on the through highway as to constitute an immediate hazard and after having so yielded the right-of-way may proceed and the drivers or operators of all other vehicles approaching the intersection on the through highway shall yield the right-of-way to the vehicle so proceeding into or across the through highway.

- (4) The said section 41 is amended by adding thereto the following subsections: R.S.O. 1950, c. 167, s. 41, amended

(5a) Notwithstanding subsections 10, 11, 12, 15 and 16 and subject to subsection 5b, the driver of a motor vehicle may overtake and pass to the right of another vehicle only under the following conditions: When driver may pass to right of vehicle

(a) when the vehicle overtaken is making or about to make a left turn;

(b) upon a highway with unobstructed pavement of sufficient width for two or more lines of vehicles in each direction;

(c) upon a highway designated for the use of one-way traffic only.

(5b) No driver of a motor vehicle shall overtake and pass to the right of another vehicle where such movement cannot be made in safety and in no event shall a driver make such movement by driving off the travelled portion of the highway. May pass to right only under safe conditions

- (5) Subsection 18 of the said section 41 is repealed and the following substituted therefor: R.S.O. 1950, c. 167, s. 41, subs. 18, re-enacted

Approaching
ambulance,
fire depart-
ment vehicle,
etc.

- (18) The driver of a vehicle, upon the approach of an ambulance, fire or police department vehicle or public utility emergency vehicle, upon which a bell or siren is sounding, shall immediately bring such vehicle to a standstill as near as is practicable to the right-hand curb or edge of the roadway and parallel therewith and clear of any intersection.


R.S.O. 1950,
c. 167, s. 41
subs. 20,
re-enacted

- (6) Subsection 20 of the said section 41 is repealed and the following substituted therefor:

Penalty

- (20) Any person who violates any of the provisions of this section shall be liable for the first offence to a penalty of not less than \$5 and not more than \$50; for the second offence to a penalty of not less than \$10 and not more than \$100, and in addition his licence or permit may be suspended for a period of not more than three months; and for any subsequent offence to a penalty of not less than \$20 and not more than \$200, and in addition his licence or permit may be suspended for a period of not more than six months.

R.S.O. 1950,
c. 167, s. 54
(1955, c. 29,
s. 9),
amended

 **10.** Section 54 of *The Highway Traffic Act*, as re-enacted by section 9 of *The Highway Traffic Amendment Act, 1955* and amended by section 11 of *The Highway Traffic Amendment Act, 1956*, is further amended by adding at the commencement thereof "Subject to section 54b", so that the section shall read as follows:

Intoxicated
persons
not to
drive
1953-54,
c. 51 (Can.)

54. Subject to section 54b, the licence of a person who is convicted of an offence under section 222 of the *Criminal Code* (Canada) is thereupon and hereby suspended for a period of,
- (a) upon the first offence, six months, but where injury to or the death of any person or damage to property occurred in connection with the offence, one year;
- (b) upon any subsequent offence, one year, but where injury to or the death of any person or damage to property occurred in connection with the offence, two years;

provided that if an order is made under subsection 1 of section 225 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period.

Subsection 6. The penalties for making improper turns, failing to stop at a through highway and failing to signal are brought into line with the penalties for speeding.

SECTION 12. At present all municipal by-laws regulating traffic must be approved by the Department before they become operative. The amendment authorizes the Department to withdraw its approval and provides for the repeal of the by-law when such approval is withdrawn.

11. Section 54a of *The Highway Traffic Act*, as enacted R.S.O. 1950, c. 167, s. 54a by section 10 of *The Highway Traffic Amendment Act, 1955* (1955, c. 29, s. 10), and amended by section 12 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor: re-enacted

54a. Subject to section 54b, the licence of a person who is convicted of an offence under subsection 1 of section 221 or section 223 of the *Criminal Code* (Canada) is thereupon and hereby suspended for a period of three months, but where injury to or death of any person or damage to property occurred in connection with the offence, six months; provided that, if an order is made under subsection 1 of section 225 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period. Suspension for driving while ability impaired 1953-54, c. 51 (Can.)

54b.—(1) Where the licence of a person is suspended for a period of one year under clause a of section 54 or of six months under section 54a by reason of damage to property in connection with the offence, the magistrate may, if in his opinion the licence is essential to the licensee in carrying on the occupation by which he earns his living, recommend to the Minister that a restricted licence be issued to such person and upon such recommendation the Minister may issue a restricted licence to such person subject to such conditions as he may deem proper. Restricted licence

(2) Notwithstanding sections 21 and 75, a restricted licence issued under subsection 1 shall authorize the person to whom it is issued to operate or drive a motor vehicle for the last six-month period of the suspension under clause a of section 54 or for the last three-month period of the suspension under section 54a, as the case may be. Term of restricted licence

(3) Every person to whom a restricted licence is issued who operates or drives a motor vehicle in contravention of the conditions of the licence is guilty of an offence and liable to a penalty of not less than \$25 and not more than \$100 and in addition the licence shall be cancelled. Penalty

12. Section 60 of *The Highway Traffic Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 167, s. 60, amended

(3) The Department may withdraw its approval to any by-law or any part thereof by notice sent by registered Withdrawal of approval by Department

letter to the clerk of the municipality and such by-law or part thereof shall be deemed to be repealed twenty-one days after the sending of the notice.

13. Section 67 of *The Highway Traffic Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 167, s. 67,
re-enacted

General
penalty

67. Any person who violates any of the provisions of this Act or of any regulation where a penalty for the violation is not provided for herein shall be liable for the first offence to a penalty of not less than \$5 and not more than \$50; for the second offence to a penalty of not less than \$10 and not more than \$100; and for any subsequent offence to a penalty of not less than \$20 and not more than \$200.

14. Section 70 of *The Highway Traffic Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 167, s. 70,
re-enacted

Impounding
of vehicle
on appeal

70.—(1) If a person to whom section 59 applies enters an appeal against his conviction and there is filed with the convicting magistrate sufficient security for the production of the motor vehicle if the appeal should fail, section 59 shall not apply unless the conviction is sustained on appeal.

Suspension
on appeal

(2) If a person whose licence has been suspended enters an appeal against his conviction and there is filed proof of financial responsibility under section 81, the suspension shall not apply unless the conviction is sustained on appeal.

R.S.O. 1950,
c. 167, s. 81,
subd. 1, cl. c
(1953, c. 46,
s. 16),
re-enacted

15. Clause *c* of subsection 1 of section 81 of *The Highway Traffic Act*, as re-enacted by section 15 of *The Highway Traffic Amendment Act, 1953* and amended by section 15 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

1953-54,
o. 51 (Can.)

(*c*) any offence under section 192, 193, 207, 221, 222 or 223 of the *Criminal Code* (Canada) as amended or re-enacted from time to time involving the use of a motor vehicle.

R.S.O. 1950
c. 167, s. 86
cl. a,
amended

16.—(1) Clause *a* of section 86 of *The Highway Traffic Act* is amended by striking out "\$5,000" in the first line and inserting in lieu thereof "\$10,000" and by striking out "\$10,000" in the fourth line and inserting in lieu thereof "\$20,000", so that the clause shall read as follows:

SECTION 13. The penalties for violation of any provisions of the Act where there is no specific penalty for such violation are increased and brought in line with the penalties for speeding.

SECTION 14. At present where a person appeals a conviction for drunk driving, the suspension of his licence does not apply unless the conviction is sustained on appeal. This principle is extended where suspension of licence results from any conviction.

SECTION 15. Section 81 requires the suspension of licences following convictions for certain offences until proof of financial responsibility is filed. The offence of taking a motor vehicle without the owner's consent is deleted from the provisions.

SECTION 16. The minimum liability requirements under the financial responsibility provisions are increased from \$5,000, \$10,000 and \$1,000 to \$10,000, \$20,000 and \$5,000 respectively.

SECTION 17—Subsection 1. At present proof of financial responsibility may be filed in the form of a bond issued by a surety company or a bond with personal sureties. The amendment deletes the provision providing for a bond with personal sureties.

Subsections 2 and 3. The amendments are complementary to section 14 increasing the minimum liability requirements under the financial responsibility provisions.

- (a) at least \$10,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or the death of any one person and, subject to such limit for any one person so injured or killed, at least \$20,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or death of two or more persons in any one accident; and

(2) Clause *b* of the said section 86 is amended by striking out "\$1,000" in the first line and inserting in lieu thereof "\$5,000", so that the clause shall read as follows:

R.S.O. 1950,
c. 167, s. 86,
cl. b,
amended

- (b) at least \$5,000 (exclusive of interest and costs) for damage to property, except property carried in or upon the motor vehicle, resulting from any one accident.

17.—(1) Clause *b* of subsection 1 of section 87 of *The Highway Traffic Act* is amended by striking out "or a bond with personal sureties, approved as adequate security hereunder upon application to a judge of the county or district court of the county or district in which such sureties reside" in the third, fourth, fifth and sixth lines, so that the clause shall read as follows:

R.S.O. 1950,
c. 167, s. 87,
subs. 1, cl. b,
amended

- (b) the bond of a guarantee insurance or surety company, duly licensed in Ontario pursuant to *The Insurance Act*, and the bond shall be in form approved by the Registrar and shall be conditioned upon the payment of the amounts specified in this Part, and shall not be cancelled or expire except after ten days written notice to the Registrar, but not after the happening of the injury or damage secured by the bond as to such accident, injury, or damage, and the bond shall be filed with the Registrar.

surety bond;
R.S.O. 1950,
c. 183

(2) Clause *c* of subsection 1 of the said section 87 is amended by striking out "\$11,000" in the fourth line and inserting in lieu thereof "\$25,000", so that the clause shall read as follows:

R.S.O. 1950,
c. 167, s. 87,
subs. 1, cl. c,
amended

- (c) the certificate of the Treasurer that the person named therein has deposited with him a sum of money or securities for money approved by him in the amount or value of \$25,000 for each motor vehicle registered in the name of such person, and the Treasurer shall accept any such deposits and issue a certificate therefor if such deposit is accompanied

money or
securities

by evidence that there are no unsatisfied executions against the depositor registered in the office of the sheriff for the county or district in which the depositor resides.

R.S.O. 1950,
c. 167, s. 87,
subs. 3,
amended

(3) Subsection 3 of the said section 87 is amended by striking out "\$50,000" in the third line and inserting in lieu thereof "\$100,000", so that the subsection shall read as follows:

Fleet of
cars

(3) In the case of an owner of ten or more motor vehicles to whom this Part applies, proof of financial responsibility in a form and in an amount, not less than \$100,000, satisfactory to the Minister, may be accepted as sufficient for the purposes of this Part.

R.S.O. 1950,
c. 167, s. 92,
subs. 1,
amended

18. Subsection 1 of section 92 of *The Highway Traffic Act* is amended by striking out "\$1" in the thirteenth line and inserting in lieu thereof "\$2", so that the subsection shall read as follows:

Abstract of
operating
record

(1) The Registrar shall, upon request, furnish to any insurer, surety or other person a certified abstract of the operating record of any person subject to the provisions of this Part, which abstract shall fully designate the motor vehicles, if any, registered in the name of such person, and the record of any conviction of such person for a violation of any provision of any statute relating to the operation of motor vehicles, or any judgment against such person for any injury or damage caused by such person, according to the records of the Registrar, and if there is no record of any such conviction or judgment in the office of the Registrar, the Registrar shall so certify, and the Registrar shall collect as a fee for each such certificate the sum of \$2.

R.S.O. 1950,
c. 167, s. 97,
amended

19. Section 97 of *The Highway Traffic Act* is amended by adding thereto the following subsection:

Fee to be
paid by
uninsured
owners on
issue or
transfer
of permit
R.S.O. 1950,
c. 183

(3) Unless the owner of a motor vehicle satisfies the Registrar that the motor vehicle is insured under a motor vehicle liability policy in a form prescribed by *The Insurance Act* and approved thereunder by the Superintendent of Insurance for not less than the amounts prescribed under clauses *a* and *b* of section 86, upon the issuance or transfer of a permit for the motor vehicle there shall be paid to the Minister by the person to whom the permit or transfer is issued, in addition to any other fee, a

SECTION 18. The fee required to be paid to the Department for the furnishing of a certified abstract of the operating record of a driver is increased from \$1 to \$2.

SECTION 19. The amendment requires uninsured owners of motor vehicles to pay a fee of \$5 on the issuance or transfer of a permit, which fee becomes part of the Unsatisfied Judgment Fund.

SECTION 20—Subsection 1. Where applications for payment out of the Unsatisfied Judgment Fund are not opposed by the Minister a local judge of the Supreme Court may make an order directing payment out of the Fund. The amendment will permit the Master of the Supreme Court to make such orders in the County of York.

Subsections 2 and 3. The amendments increase the amounts that may be paid out of the Unsatisfied Judgment Fund from \$5,000 for injury or death to one person, \$10,000 for injury or death to two or more persons and \$1,000 for property damage to \$10,000, \$20,000 and \$2,000 respectively.

SECTION 21. The amendment increases the amounts that may be paid out of the Unsatisfied Judgment Fund in cases where the identity of the vehicle cannot be established from \$5,000 for injury or death to one person and \$10,000 for injury or death to two or more persons to \$10,000 and \$20,000 respectively.

further fee of \$5 which shall be paid into and form part of the Unsatisfied Judgment Fund.

20.—(1) Subsection 1a of section 98 of *The Highway Traffic Act*, as enacted by subsection 1 of section 20 of *The Highway Traffic Amendment Act, 1953*, is amended by inserting after “Court” in the third line “or in the County of York the Master of the Supreme Court”, so that the subsection shall read as follows: R.S.O. 1950,
c. 167, s. 98,
subs. 1a
(1953, c. 46,
s. 20,
subs. 1),
amended

(1a) Where the Minister, through his solicitor, advises the applicant that he does not intend to oppose the application, a local judge of the Supreme Court or in the County of York the Master of the Supreme Court may, without the giving of any further notice, make the order directing payment out of the Fund. Unopposed
applications

(2) Clause a of subsection 5 of the said section 98 is amended by striking out “\$5,000” in the first line and inserting in lieu thereof “\$10,000” and by striking out “\$10,000” in the fourth line and inserting in lieu thereof “\$20,000”, so that the clause shall read as follows: R.S.O. 1950,
c. 167, s. 98,
subs. 5, cl. a,
amended

(a) more than \$10,000, exclusive of costs, on account of injury to or the death of one person, and subject to such limit for any one person so injured or killed, not more than \$20,000, exclusive of costs, on account of injury to or the death of two or more persons in any one accident; and

(3) Clause b of subsection 5 of the said section 98 is amended by striking out “\$1,000” in the first line and inserting in lieu thereof “\$2,000”, so that the clause shall read as follows: R.S.O. 1950,
c. 167, s. 98,
subs. 5,
cl. b,
amended

(b) not more than \$2,000, exclusive of costs, for damage to property resulting from any one accident.

21. Subsection 2 of section 107 of *The Highway Traffic Act* is amended by striking out “\$5,000” in the second line and inserting in lieu thereof “\$10,000” and by striking out “\$10,000” in the fifth line and inserting in lieu thereof “\$20,000”, so that the subsection shall read as follows: R.S.O. 1950,
c. 167,
s. 107,
subs. 2,
amended

(2) The Minister shall not pay out of the Fund under any judgment, more than \$10,000, exclusive of costs, on account of injury to or the death of one person, and subject to such limit for any one person so injured or killed, not more than \$20,000, exclusive of costs, on account of injury to or the death of two or more persons in any one accident. Amount of
payment out
of Fund

Application
of subss. 2, 3
of s. 20 and
s. 21

22. Subsections 2 and 3 of section 20 and section 21 shall apply to accidents that occur on or after the 1st day of January, 1958.

Commence-
ment

23.—(1) Sections 2, 12 and 18 come into force on the day this Act receives Royal Assent.

Idem

(2) Sections 16, 17 and 19, subsections 2 and 3 of section 20 and sections 21 and 22 come into force on the 1st day of January, 1958.

Idem

(3) Subsection 4 of section 9 comes into force on a day to be named by the Lieutenant-Governor by his Proclamation.

Short title

24. This Act may be cited as *The Highway Traffic Amendment Act, 1957*.



BILL
An Act to amend
The Highway Traffic Act

1st Reading

February 25th, 1957

2nd Reading

March 5th, 1957

3rd Reading

MR. ALAN (Haldimand-Norfolk)

*(Reprinted as amended by the
Committee on Highway Safety)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Highway Traffic Act

MR. ALLAN (Haldimand-Norfolk)

BILL

An Act to amend The Highway Traffic Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 1 of *The Highway Traffic Act* is amended by adding thereto the following clauses: R.S.O. 1950, c. 167, s. 1, subs. 1, amended

(kk) "King's Highway" includes secondary highways designated under section 39 of *The Highway Improvement Act, 1957*;

1957, c.

.

(vv) "through highway" means any highway or part of a highway designated as such by the Minister or by by-law of a municipality approved by the Department, and every such highway shall be marked by a stop sign or yield right-of-way sign in compliance with the regulations of the Department.

2. *The Highway Traffic Act* is amended by adding thereto the following section: R.S.O. 1950, c. 167, amended

2a. The Lieutenant-Governor in Council may make Regulations regulations,

(a) providing for the payment of fees for the issue, renewal, replacement or transfer of permits, licences and number plates under this Act and prescribing the amount of such fees;

(b) providing for the payment of fees for copies of or access to any writing, paper or document filed in the Department pursuant to this Act or any statement containing information from the records of the Department and prescribing the amount of such fees.

3.—(1) Subsection 4 of section 10 of *The Highway Traffic Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 167, s. 10, subs. 4, re-enacted

Strength of
front lamps

- (4) No motor vehicle shall carry on the front thereof more than four lighted lamps that project a beam having an intensity of over 300 candle power.

R.S.O. 1950,
c. 167, s. 10,
subs. 5,
amended

- (2) Subsection 5 of the said section 10, as amended by subsection 3 of section 1 of *The Highway Traffic Amendment Act, 1955*, is further amended by inserting after "green" in the sixth line "or amber", so that the subsection shall read as follows:

Clearance
lamps
required
on wide
vehicles

- (5) Whenever on a highway after dusk and before dawn, every motor vehicle and every trailer having a width at any part in excess of 80 inches shall carry, in addition to the lamps required by subsection 1, two clearance lamps, one of which shall be located at the front of the vehicle and shall display a green or amber light and the other of which shall be located at the rear of the vehicle and shall display a red light, and the Department may by regulation permit a reflector, approved by the Department, to be displayed in lieu of a clearance lamp on the rear of a vehicle, and any lamp or reflector so used shall be clearly visible at a distance of at least 500 feet from the front or rear as the case may be, and shall be affixed within six inches of the extreme left side of the vehicle.

R.S.O. 1950,
c. 167, s. 20b
(1955, c. 29,
s. 2),
re-enacted

4. Section 20b of *The Highway Traffic Act*, as enacted by section 2 of *The Highway Traffic Amendment Act, 1955*, is repealed and the following substituted therefor:

Certificate
of mechanical
fitness

- 20b.—(1) When a used motor vehicle is sold by a dealer in used motor vehicles, the dealer shall deliver to the purchaser at the time of the sale a certificate of mechanical fitness signed by the dealer stating that the motor vehicle is, or is not, in a safe condition to be operated on a highway, and such certificate shall be on a separate form from any bill of sale or other document.

Penalty

- (2) Every dealer who fails to comply with subsection 1 or who makes a false statement in any such certificate shall be guilty of an offence and liable to a penalty of not less than \$50 and not more than \$300.

R.S.O. 1950,
c. 167, s. 24,
subs. 1 (1956,
c. 29, s. 4),
re-enacted

5. Subsection 1 of section 24 of *The Highway Traffic Act*, as re-enacted by section 4 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

Endorsement
of conviction
on licence
or permit

- (1) The judge, magistrate or justice of the peace by whom a person is convicted of a violation of this

Act or of the *Criminal Code* (Canada) involving the use of a motor vehicle shall cause particulars of the conviction to be endorsed on the chauffeur's licence or operator's licence, as the case may be, and, if the licence or permit is suspended by the judge, magistrate or justice of the peace or by the operation of this Act, shall take and forward to the Registrar such licence or permit.

6.—(1) Subsection 1a of section 28 of *The Highway Traffic Act*, as enacted by subsection 2 of section 5 of *The Highway Traffic Amendment Act, 1954*, is amended by inserting after "township" in the fifth line "or county", so that the subsection shall read as follows:

(1a) The council of a city, town or village and the trustees of a police village may by by-law prescribe a speed limit of 25 miles per hour for motor vehicles driven upon any highway or portion of a highway under its jurisdiction, and the council of a township or county may by by-law prescribe a speed limit of 25 miles per hour for motor vehicles driven upon highways under its jurisdiction in any built-up area within the municipality.

(2) Subsection 3b of the said section 28, as enacted by subsection 3 of section 5 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

(3b) The Lieutenant-Governor in Council may make regulations,

(a) prescribing a higher or lower rate of speed than 50 miles per hour for any class or classes of motor vehicles upon the King's Highway or any part thereof; and

(b) prescribing a higher or lower rate of speed than 30 miles per hour for any class or classes of motor vehicles upon the King's Highway or any part thereof within a built-up area,

which rates of speed may be different for any period or periods of the day or night.

7. Subsection 3 of section 37 of *The Highway Traffic Act* is amended by adding at the end thereof "or by a person authorized in writing by the owner to make such verification", so that the subsection shall read as follows:

Production of inventory showing weight of truck and load

- (3) When a weighing machine capable of weighing a vehicle cannot be reached within the prescribed distance, or in lieu of proceeding to such weighing machine, the driver of the vehicle shall produce forthwith an inventory showing the true weight of the vehicle and the goods or load thereon, verified in writing by the owner of the vehicle or by a person authorized in writing by the owner to make such verification.

R.S.O. 1950, c. 167, s. 40, subs. 1, re-enacted

8. Subsection 1 of section 40 of *The Highway Traffic Act* is repealed and the following substituted therefor:

Name of owner on commercial vehicles

- (1) Every commercial motor vehicle shall have attached to or painted on both sides of the vehicle in a clearly visible position a sign showing the name of the owner, provided that the Department may by regulation designate any vehicle or classes of vehicles to which this subsection shall not apply.

R.S.O. 1950, c. 167, s. 41, subs. 1, amended

9.—(1) Subsection 1 of section 41 of *The Highway Traffic Act*, as amended by subsections 1 and 2 of section 7 of *The Highway Traffic Amendment Act, 1951*, section 10 of *The Highway Traffic Amendment Act, 1953*, subsections 1, 2, 3 and 4 of section 6 of *The Highway Traffic Amendment Act, 1954* and subsection 1 of section 6 of *The Highway Traffic Amendment Act, 1955*, is further amended by striking out "clause a of" in the amendment of 1955, so that the subsection, exclusive of the clauses, shall read as follows:

Right-of-way

- (1) Subject to subsection 3, where two persons in charge of vehicles or on horseback approach a crossroad or intersection, or enter an intersection, at the same time, the person on the left of the other vehicle or horseman shall yield the right-of-way to the person on the right.

R.S.O. 1950, c. 167, s. 41, subs. 2, clause i, amended

(2) Clause *i* of subsection 2 of the said section 41, as amended by subsection 3 of section 7 of *The Highway Traffic Amendment Act, 1951*, is further amended by adding thereto the following subclause:

- (iv) Additional signal-lights may be installed with the approval of the Department for use in conjunction with any signal-light traffic control system.

R.S.O. 1950, c. 167, s. 41, subs. 3, amended

(3) Subsection 3 of the said section 41, as amended by subsection 5 of section 6 of *The Highway Traffic Amendment Act, 1954* and subsection 2 of section 6 of *The Highway Traffic Amendment Act, 1955*, is repealed and the following substituted therefor:

(3) The driver or operator of every vehicle or car of an electric railway, Full stop at through highway

(a) upon approaching a stop sign at the entrance to a through highway shall bring the vehicle or car to a full stop immediately before entering the nearest crosswalk or if none at a clearly marked stop-line or if there is no crosswalk or stop-line then immediately before entering the travelled portion of the through highway; and

(b) who has come to a full stop as required by this subsection, upon entering the through highway shall yield the right-of-way to other vehicles which have entered the intersection from the through highway or which are approaching so closely on the through highway as to constitute an immediate hazard and after having so yielded the right-of-way may proceed and the drivers or operators of all other vehicles approaching the intersection on the through highway shall yield the right-of-way to the vehicle so proceeding into or across the through highway.

(4) The said section 41 is amended by adding thereto the following subsections: R.S.O. 1950, c. 167, s. 41, amended

(5a) Notwithstanding subsections 10, 11, 12, 15 and 16 and subject to subsection 5b, the driver of a motor vehicle may overtake and pass to the right of another vehicle only under the following conditions: When driver may pass to right of vehicle

- (a) when the vehicle overtaken is making or about to make a left turn;
- (b) upon a highway with unobstructed pavement of sufficient width for two or more lines of vehicles in each direction;
- (c) upon a highway designated for the use of one-way traffic only.

(5b) No driver of a motor vehicle shall overtake and pass to the right of another vehicle where such movement cannot be made in safety and in no event shall a driver make such movement by driving off the travelled portion of the highway. May pass to right only under safe conditions

(5) Subsection 18 of the said section 41 is repealed and the following substituted therefor: R.S.O. 1950, c. 167, s. 41, subs. 18, re-enacted

Approaching
ambulance,
fire depart-
ment vehicle,
etc.

- (18) The driver of a vehicle, upon the approach of an ambulance, fire or police department vehicle or public utility emergency vehicle, upon which a bell or siren is sounding, shall immediately bring such vehicle to a standstill as near as is practicable to the right-hand curb or edge of the roadway and parallel therewith and clear of any intersection.

R.S.O. 1950,
c. 167, s. 41
subs. 20,
re-enacted

- (6) Subsection 20 of the said section 41 is repealed and the following substituted therefor:

Penalty

- (20) Any person who violates any of the provisions of this section shall be liable for the first offence to a penalty of not less than \$5 and not more than \$50; for the second offence to a penalty of not less than \$10 and not more than \$100, and in addition his licence or permit may be suspended for a period of not more than three months; and for any subsequent offence to a penalty of not less than \$20 and not more than \$200, and in addition his licence or permit may be suspended for a period of not more than six months.

R.S.O. 1950,
c. 167, s. 54
(1955, c. 29,
s. 9),
amended

10. Section 54 of *The Highway Traffic Act*, as re-enacted by section 9 of *The Highway Traffic Amendment Act, 1955* and amended by section 11 of *The Highway Traffic Amendment Act, 1956*, is further amended by adding at the commencement thereof "Subject to section 54b", so that the section shall read as follows:

Intoxicated
persons
not to
drive
1953-54,
c. 51 (Can.)

54. Subject to section 54b, the licence of a person who is convicted of an offence under section 222 of the *Criminal Code* (Canada) is thereupon and hereby suspended for a period of,
- (a) upon the first offence, six months, but where injury to or the death of any person or damage to property occurred in connection with the offence, one year;
- (b) upon any subsequent offence, one year, but where injury to or the death of any person or damage to property occurred in connection with the offence, two years;

provided that if an order is made under subsection 1 of section 225 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period.

11. Section 54a of *The Highway Traffic Act*, as enacted by section 10 of *The Highway Traffic Amendment Act, 1955* and amended by section 12 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

R.S.O. 1950,
c. 167, s. 54a
(1955, c. 29,
s. 10),
re-enacted

54a. Subject to section 54b, the licence of a person who is convicted of an offence under subsection 1 of section 221 or section 223 of the *Criminal Code* (Canada) is thereupon and hereby suspended for a period of three months, but where injury to or death of any person or damage to property occurred in connection with the offence, six months; provided that, if an order is made under subsection 1 of section 225 of the *Criminal Code* (Canada) prohibiting a person from driving a motor vehicle for any longer period, the licence shall remain suspended during such longer period.

Suspension
for driving
while ability
impaired
1953-54,
c. 51 (Can.)

54b.—(1) Where the licence of a person is suspended for a period of one year under clause a of section 54 or of six months under section 54a by reason only of damage to property in connection with the offence, the magistrate may, if in his opinion the licence is essential to the licensee in carrying on the occupation by which he earns his living, recommend to the Minister that a restricted licence be issued to such person and upon such recommendation the Minister may issue a restricted licence to such person subject to such conditions as he may deem proper.

Restricted
licence

(2) Notwithstanding sections 21 and 75, a restricted licence issued under subsection 1 shall authorize the person to whom it is issued to operate or drive a motor vehicle for the last six-month period of the suspension under clause a of section 54 or for the last three-month period of the suspension under section 54a, as the case may be.

Term of
restricted
licence

(3) Every person to whom a restricted licence is issued who operates or drives a motor vehicle in contravention of the conditions of the licence is guilty of an offence and liable to a penalty of not less than \$25 and not more than \$100 and in addition the licence shall be cancelled.

Penalty

12. Section 60 of *The Highway Traffic Act* is amended by adding thereto the following subsection:

R.S.O. 1950,
c. 167, s. 60,
amended

(3) The Department may withdraw its approval to any by-law or any part thereof by notice sent by registered

Withdrawal
of approval
by Depart-
ment

letter to the clerk of the municipality and such by-law or part thereof shall be deemed to be repealed twenty-one days after the sending of the notice.

R.S.O. 1950, c. 167, s. 67, re-enacted **13.** Section 67 of *The Highway Traffic Act* is repealed and the following substituted therefor:

General penalty

67. Any person who violates any of the provisions of this Act or of any regulation where a penalty for the violation is not provided for herein shall be liable for the first offence to a penalty of not less than \$5 and not more than \$50; for the second offence to a penalty of not less than \$10 and not more than \$100; and for any subsequent offence to a penalty of not less than \$20 and not more than \$200.

R.S.O. 1950, c. 167, s. 70, re-enacted **14.** Section 70 of *The Highway Traffic Act* is repealed and the following substituted therefor:

Impounding of vehicle on appeal

70.—(1) If a person to whom section 59 applies enters an appeal against his conviction and there is filed with the convicting magistrate sufficient security for the production of the motor vehicle if the appeal should fail, section 59 shall not apply unless the conviction is sustained on appeal.

Suspension on appeal

(2) If a person whose licence has been suspended enters an appeal against his conviction and there is filed proof of financial responsibility under section 81, the suspension shall not apply unless the conviction is sustained on appeal.

R.S.O. 1950, c. 167, s. 81, subs. 1, cl. c (1953, c. 46, s. 15), re-enacted **15.** Clause *c* of subsection 1 of section 81 of *The Highway Traffic Act*, as re-enacted by section 15 of *The Highway Traffic Amendment Act, 1953* and amended by section 15 of *The Highway Traffic Amendment Act, 1956*, is repealed and the following substituted therefor:

1953-54, c. 51 (Can.)

(c) any offence under section 192, 193, 207, 221, 222 or 223 of the *Criminal Code* (Canada) as amended or re-enacted from time to time involving the use of a motor vehicle.

R.S.O. 1950 c. 167, s. 86 cl. a, amended

16.—(1) Clause *a* of section 86 of *The Highway Traffic Act* is amended by striking out "\$5,000" in the first line and inserting in lieu thereof "\$10,000" and by striking out "\$10,000" in the fourth line and inserting in lieu thereof "\$20,000", so that the clause shall read as follows:

- (a) at least \$10,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or the death of any one person and, subject to such limit for any one person so injured or killed, at least \$20,000 (exclusive of interest and costs) against loss or damage resulting from bodily injury to or death of two or more persons in any one accident; and

(2) Clause *b* of the said section 86 is amended by striking out "\$1,000" in the first line and inserting in lieu thereof "\$5,000", so that the clause shall read as follows:

R.S.O. 1950,
c. 167, s. 86,
amended

- (b) at least \$5,000 (exclusive of interest and costs) for damage to property, except property carried in or upon the motor vehicle, resulting from any one accident.

17.—(1) Clause *b* of subsection 1 of section 87 of *The Highway Traffic Act* is amended by striking out "or a bond with personal sureties, approved as adequate security hereunder upon application to a judge of the county or district court of the county or district in which such sureties reside" in the third, fourth, fifth and sixth lines, so that the clause shall read as follows:

R.S.O. 1950,
c. 167, s. 87,
subs. 1, cl. b,
amended

- (b) the bond of a guarantee insurance or surety company, duly licensed in Ontario pursuant to *The Insurance Act*, and the bond shall be in form approved by the Registrar and shall be conditioned upon the payment of the amounts specified in this Part, and shall not be cancelled or expire except after ten days written notice to the Registrar, but not after the happening of the injury or damage secured by the bond as to such accident, injury, or damage, and the bond shall be filed with the Registrar.

R.S.O. 1950,
c. 183

(2) Clause *c* of subsection 1 of the said section 87 is amended by striking out "\$11,000" in the fourth line and inserting in lieu thereof "\$25,000", so that the clause shall read as follows:

R.S.O. 1950,
c. 167, s. 87,
subs. 1, cl. c,
amended

- (c) the certificate of the Treasurer that the person named therein has deposited with him a sum of money or securities for money approved by him in the amount or value of \$25,000 for each motor vehicle registered in the name of such person, and the Treasurer shall accept any such deposits and issue a certificate therefor if such deposit is accompanied

by evidence that there are no unsatisfied executions against the depositor registered in the office of the sheriff for the county or district in which the depositor resides.

R.S.O. 1950,
c. 167, s. 87,
subs. 3,
amended

(3) Subsection 3 of the said section 87 is amended by striking out "\$50,000" in the third line and inserting in lieu thereof "\$100,000", so that the subsection shall read as follows:

Fleet of
cars

(3) In the case of an owner of ten or more motor vehicles to whom this Part applies, proof of financial responsibility in a form and in an amount, not less than \$100,000, satisfactory to the Minister, may be accepted as sufficient for the purposes of this Part.

R.S.O. 1950,
c. 167, s. 92,
subs. 1,
amended

18. Subsection 1 of section 92 of *The Highway Traffic Act* is amended by striking out "\$1" in the thirteenth line and inserting in lieu thereof "\$2", so that the subsection shall read as follows:

Abstract of
operating
record

(1) The Registrar shall, upon request, furnish to any insurer, surety or other person a certified abstract of the operating record of any person subject to the provisions of this Part, which abstract shall fully designate the motor vehicles, if any, registered in the name of such person, and the record of any conviction of such person for a violation of any provision of any statute relating to the operation of motor vehicles, or any judgment against such person for any injury or damage caused by such person, according to the records of the Registrar, and if there is no record of any such conviction or judgment in the office of the Registrar, the Registrar shall so certify, and the Registrar shall collect as a fee for each such certificate the sum of \$2.

R.S.O. 1950,
c. 167, s. 97,
amended

19. Section 97 of *The Highway Traffic Act* is amended by adding thereto the following subsection:

Fee to be
paid by
uninsured
owners on
issue or
transfer
of permit
R.S.O. 1950,
c. 183

(3) Unless the owner of a motor vehicle satisfies the Registrar that the motor vehicle is insured under a motor vehicle liability policy in a form prescribed by *The Insurance Act* and approved thereunder by the Superintendent of Insurance for not less than the amounts prescribed under clauses *a* and *b* of section 86, upon the issuance or transfer of a permit for the motor vehicle there shall be paid to the Minister by the person to whom the permit or transfer is issued, in addition to any other fee, a

further fee of \$5 which shall be paid into and form part of the Unsatisfied Judgment Fund.

20.—(1) Subsection 1a of section 98 of *The Highway Traffic Act*, as enacted by subsection 1 of section 20 of *The Highway Traffic Amendment Act, 1953*, is amended by inserting after “Court” in the third line “or in the County of York the Master of the Supreme Court”, so that the subsection shall read as follows:

(1a) Where the Minister, through his solicitor, advises the applicant that he does not intend to oppose the application, a local judge of the Supreme Court or in the County of York the Master of the Supreme Court may, without the giving of any further notice, make the order directing payment out of the Fund.

(2) Clause a of subsection 5 of the said section 98 is amended by striking out “\$5,000” in the first line and inserting in lieu thereof “\$10,000” and by striking out “\$10,000” in the fourth line and inserting in lieu thereof “\$20,000”, so that the clause shall read as follows:

(a) more than \$10,000, exclusive of costs, on account of injury to or the death of one person, and subject to such limit for any one person so injured or killed, not more than \$20,000, exclusive of costs, on account of injury to or the death of two or more persons in any one accident; and

(3) Clause b of subsection 5 of the said section 98 is amended by striking out “\$1,000” in the first line and inserting in lieu thereof “\$2,000”, so that the clause shall read as follows:

(b) not more than \$2,000, exclusive of costs, for damage to property resulting from any one accident.

21. Subsection 2 of section 107 of *The Highway Traffic Act* is amended by striking out “\$5,000” in the second line and inserting in lieu thereof “\$10,000” and by striking out “\$10,000” in the fifth line and inserting in lieu thereof “\$20,000”, so that the subsection shall read as follows:

(2) The Minister shall not pay out of the Fund under any judgment, more than \$10,000, exclusive of costs, on account of injury to or the death of one person, and subject to such limit for any one person so injured or killed, not more than \$20,000, exclusive of costs, on account of injury to or the death of two or more persons in any one accident.

Application of subs. 2, 3 of s. 20 and s. 21 **22.** Subsections 2 and 3 of section 20 and section 21 shall apply to accidents that occur on or after the 1st day of January, 1958.

Commencement **23.**—(1) Sections 2, 12 and 18 come into force on the day this Act receives Royal Assent.

Idem (2) Sections 16, 17 and 19, subsections 2 and 3 of section 20 and sections 21 and 22 come into force on the 1st day of January, 1958.

Idem (3) Subsection 4 of section 9 comes into force on a day to be named by the Lieutenant-Governor by his Proclamation.

Short title **24.** This Act may be cited as *The Highway Traffic Amendment Act, 1957*.



An Act to amend
The Highway Traffic Act

1st Reading

February 25th, 1957

2nd Reading

March 5th, 1957

3rd Reading

April 2nd, 1957

Mr. ALAN (Haldimand-Norfolk)

No. 109

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Conservation Authorities Act

MR. NICKLE

EXPLANATORY NOTE

At present an authority may borrow at interest not exceeding 5 per cent per annum. The amendment will permit borrowing at such rate of interest as the Minister may approve.

BILL

An Act to amend The Conservation Authorities Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 4 of section 4 of *The Conservation Authorities Act* is amended by striking out "interest not exceeding five per cent per annum" in the second and third lines and inserting in lieu thereof "such rate of interest as the Minister may approve", so that the subsection shall read as follows:

R.S.O. 1950,
c. 62, s. 4,
subs. 4,
amended

(4) Every authority may, for its purposes, borrow on the promissory note of the authority, at such rate of interest as the Minister may approve, such moneys as may be required until payment to the authority of any grants and of sums to be paid to the authority by the participating municipalities.

Borrowing
power

2. This Act comes into force on the day it receives Royal Assent.

Commence-
ment

3. This Act may be cited as *The Conservation Authorities Amendment Act, 1957*.

Short title

An Act to amend
The Conservation Authorities Act

1st Reading

February 25th, 1957

2nd Reading

3rd Reading

MR. NICKLE

No. 109

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Conservation Authorities Act

MR. NICKLE

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

BILL

An Act to amend The Conservation Authorities Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 4 of section 4 of *The Conservation Authorities Act* is amended by striking out "interest not exceeding five per cent per annum" in the second and third lines and inserting in lieu thereof "such rate of interest as the Minister may approve", so that the subsection shall read as follows:

R.S.O. 1950,
c. 62, s. 4,
subs. 4,
amended

(4) Every authority may, for its purposes, borrow on the promissory note of the authority, at such rate of interest as the Minister may approve, such moneys as may be required until payment to the authority of any grants and of sums to be paid to the authority by the participating municipalities.

Borrowing
power

2. This Act comes into force on the day it receives Royal Assent.

Commence-
ment

3. This Act may be cited as *The Conservation Authorities Amendment Act, 1957*.

Short title

BILL

An Act to amend
The Conservation Authorities Act

1st Reading

February 25th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. NICKLE

No. 110

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Planning Act, 1955

MR. NICKLE

EXPLANATORY NOTES

SECTION 1. The amendment provides that when a planning area or any part thereof is included in a joint planning area the planning area or part thereof so included becomes a subsidiary planning area.

SECTION 2. At present, the Minister may authorize the county council to act on behalf of the municipalities in a planning area in respect of the financing of the planning board where the planning area includes a majority of the municipalities forming part of the county for municipal purposes and *one or more municipalities that do not form* part of the county for municipal purposes. The amendment extends the application of this section to planning areas that include all or a majority of the municipalities forming part of the county for municipal purposes.

BILL

An Act to amend The Planning Act, 1955

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 2 of *The Planning Act, 1955* is amended by adding thereto the following subsection: 1955, c. 61, s. 2, amended

(4a) When a planning area, other than a joint planning area, or any part thereof is included in a joint planning area, the planning area or part thereof so included shall thereby be a subsidiary planning area. Planning area included in joint planning area to be subsidiary planning area

2. Subsection 8 of section 7 of *The Planning Act, 1955* is repealed and the following substituted therefor: 1955, c. 61, s. 7, subs. 8, re-enacted

(8) Where all of the municipalities that form a county for municipal purposes or a majority of the municipalities in a county that form part of the county for municipal purposes are included in one planning area, the Minister may authorize the council of the county to act on behalf of such municipalities for the purposes of this section. County acting on behalf of municipalities

3. This Act comes into force on the day it receives Royal Assent. Commencement

4. This Act may be cited as *The Planning Amendment Act, 1957*. Short title

An Act to amend
The Planning Act, 1955

1st Reading

February 25th, 1957

2nd Reading

3rd Reading

MR. NICKLE

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Planning Act, 1955

MR. NICKLE

No. 110

1957

BILL

An Act to amend The Planning Act, 1955

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 2 of *The Planning Act, 1955* is amended by adding thereto the following subsection: 1955, c. 61, s. 2, amended

(4a) When a planning area, other than a joint planning area, or any part thereof is included in a joint planning area, the planning area or part thereof so included shall thereby be a subsidiary planning area. Planning area included in joint planning area to be subsidiary planning area

2. Subsection 8 of section 7 of *The Planning Act, 1955* is repealed and the following substituted therefor: 1955, c. 61, s. 7, subs. 8, re-enacted

(8) Where all of the municipalities that form a county for municipal purposes or a majority of the municipalities in a county that form part of the county for municipal purposes are included in one planning area, the Minister may authorize the council of the county to act on behalf of such municipalities for the purposes of this section. County acting on behalf of municipalities

3. This Act comes into force on the day it receives Royal Assent. Commencement

4. This Act may be cited as *The Planning Amendment Act, 1957*. Short title

BILL

An Act to amend
The Planning Act, 1955

1st Reading

February 25th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. NICKLE

No. 111

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

The Corporations Tax Act, 1957

MR. PORTER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

The Corporations and Income Taxes Suspension Act, 1952 validated an Ontario-Canada agreement under which, *inter alia*, Ontario agreed to suspend the operation of *The Corporations Tax Act* during the years 1952-1956 inclusive.

The new Act contained in this bill replaces the suspended Act.

This new Act imposes a tax on corporations at 11 per cent of their total taxable income and permits a deduction from such tax of a certain specified portion thereof where a corporation carries on business outside as well as in Ontario. The provisions for the allocation of taxable income, as they apply under the *Income Tax Act* (Canada), are included in this Act to measure the specified portion referred to.

The description of taxable income on which the tax of 11 per cent is calculated is precisely the same as it is under the *Income Tax Act* (Canada) as that Act applies to corporations.

The new Act also imposes a general tax on paid-up capital of 1/20 of 1 per cent and taxes on places of business as well as special capital taxes on banks, railways, telegraph companies, express companies, sleeping, parlor and dining car companies. The rates applicable are the same as those that applied under the former Act with one difference: that these taxes are payable by the corporations concerned only to the extent that their amount exceeds the tax the same corporations are required to pay on taxable income at 11 per cent.

The new Act also imposes a tax of 2 per cent on gross premium income of all insurance companies with respect to business transacted in Ontario after deduction of premiums in respect of re-insurance ceded to insurance companies licensed to transact business in Ontario.

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SECTIONS 18-21. Amounts included in computing income.
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- SECTIONS 64, 65. Computation of taxable paid-up capital.

PART V—RETURNS, PAYMENTS, ASSESSMENTS AND APPEALS

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- SECTIONS 66-68. Returns.

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BILL

The Corporations Tax Act, 1957

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

INTERPRETATION

1.—(1) In this Act,

Interpreta-
tion

1. "amount" means money, rights or things expressed in terms of the amount of money or the value in terms of money of the right or thing;
2. "assessment" includes a re-assessment;
3. "bank" means a corporation or joint stock company wherever incorporated for the purpose of doing a banking business or the business of a savings bank that transacts such business in Ontario, whether the head office is situate in Ontario or elsewhere;
4. "business" includes a profession, calling, trade, manufacture or undertaking of any kind whatsoever and includes an adventure or concern in the nature of trade but does not include office or employment;
5. "common share" is a share the holder of which is not precluded upon the reduction or redemption of the capital stock from participating in the assets of the corporation beyond the amount paid up thereon plus a fixed premium and a defined rate of dividend;
6. "Comptroller" means Comptroller of Revenue;
7. "corporation" means any corporation however or wherever incorporated and, where any corporation or the whole or any part of the property thereof is placed in the hands or under the control of an agent,

assignee, trustee, liquidator, receiver or other official, includes such agent, assignee, trustee, liquidator, receiver or other official, but does not include a corporation incorporated without share capital;

8. "dividend" does not include a stock dividend;
9. "employed" means performing the duties of an office or employment;
10. "employee" includes officer;
11. "employer", in relation to an officer, means the person from whom the officer receives his remuneration;
12. "employment" means the position of an individual in the service of some other person, including Her Majesty or a foreign state or sovereign, and "servant" or "employee" means a person holding such a position;
13. "exempt income" means money, rights or things received or acquired by a corporation in such circumstances that they are, by reason of any provision in Part III, not included in computing its income and includes any amount that is deductible under section 38;
14. "farming" includes tillage of the soil, live stock raising or exhibiting, maintaining of horses for racing, raising of poultry, fur farming, dairy farming, fruit growing and the keeping of bees, but does not include an office or employment under a person engaged in the business of farming;
15. "fishing" includes fishing for or catching shell fish, crustaceans and marine animals, but does not include an office or employment under a person engaged in the business of fishing;
16. "fiscal year" means the period for which the accounts of the business of a corporation are ordinarily made up and accepted for purposes of assessment under this Act and, in the absence of an established practice, the fiscal year is that adopted by a corporation, but no fiscal year may exceed fifty-three weeks and any change in a usual and accepted fiscal year shall be made for the purposes of this Act only with the concurrence of or in accordance with the direction of the Treasurer;

17. "foreign business corporation" means a corporation defined by section 43 to be a foreign business corporation;
18. "gross revenue" means the aggregate of all amounts received or, depending upon the method regularly followed by the corporation in computing its profit, receivable in the fiscal year otherwise than as or on account of capital;
19. "income bond" or "income debenture" means respectively a bond or debenture in respect of which interest or dividends are payable only when the debtor corporation has made a profit before taking into account the interest or dividend obligation on such bond or debenture;
20. "insurance corporation" includes life, fire, ocean or inland marine, inland transportation, accident, plate-glass, automobile, steam-boiler and burglary insurance companies, guaranty, surety and casualty companies and underwriters and syndicates of underwriters operating on the plan known as Lloyds, that transact business or undertake risks on lives or property in Ontario or that are licensed under *The Insurance Act*, but does not include mutual insurance companies insuring agricultural and other non-hazardous risks on the premium note plan the sole business of which is carried on in Ontario, fraternal societies and mutual benefit societies as defined in *The Insurance Act*, and pension fund and employees' mutual benefit societies incorporated under or subject to *The Corporations Act, 1953*; R.S.O. 1950, c. 183 1953, c. 19
21. "inventory" means a description of property the cost or value of which is relevant in computing the income of a corporation from a business for a fiscal year;
22. "jurisdiction" means a province or territory of Canada or a state outside Canada having sovereign power;
23. "loss" means a loss computed by applying the provisions of this Act respecting the computation of income from a business *mutatis mutandis*, but not including in the computation a dividend or part of a dividend the amount of which would be deductible under section 38 in computing taxable income, minus any amount by which a loss operated to reduce the

income of a corporation from other sources for purpose of tax on income for the fiscal year in which it was sustained;

24. "non-resident" means not resident in Canada;
25. "non-resident owned investment corporation" means a corporation defined by section 42 to be a non-resident owned investment corporation;
26. "permanent establishment" has the meaning given to that expression by section 2;
27. "personal corporation" means a corporation defined by section 40 to be a personal corporation;
28. "prescribed", in the case of a form or the information to be given on a form, means prescribed by order of the Treasurer and, in any other case, means prescribed by the regulations;
29. "property" means property of any kind whatsoever whether real or personal or corporeal or incorporeal and includes every interest or profit, legal or equitable, present or future, vested or contingent in, arising out of or incident to property;
30. "railway" includes a railway and part of a railway operated in whole or in part by steam, electricity or other motive power, constructed and operated on highways or on land owned by the corporation that owns or operates it, or partly on highways and partly on such land, but does not include a street railway constructed or operated in whole or in part upon or along a highway under or by virtue of an agreement with or a by-law of a city or town;
31. "registered pension fund or plan" means an employees' superannuation or pension fund or plan accepted by the Treasurer for registration for the purposes of this Act in respect of its constitution and operations for the fiscal year under consideration;
32. "regulations" means regulations made under this Act;
33. "share" means a share of capital stock of a corporation;
34. "shareholder" includes a member or other person entitled to receive payment of a dividend;

35. "a shareholder's portion of undistributed income of a corporation" has the meaning given to that expression by subsection 2 of section 52;
36. "subsidiary controlled corporation" means a corporation more than 50 per cent of the issued share capital of which, having full voting rights under all circumstances, belongs to the corporation to which it is subsidiary;
37. "subsidiary wholly-owned corporation" means a corporation all the issued share capital of which, except directors' qualifying shares, belong to the corporation to which it is subsidiary;
38. "taxable income" has the meaning given that expression by section 15;
39. "taxation year" means that fiscal year in relation to which the amount of a tax under this Act is being calculated when the expression is used to distinguish it from another fiscal year;
40. "Treasurer" means Treasurer of Ontario;
41. "tax payable" by a corporation under sections 3 to 14 means the tax payable by the corporation as fixed by assessment or re-assessment subject to variation on objection or appeal, if any, in accordance with sections 74 to 80, as the case may be;
42. "undistributed income on hand" has the meaning given to that expression by section 52. R.S.O. 1950, c. 72, s. 1, *amended*.

(2) For the purposes of this Act,

Arm's length

- (a) related persons shall be deemed not to deal with each other at arm's length; and
- (b) it is a question of fact whether persons not related to each other were at a particular time dealing with each other at arm's length.

(3) For the purposes of subsections 2 and 4 and this sub-^{Related persons}section, "related persons", or persons related to each other, are,

- (a) individuals connected by blood relationship, marriage or adoption;

- (b) a corporation, and,
- (i) a person who controls the corporation, if it is controlled by one person,
 - (ii) a person who is a member of a related group that controls the corporation, or
 - (iii) any person related to a person described by subclause i or ii;
- (c) any two corporations,
- (i) if they are controlled by the same person or group of persons,
 - (ii) if each of the corporations is controlled by one person and the person who controls one of the corporations is related to the person who controls the other corporation,
 - (iii) if one of the corporations is controlled by one person and that person is related to any member of a related group that controls the other corporation,
 - (iv) if one of the corporations is controlled by one person and that person is related to each member of an unrelated group that controls the other corporation,
 - (v) if any member of a related group that controls one of the corporations is related to each member of an unrelated group that controls the other corporation, or
 - (vi) if each member of an unrelated group that controls one of the corporations is related to at least one member of an unrelated group that controls the other corporation.

Corporations
related to
each other

(4) Where two corporations are related to the same corporation within the meaning of subsection 3, they shall, for the purposes of subsections 2 and 3, be deemed to be related to each other.

Interpreta-
tion

(5) In subsections 3 and 6 and this subsection,

Related
group

(a) "related group" means a group of persons each member of which is related to every other member of the group; and

(b) "unrelated group" means a group of persons that Unrelated group is not a related group.

(6) For the purpose of subsection 3,

Controlled by related group, options, etc.

(a) where a related group is in a position to control a corporation, it shall be deemed to be a related group that controls the corporation whether or not it is part of a larger group by whom the corporation is in fact controlled; and

(b) a person who has a right under a contract, in equity or otherwise, either immediately or in the future or either absolutely or contingently, to, or to acquire, shares in a corporation, or to control the voting rights of shares in a corporation, shall be deemed to have had the same position in relation to the control of the corporation as if he owned the shares.

(7) For the purpose of clause *a* of subsection 3,

Persons related by blood relationship, etc.

(a) persons are connected by blood relationship if one is the child or other descendant of the other or one is the brother or sister of the other;

(b) persons are connected by marriage if one is married to the other or to a person who is so connected by blood relationship to the other; and

(c) persons are connected by adoption if one has been adopted, either legally or in fact, as the child of the other or as the child of a person who is so connected by blood relationship, other than as a brother or sister, to the other. *New.*

2.—(1) In this Act, "permanent establishment" includes Permanent establishment branches, mines, oil wells, farms, timberlands, factories, workshops, warehouses, offices, agencies, and other fixed places of business, and land.

(2) Where a corporation carries on business through an Idem employee or agent who has general authority to contract for his employer or principal or has a stock of merchandise from which he regularly fills orders which he receives, such employee or agent shall be deemed to operate a permanent establishment of the corporation.

(3) The fact that a corporation has business dealings Idem through a commission agent, broker or other independent agent shall not of itself be deemed to mean that the corporation has a permanent establishment.

Idem (4) The fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in a trade or business in a place shall not of itself be deemed to mean that the first-mentioned corporation is operating a permanent establishment in that place.

Idem (5) Notwithstanding subsection 3, an insurance corporation is deemed to have a permanent establishment in each jurisdiction in which the corporation is registered to do business.

Idem (6) The fact that a corporation maintains an office solely for the purchase of merchandise shall of itself be deemed to mean that the corporation has a permanent establishment in that office.

Idem (7) The fact that a corporation has assets in a jurisdiction in a fiscal year shall of itself be deemed to mean that the corporation has a permanent establishment in that jurisdiction for the fiscal year.

Idem (8) The fact that a non-resident corporation in a fiscal year produced, grew, mined, created, manufactured, fabricated, improved, packed, preserved or constructed in whole or in part anything in Canada whether or not the corporation exported that thing without selling it prior to exportation, shall of itself, for the purposes of this Act, be deemed to mean that the corporation maintained a permanent establishment at any place where the corporation did any of those things in the fiscal year.

Idem (9) The use of substantial machinery or equipment in a particular place at any time in a fiscal year of a corporation constitutes a permanent establishment of such corporation in that place for the fiscal year.

Idem (10) The fact that a corporation has only a charter or other instrument of incorporation shall of itself, for the purposes of this Act, be deemed to mean that the corporation has a permanent establishment in the place designated in its charter or other instrument of incorporation as its head office.
New.

PART II

LIABILITY FOR TAXES

Taxes payable

3.—(1) Every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay to Her Majesty for the uses of Ontario the taxes imposed by this Act at the time and in the manner provided in this Act.

(2) For the purposes of this Act, where a fiscal year is referred to by a reference to a calendar year, the reference is to the fiscal year or years coinciding with, or ending in, that year. Fiscal year

(3) Where a corporation ceases to have a permanent establishment in Ontario during a fiscal year or the existence of a corporation is terminated during a fiscal year, it shall, in respect of such incomplete fiscal year, pay the taxes imposed by this Act in the same manner as though such fiscal year ended on the date on which it ceased to have a permanent establishment in Ontario or upon which its existence was terminated, as the case may be. R.S.O. 1950, c. 72, s.2, *amended*. Incomplete fiscal year

4.—(1) Except as provided otherwise in this Act, every corporation that has a permanent establishment in Ontario shall, for every fiscal year of the corporation, pay a tax of 11 per cent calculated on its taxable income. Income tax

(2) There may be deducted from the tax otherwise payable by a corporation under this section for a fiscal year an amount equal to 11 per cent of that portion of its taxable income which is earned in the fiscal year in each jurisdiction other than Ontario. Deductions from tax on income—allocation of taxable income

(3) Where in a fiscal year a corporation has no permanent establishment outside Ontario, all of its taxable income for the year shall be deemed to have been earned in Ontario. Allocation of taxable income

(4) Where in a fiscal year a corporation had no permanent establishment in Ontario, all of its taxable income for the fiscal year shall be deemed to have been earned in jurisdictions outside Ontario. Idem

(5) Except as otherwise provided, where in a fiscal year a corporation had a permanent establishment in Ontario and a permanent establishment in any other jurisdiction, the amount of its taxable income that shall be deemed to have been earned in the fiscal year in that jurisdiction is one-half the aggregate of, Idem

- (a) that proportion of its taxable income for the fiscal year that the gross revenue for the fiscal year attributable to the permanent establishment in that jurisdiction is of its total gross revenue for the fiscal year; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to the

employees of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

Gross revenue attributable to a permanent establishment

(6) For the purpose of subsection 5 of this section and subsection 5 of section 5,

- (a) where a corporation ships to a customer goods or merchandise from a permanent establishment, the gross revenue from the sale of such goods or merchandise shall be attributable to that permanent establishment and not to any other permanent establishment of the corporation;
- (b) where a corporation sells standing timber, the gross revenue from such sale shall be attributable to the permanent establishment that includes the timber limit from which the standing timber was taken and not to any other permanent establishment of the corporation; and
- (c) where the supplier of a corporation ships goods or merchandise belonging to the corporation to a customer thereof and such goods or merchandise do not pass through a permanent establishment of the corporation, the gross revenue from the sale shall be attributable to the permanent establishment to which the person negotiating the sale may reasonably be regarded as being attached.

Allocation of investment income

(7) For the purpose of subsection 5 of this section and subsection 5 of section 5, interest on bonds, debentures and mortgages, dividends on shares of capital stock and rentals and royalties for property that is not used in the regular business operations of a corporation shall be excluded when calculating the gross revenue of the corporation or any part thereof.

Insurance corporations, allocation of taxable income

(8) Notwithstanding subsection 5, the proportion of the taxable income of an insurance corporation that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is that proportion of its taxable income for the fiscal year that the aggregate of,

- (a) its net premiums for the year in respect of insurance on properties situated in that jurisdiction; and
- (b) its net premiums for the year in respect of insurance, other than on property, from contracts from persons resident in that jurisdiction,

is of the total net premiums for the fiscal year of the corporation.

(9) In subsection 8, "net premiums" of a corporation for a fiscal year means the aggregate of the gross premiums received by the corporation in the fiscal year, other than consideration received for annuities, minus the aggregate for the fiscal year of,

- (a) premiums paid for re-insurance;
- (b) dividends or rebates paid or credited to policy-holders; and
- (c) rebates or returned premiums paid in respect of the cancellation of policies,

by the corporation.

(10) In subsection 8, "total net premiums" of a corporation for a fiscal year means the aggregate of,

- (a) its net premium income in respect of insurance on property situate in each province or territory of Canada and each country other than Canada in which the corporation has a permanent establishment; and
- (b) its net premium income in respect of insurance other than on property, from contracts with persons resident in each province or territory of Canada and each country other than Canada in which the corporation has a permanent establishment.

(11) Notwithstanding subsection 5, the amount of taxable income of a bank that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-third of the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the year by the bank to the personnel of its permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the bank; and
- (b) twice that proportion of its taxable income for the fiscal year that the aggregate amount of loans and deposits of its permanent establishments in that jurisdiction for the fiscal year is of the aggregate of all loans and deposits of the bank for the fiscal year.

Idem (12) For the purpose of subsection 11, the amount of loans for a fiscal year is one-twelfth of the aggregate of the amounts outstanding on the loans made by the bank at the close of business on the last day of each month in the fiscal year.

Idem (13) For the purpose of subsection 11, the amount of deposits for a fiscal year is one-twelfth of the aggregate of the amounts on deposit with the bank at the close of business on the last day of each month in the fiscal year.

Idem (14) For the purpose of subsections 12 and 13, loans and deposits do not include bonds, stocks, debentures, items in transit and deposits in favour of Her Majesty in right of Canada.

Trust and loan corporations, allocation of taxable income (15) Notwithstanding subsection 5, the amount of taxable income of a trust and loan corporation or a trust corporation or a loan corporation that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is that proportion of its taxable income for the fiscal year that the gross revenue of its permanent establishments in that jurisdiction for the fiscal year is of the total gross revenue for the fiscal year of the corporation.

Interpretation (16) For the purpose of subsection 15, the "gross revenue of its permanent establishments in that jurisdiction" for a fiscal year means the aggregate of the gross revenue of the corporation for the fiscal year arising from,

- (a) loans secured by real property situated in that jurisdiction;
- (b) loans not secured by real property to persons residing in that jurisdiction;
- (c) loans administered by the permanent establishments of the corporation in that jurisdiction made to persons residing in another jurisdiction in which the corporation has no permanent establishment but not including loans secured by real property situated in another jurisdiction in which the corporation has a permanent establishment; and
- (d) business conducted at the permanent establishments of the corporation in that jurisdiction, other than revenue in respect of loans.

Railway corporations, allocation of taxable income (17) Notwithstanding subsection 5, the amount of taxable income of a railway corporation that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario, unless subsection 28 applies, is one-half of the aggregate of,

- (a) that proportion of the amount determined under subsection 18 that the equated track miles of the corporation in that province or territory of Canada is of the equated track miles of the corporation in Canada; and
- (b) that proportion of the amount determined under subsection 18 that the gross ton-miles of the corporation for the fiscal year in that province or territory of Canada is of the gross ton-miles of the corporation for the fiscal year in Canada.

(18) For the purpose of clauses *a* and *b* of subsection 17, ^{Idem} the amount to be determined is an amount equal to the taxable income of the corporation for the fiscal year minus that part of such taxable income that may reasonably be considered to have been earned by the operation of ships or airlines.

(19) For the purpose of subsection 17, “the equated track miles” in a specified place means the aggregate of, ^{Interpretation}

- (a) the number of miles of first main track;
- (b) 80 per cent of the number of miles of other main tracks; and
- (c) 50 per cent of the number of miles of yard tracks and sidings,

in that place.

(20) Notwithstanding subsection 5, the amount of taxable income of an airline corporation that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is an amount that is equal to one-quarter of the aggregate of, ^{Airline corporations, allocation of taxable income}

- (a) that proportion of its taxable income for the fiscal year that the capital cost of all fixed assets of the corporation, except aircraft, in that province or territory of Canada at the end of the fiscal year is of the capital cost of all its fixed assets, except aircraft, in Canada at the end of the fiscal year; and
- (b) that proportion of its taxable income that three times the number of revenue plane miles flown by its aircraft in that province or territory of Canada during the fiscal year is of the total number of revenue plane miles flown by its aircraft in Canada during the fiscal year.

Interpre-
tation

(21) For the purpose of subsection 20, "revenue plane miles flown" shall be weighted according to payload capacity of the aircraft operated.

Idem

(22) For the purpose of subsection 21, "payload capacity" of an aircraft means,

- (a) for a type of aircraft listed in the regulations, the number of pounds shown therein for that aircraft; and
- (b) for a type of aircraft not listed in the regulations, the average maximum commercial load expressed in pounds of the aircraft with fuel and oil tanks half full as determined by the Treasurer.

Grain
elevator
operators,
allocation of
taxable
income

(23) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the operation of grain elevators that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-half the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the number of bushels of grain received in the fiscal year in the elevators operated by the corporation in that jurisdiction is of the total number of bushels of grain received in the fiscal year in all the elevators operated by the corporation; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

Bus and
truck
operators,
allocation
of taxable
income

(24) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the transportation of goods and passengers, other than by the operation of a railway, steamship or airline service, that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-half of the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the number of miles travelled by its vehicles in that jurisdiction in the fiscal year is of the total number of miles travelled by its vehicles in the fiscal year; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that jurisdiction is

of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

(25) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the operation of a pipeline for oil, gas or water that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is one-half of the aggregate of,

Pipeline operators, allocation of taxable income

- (a) that proportion of its taxable income for the fiscal year that the number of miles of pipe of the corporation in that province or territory of Canada is of the number of miles of pipe of the corporation in Canada; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that province or territory of Canada is of the aggregate of all salaries and wages paid in all its permanent establishments in Canada in the fiscal year by the corporation.

(26) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is owning and operating ships that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is one-half the aggregate of,

Navigation companies, allocation of taxable income

- (a) that proportion of its taxable income for the fiscal year that the ton-hours spent by the ships owned by the corporation in the ports of that province or territory of Canada is of the total ton-hours of all the ships owned by the corporation spent in Canadian ports; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to personnel of the corporation in its shore establishments in that province or territory of Canada is of the aggregate of the salaries and wages paid in the fiscal year by the corporation in all the shore establishments in Canada of the corporation,

but, in the case of a corporation the ships of which spend no ton-hours in any Canadian port during the fiscal year, the amount of taxable income of the corporation that shall be deemed to have been earned in the fiscal year in a province or territory of Canada outside Ontario is the proportion of its taxable income that would apply if only the proportion referred to in clause *b* were applicable.

Divided
businesses,
allocation
of taxable
income

(27) Where part of the business of a corporation for a fiscal year, other than a corporation described in subsections 8, 11, 15, 17, 20, 23, 24, 25 or 26, consisted of operations normally conducted by a corporation described in one of those subsections, the corporation and the Treasurer may agree to determine the amount of taxable income deemed to have been earned in the fiscal year in a jurisdiction outside Ontario as the aggregate of the amounts computed,

- (a) by applying the provisions of such of those subsections as would have been applicable if it had been a corporation described therein to the portion of its taxable income for the fiscal year that might reasonably be considered to have arisen from that part of the business; and
- (b) by applying the provisions of subsection 5 to the remaining portion of its taxable income for the fiscal year.

Idem

(28) Where a corporation to which subsection 17 would otherwise apply operates an airline or navigation service or both, the amount of its taxable income that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is the aggregate of the amounts computed,

- (a) by applying the provisions of subsection 20 to that part of its taxable income for the fiscal year that might reasonably be considered to have arisen from the operation of the airline service;
- (b) by applying the provisions of subsection 26 to that part of its taxable income for the fiscal year that might reasonably be considered to have arisen from the operation of ships; and
- (c) by applying the provisions of subsection 17 to the remaining portion of its taxable income for the fiscal year.

Exemptions:

(29) No tax is payable under this section by a corporation for a fiscal year when that corporation was,

Municipal
authorities

- (a) a municipality, or a municipal or public body performing a function of government;

Municipal
or provincial
corporations

- (b) a corporation, commission or association not less than 90 per cent of the shares or capital of which was owned by Her Majesty in right of Canada or a province or by a Canadian municipality, or a wholly-

owned corporation subsidiary to such a corporation, commission or association, except as provided by section 55;

- (c) an agricultural organization, a board of trade or a chamber of commerce, no part of the income of which is payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof;
- (d) a charitable organization, all the resources of which were devoted to charitable activities carried on by the organization itself and no part of the income of which was payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof;
- (e) a corporation that was constituted exclusively for charitable purposes, no part of the income of which was payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof, that has not since the 1st day of June, 1950, acquired control of any other corporation and that during the fiscal year,
- (i) did not carry on any business,
 - (ii) had no debts incurred since the 1st day of June, 1950, other than obligations arising in respect of salaries, rents and other current operating expenses, and
 - (iii) except in the case of a corporation that was constituted exclusively for charitable purposes before the 1st day of January, 1940, expended amounts each of which is,
 - (A) an expenditure in respect of charitable activities carried on by the corporation itself,
 - (B) a gift to an organization in Canada the income of which for the period is exempt from tax under this section by virtue of clause *d*, or
 - (C) a gift to a corporation resident in Canada the income of which for the period is exempt from tax under this section by virtue of this clause,

and the aggregate of which is not less than 90 per cent of the income of the corporation for the fiscal year;

Labour
organiza-
tions

(f) a labour organization or society or a benevolent or fraternal benefit society or order;

Non-profit
organiza-
tions

(g) a club, society or association organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose except profit, no part of the income of which was payable to or otherwise available for the personal benefit of any proprietor, member or shareholder thereof;

Mutual
insurance
corporations

(h) a mutual insurance corporation that received its premiums wholly from the insurance of churches, schools or other charitable organizations;

Credit
unions

(i) a corporation incorporated or organized as a credit union or co-operative credit society if,

(i) it was restricted to carrying on business in Ontario and it derived its revenues primarily from,

(A) loans made to or cashing cheques for members residing within Ontario,

(B) bonds of or guaranteed by the Government of Canada or Ontario, or

(C) loans made to a co-operative credit society of which it is a member, or

(ii) the members thereof were corporations or associations,

(A) incorporated or organized as credit unions substantially all of which derived their revenues primarily from loans made to members or from bonds of or guaranteed by the Government of Canada or Ontario,

(B) incorporated, organized or registered under co-operative legislation of Ontario and governed thereby, or

(C) incorporated or organized for charitable purposes,

or were corporations or associations no part of the income of which was payable to or otherwise benefited personally any shareholder or member thereof;

- (j) an institutional housing corporation, an institutional holding company or a limited dividend housing corporation within the meaning of those expressions as defined by the *National Housing Act* (Canada); Housing corporations R.S.C. 1952, c. 188
- (k) a corporation exempt by section 40 as a personal corporation; Personal corporations
- (l) a corporation exempt by section 43 as a foreign business corporation; Foreign business corporations
- (m) a corporation exempt by subsection 1 of section 45 as a co-operative corporation; Co-operatives
- (n) a corporation incorporated solely in connection with or for the administration of a registered pension fund or plan; Pension trusts or corporations
- (o) an insurer who was engaged during the fiscal year in no business other than insurance if, in the opinion of the Treasurer, 50 per cent of the gross premium income for the fiscal year was in respect of the insurance of farm property, property used in fishing, or residences of farmers and fishermen. Farmers' and fishermen's insurers

(30) Where it is necessary for the purpose of this section to ascertain the taxable income of a corporation for a period that is part of a fiscal year, the taxable income for the period shall be deemed to be the proportion of the taxable income for the fiscal year that the number of days in the period is of the number of days in the fiscal year. Apportionment rule

- (31) For the purpose of clause *e* of subsection 29, When deemed not to have acquired control of another corporation
- (a) a corporation is controlled by another corporation if more than 50 per cent of its issued share capital, having full voting rights under all circumstances, belongs to,
- (i) the other corporation, or
- (ii) the other corporation and persons with whom the other corporation does not deal at arm's length,

but a corporation shall be deemed not to have acquired control of another corporation if it has not purchased or otherwise acquired for a consideration any of the shares in the capital stock of that other corporation;

Gifts

- (b) there shall be included in computing the income of a corporation all gifts received by the corporation other than,
- (i) a gift received subject to a trust or direction that the property given, or property substituted therefor, is to be held permanently by the corporation for the purpose of gaining or producing income therefrom, or
 - (ii) a gift or portion of a gift in respect of which it is established that the donor has not been allowed a deduction under clause *a* of section 37 or a gift made by a person who was not taxable under section 4 for the fiscal year in which the gift was made.

Rules

(32) In computing the income of a corporation for the purpose of determining whether it is described by clause *e* of subsection 29 for a fiscal year,

- (a) there may be deducted an amount not exceeding its income for the fiscal year preceding the taxation year computed without including or deducting any amount under this subsection; and
- (b) there shall be included any amount that has been deducted under this subsection for the immediately preceding fiscal year.

Election by
new
charitable
corporation

(33) For the purpose of determining whether a corporation has complied with subclause iii of clause *e* of subsection 29 for its first fiscal year after its incorporation, the whole or any part of amounts expended by it in the immediately subsequent fiscal year shall, if it so elects, be deemed to have been expended by it in the first fiscal year and not in the subsequent fiscal year. *New.*

Rate of
general
capital tax

5.—(1) Except as provided in sections 7, 8, 9, 10, 11, 13 and 14, every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay a tax of one-twentieth of 1 per cent calculated on its taxable paid-up capital.

(2) There may be deducted from the tax otherwise payable by a corporation under this section for a fiscal year an amount equal to one-twentieth of 1 per cent of that portion of the taxable paid-up capital which is deemed to be used by the corporation in the fiscal year in each jurisdiction outside Ontario.

Deductions
from tax on
paid-up
capital,
allocation of
taxable
paid-up
capital

(3) Where in a fiscal year a corporation has no permanent establishment outside Ontario, all of its taxable paid-up capital for the fiscal year shall be deemed to have been used in Ontario.

Allocation
of taxable
paid-up
capital

(4) Where in a fiscal year a corporation has no permanent establishment in Ontario, all of its taxable paid-up capital shall be deemed to have been used in jurisdictions outside Ontario.

Idem

(5) Except as otherwise provided, where in a fiscal year a corporation has a permanent establishment in Ontario and a permanent establishment in any other jurisdiction, the amount of its taxable paid-up capital that shall be deemed to have been used in the fiscal year in that other jurisdiction is one-half the aggregate of,

Idem

(a) that proportion of the taxable paid-up capital that the gross revenue for the fiscal year reasonably attributable to the permanent establishments in that jurisdiction is of its total gross revenue for the fiscal year; and

(b) that proportion of its taxable paid-up capital that the aggregate of the salaries and wages paid in the fiscal year by the corporation to the employees of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

(6) Notwithstanding subsection 5, the amount of taxable paid-up capital of an airline corporation that shall be deemed to have been used in the fiscal year in a province or territory of Canada outside Ontario is an amount that is equal to one-quarter of the aggregate of,

Idem,
airline
companies

(a) that proportion of its taxable paid-up capital for the fiscal year that the capital cost of all fixed assets of the corporation, except aircraft, in that province or territory of Canada at the end of the fiscal year is of the capital cost of all its fixed assets, except aircraft, in Canada at the end of the fiscal year; and

(b) that proportion of its taxable paid-up capital that three times the number of revenue plane miles flown by its aircraft in that province or territory of Canada during the fiscal year is of the total number of revenue plane miles flown by its aircraft in Canada during the fiscal year.

Idem (7) For the purposes of subsection 6, the provisions of subsections 21 and 22 of section 4 apply *mutatis mutandis*.

Exemptions (8) Except as provided by section 55, no tax is payable under this section by a corporation for a fiscal year when that corporation was any of the corporations referred to in clauses a to o of subsection 29 of section 4. R.S.O. 1950, c. 72, s. 10, amended.

General place of business taxes **6.**—(1) Except as in this section otherwise provided, every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay a tax of \$50 for each such establishment in Ontario.

Exceptions (2) The tax imposed by this section is not payable by any corporation that would be liable to a tax under section 7, 8, 9, 10, 11 or 13 if it were not for the provisions of section 12.

Idem (3) For the purpose of this section, permanent establishments shall be deemed to be separate permanent establishments only in such cases where each of them is located apart from the other and apart from the head office or executive office of the corporation and, where a corporation closes one permanent establishment and subsequently opens another, the two permanent establishments shall be counted as one for the fiscal year.

Agent's office (4) For the purpose of this section, where a corporation, firm, broker, agent or other person is acting as the agent of more than one corporation, each of such corporations shall be deemed to have a permanent establishment in the office or place of business of such corporation, firm, broker, agent or other person.

Reduction in tax (5) Every corporation the taxable paid-up capital of which is less than \$100,000 shall for every fiscal year of the corporation, in lieu of the tax imposed under subsection 1, pay a tax of one-twentieth of 1 per cent calculated on its taxable paid-up capital for each permanent establishment in Ontario, but in no case shall the tax imposed by this subsection be less than the amount which, when added to the amount of the tax imposed by section 5, totals \$20.

(6) Every corporation,

Tax payable
by certain
companies

- (a) that is engaged in mining, the profits of which during the fiscal year are insufficient to be assessed for a tax under *The Mining Tax Act* and that does not hold as assets investments in the shares, bonds and obligations of other corporations and governments, municipal and school corporations having an original cost value of more than \$40,000;

R.S.O. 1950,
c. 327

- (b) the charter of which has not been surrendered and the nominal head office of which is designated as being in Ontario and that, in the opinion of the Treasurer, has not commenced to do business or has ceased to do business and is entirely without assets,

shall for every fiscal year of the corporation, in lieu of the tax imposed by subsection 1, pay a tax of \$20.

(7) Except as provided in section 55, every corporation referred to in clauses *b, c, d, e, f, g, i, j, m* and *n* of subsection 29 of section 4 shall, in lieu of the tax imposed by subsection 1, 5 or 6, pay a tax of \$5. R.S.O. 1950, c. 72, s. 12, *amended*.

7.—(1) Every bank shall for every fiscal year thereof pay,

Banks,
taxes on
paid-up
capital

- (a) a tax of one-fifth of 1 per cent of the paid-up capital stock thereof and one-tenth of 1 per cent on the reserve fund and undivided profits thereof;
- (b) an additional tax of \$3,000 for the principal office in Ontario and \$200 for each additional office, branch or agency in Ontario, but in the case of such additional offices, branches and agencies that were open during the fiscal year fewer than 250 days, one tax of \$200 shall apply for each 250 days or fraction thereof that such offices, branches and agencies were open.

(2) Where the head office of a bank is outside Ontario and where it has not more than five offices, branches and agencies in Ontario, the Treasurer, having regard to the amount of business transacted in Ontario, may reduce the amount of tax imposed by clause *a* of subsection 1, but such tax shall in no case be less than one-tenth of 1 per cent calculated on one-half of the paid-up capital stock. R.S.O. 1950, c. 72, s. 3, *amended*.

Reduction
in certain
cases

8.—(1) Every corporation that owns, operates or uses a railway shall for every fiscal year thereof pay a tax of \$60 per mile for one track, and, where the line consists of two or more tracks, of \$40 per mile for each additional track, owned, operated or used in any municipality in Ontario, and of \$40 per mile for one track, and, where the line consists of two

Railways.
mileage tax

or more tracks, of \$20 per mile for each additional track, in territory without municipal organization in Ontario, but a corporation that owns, operates or uses a railway that, either by itself or in conjunction with any other railway leased by it or to which it is leased or with which it is amalgamated or together with which it forms one system, does not exceed 150 miles in length from terminal to terminal, whether or not one or both of such terminals are outside Ontario, shall, in lieu of such tax, pay a tax of \$15 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$5 per mile for each additional track in Ontario, and, where the railway or system does not exceed 30 miles in length between such terminals, a tax of \$10 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$5 per mile for each additional track in Ontario.

Additional
tax

(2) In addition to the tax imposed by subsection 1, every corporation that owns, operates or uses a railway that, either by itself or in conjunction with any other railway leased by it or to which it is leased or with which it is amalgamated or together with which it forms one system, exceeds 150 miles in length from terminal to terminal, whether or not one or both of such terminals are outside Ontario, shall for every fiscal year of the corporation pay a tax of \$25 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$20 per mile for each additional track in Ontario.

Corporation
owning and
corporation
operating
liable

(3) Both the corporation that owns the railway and the corporation that operates or uses it are liable jointly and severally for the payment to the Treasurer of the amount of taxes imposed by this section, but the total amount payable in respect of any railway shall not exceed the amount that would be payable under this section if the railway were owned, operated or used by one corporation.

Switches,
etc., not to
be included

(4) Switches, spurs and sidings shall not be included in the measurement of track for the purpose of this section.

Subsidiary
corporation

(5) Where a corporation that owns, operates or uses a railway owns or controls other corporations that are not taxable under this section, such other corporations are taxable under such other sections under this Act as are applicable without regard to the taxes payable by the owning or controlling corporation under this section. R.S.O. 1950, c. 72, s. 5, *amended*.

Telegraph
companies,
special tax

9. Every corporation that owns, operates or uses a line or a part of a line of telegraph in Ontario for gain, including every corporation that owns, operates or uses a railway, shall for every fiscal year of the corporation pay a tax of 1 per cent upon the total amount of money invested by the

corporation in such line or part thereof and the plant and works connected therewith; provided that a corporation that owns and a corporation that operates and uses any such line or part thereof are liable jointly and severally for the payment of such tax, but the total amount payable in respect of such line or part thereof and the works and plant connected therewith shall not exceed the total amount of tax imposed under this section, notwithstanding that the line or part thereof is owned, operated or used by more than one corporation. R.S.O. 1950, c. 72, s. 6, *amended*.

10. Every corporation that carries on the business of an express company over a railway in Ontario, including a corporation that owns, operates or uses a railway, shall for every fiscal year of the corporation pay a tax of \$800 for each 100 miles or fraction thereof up to but not exceeding a tax of \$10,000. R.S.O. 1950, c. 72, s. 7, *amended*. Express companies, special tax

11. Every corporation, except a corporation that owns, operates or uses a railway, that transacts in Ontario the business of operating, leasing or hiring sleeping or parlour or dining cars run upon or used upon any railway in Ontario, shall, for every fiscal year of the corporation, pay a tax of 1 per cent calculated upon the money invested in such cars in use in Ontario. R.S.O. 1950, c. 72, s. 8, *amended*. Car companies, special tax

12. There may be deducted from the total of the taxes payable by a corporation under sections 5, 6, 7, 8, 9, 10 and 11 the tax payable by that corporation under section 4. *New*. Deduction from special taxes

13.—(1) Every insurance corporation shall pay a tax of 2 per cent calculated on the gross premiums that become payable to the corporation or its agent or agents during the fiscal year in respect of business transacted in Ontario, other than considerations for annuities, after deducting from such premiums, Insurance companies

- (a) cash value of dividends credited to policyholders;
- (b) premiums returned;
- (c) premiums paid in respect of re-insurance ceded to insurance corporations licensed to transact business in Ontario.

(2) In determining the amount of tax payable under subsection 1, Premiums in respect of business transacted in Ontario

- (a) every life insurance premium that becomes payable at the time the person insured is a resident of Ontario; and

- (b) every other premium that by the terms of the policy or renewal thereof becomes payable in respect of insurance of a person resident or property situate in Ontario at the time such premium becomes payable whether or not,
- (i) such premium is earned wholly or partly in Ontario,
 - (ii) the business in respect of the policy is transacted wholly or partly in Ontario, or
 - (iii) the payment of such premium is made wholly or partly in Ontario,

shall be deemed to be a premium payable in respect of business transacted in Ontario.

Exception

(3) The tax imposed by subsection 1 is not payable in respect of premiums payable under a contract of marine insurance.

Marine insurance

(4) In this section, "marine insurance" means insurance against marine losses, that is to say, the losses incident to marine adventure, and may by the express terms of a contract or by usage of trade extend so as to protect the insured against losses on inland waters or by land or air which are incidental to any sea voyage.

Unfair discrimination

(5) Where it is established to the satisfaction of the Lieutenant-Governor in Council that any jurisdiction discriminates unfairly by imposing taxes, fees and other monetary obligations on any insurance corporation or any particular class of insurance corporations organized under the laws of Canada or of Ontario and having their principal offices in Ontario that in the aggregate are in excess of comparable taxes, fees and monetary obligations imposed on any similar corporation or class of corporations organized under the laws of such jurisdiction, the Lieutenant-Governor in Council may direct that any corporation or any class of corporations organized under the laws of such jurisdiction and that transact business in Ontario shall pay, in addition to the tax otherwise imposed by this section, a tax not exceeding the equivalent of such excess, and such additional tax is recoverable in the same manner as any other tax imposed by this Act.

Fiscal year

(6) For the purposes of this Act, the fiscal year of every insurance corporation shall be deemed to end on the 31st day of December. R.S.O. 1950, c. 72, s. 4, *amended*.

Tax on hotels

14. Every corporation that operates one or more hotels in Ontario in addition to carrying on the business pursuant to

which it is taxable under sections 7, 8, 9, 10, 11 and 13, or any of them, shall pay the taxes imposed by sections 4, 5 and 6, calculated with respect to the taxable income of such hotel or hotels, the taxable paid-up capital of such hotel or hotels and the permanent establishment that is each such hotel, respectively, in addition to any of the taxes imposed by any of the sections 4 to 13 with respect to any business other than that of operating one or more hotels, and section 12 applies *mutatis mutandis* to the taxes so payable under sections 5 and 6. R.S.O. 1950, c. 72, ss. 11, 13, 15, *amended*.

PART III

COMPUTATION OF TAXABLE INCOME

DIVISION A—TAXABLE INCOME

15. The taxable income of a corporation for a fiscal year is its income for that year minus the deductions permitted by Division C. *New*. ^{Taxable income}

DIVISION B—COMPUTATION OF INCOME

General Rules

16. The income of a corporation for a fiscal year for the purposes of this Part is its income for the fiscal year from all sources inside or outside Ontario and, without restricting the generality of the foregoing, includes income for the fiscal year from all businesses and property. *New*. ^{World income}

17. Subject to the other provisions of this Part, income for a fiscal year from the business or property of a corporation is the profit therefrom for the fiscal year. *New*. ^{Income from business or property}

Amounts Included in Computing Income

18. Without restricting the generality of section 15, there shall be included in computing the income of a corporation for a fiscal year, ^{Amounts included in computing income,}

- (a) amounts received in the fiscal year as, on account or in lieu of payment of, or in satisfaction of, dividends or annuity payments; ^{dividends}
- (b) amounts received in the fiscal year or receivable in the fiscal year, depending upon the method regularly followed by the corporation in computing its profit, as interest or on account or in lieu of payment of, or in satisfaction of, interest; ^{interest}

- income from partnership or syndicate
- (c) the income of a corporation from a partnership or syndicate for the fiscal year, whether or not it has withdrawn such income during the fiscal year;
- previous reserve for bad debts
- (d) the amount deducted as a reserve for doubtful debts in computing the income of a corporation for the immediately preceding fiscal year;
- insurance proceeds expended
- (e) such part of an amount payable to the corporation under a policy of insurance in respect of damage to property that is depreciable property of the corporation within the meaning of section 32 as has been expended by the corporation,
- (i) within the fiscal year, and
- (ii) within a reasonable time after the damage, on repairing the damage;
- bad debts recovered
- (f) amounts received in the fiscal year on account of debts in respect of which a deduction for bad debts had been made in computing the income of the corporation for a previous fiscal year, whether or not the corporation was carrying on the same business in the fiscal year during which such deduction was made;
- payments based on production or use
- (g) amounts received by the corporation in the fiscal year that were dependent upon use of or production from property, whether or not they were instalments of the sale price of the property, but instalments of the sale price of agricultural land shall not be included by virtue of this clause; and
- employees profit sharing plan
- (h) amounts received by the corporation in the fiscal year under an employees profit sharing plan established for the benefit of the employees of the corporation or of a corporation with which the first-mentioned corporation does not deal at arm's length.
New.
- Income and capital combined
- 19.** Where a payment under a contract or other arrangement can reasonably be regarded as being in part a payment of interest or other payment in the nature of income and in part a payment in the nature of capital, the part of the payment that can reasonably be regarded as a payment of interest or other payment in the nature of income shall, irrespective of when the contract or arrangement was made or the form or legal effect thereof, be included in computing the income of the corporation receiving it. *New.*

20.—(1) Where, in a fiscal year,

- (a) a payment has been made by a corporation to a corporation that is a shareholder therein otherwise than pursuant to a *bona fide* business transaction;
- (b) funds or property of a corporation have been appropriated in any manner whatsoever to or for the benefit of a corporation that is a shareholder therein; or
- (c) a benefit or advantage has been conferred by a corporation that is a shareholder therein,

Appropriation of property to shareholders

otherwise than,

- (i) on the reduction of its capital, the redemption of its shares or the winding up, discontinuance or reorganization of its business,
- (ii) by payment of a stock dividend, or
- (iii) by conferring on all holders of common shares in the capital of the corporation a right to buy additional common shares therein,

the amount or value thereof shall be included in computing the income of the corporation that is a shareholder therein for the fiscal year.

(2) Where a corporation has in a fiscal year made a loan to a corporation that is a shareholder therein, the amount thereof shall be deemed to have been received by the corporation that is a shareholder therein as a dividend in the fiscal year unless,

Loan to shareholder

- (a) the loan was made in the ordinary course of its business and the lending of money was part of its ordinary business and *bona fide* arrangements were made at the time the loan was made for repayment thereof within a reasonable time; or
- (b) the loan was repaid within one year from the end of the fiscal year of the lending corporation in which it was made and it is established by subsequent events or otherwise that the repayment was not made as a part of a series of loans and repayments.

(3) An annual or other periodic amount paid by a corporation to another corporation in respect of an income bond or income debenture shall be deemed to have been received by

Interest on income bonds

the receiving corporation as a dividend unless the corporation paying it is entitled to deduct the amount so paid in computing its income.

Application

(4) This section is applicable in computing the income of a corporation that is a shareholder of the paying corporation for the purposes of this Part, whether or not the paying corporation had a permanent establishment in Ontario. *New.*

Certain reserves included in computing income

21. In computing the income for a fiscal year of a bank, there shall be included the amount by which the aggregate of the amounts, that at the end of the fiscal year are set aside or reserved by way of write-down of the value of assets or appropriation to contingency reserves or contingent accounts for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises, or other contingencies, is, in the opinion of the Treasurer, having regard to all of the circumstances, in excess of the reasonable requirements of the bank. *New.*

Amounts Not Included in Computing Income

Amounts not included in computing income:

22. In computing the income of a corporation for a fiscal year, there shall not be included,

War Savings Certificates

(a) an amount received under a War Savings Certificate issued by His Majesty in right of Canada or under a similar savings certificate issued by His Majesty in right of Newfoundland before April 1, 1949;

ship or aircraft of non-resident corporation

(b) the income for the fiscal year of a non-resident corporation earned in Canada from the operation of a ship or aircraft owned or operated by such corporation, if the country where that corporation resides or maintains its chief place of business grants substantially similar relief for the fiscal year to a corporation that resides or has its chief place of business in Canada. *New.*

Deductions Allowed in Computing Income

Deductions allowed in computing income:

23.—(1) Notwithstanding clauses *a* and *b* of subsection 1 of section 24, there may be deducted in computing the income of a corporation for a fiscal year,

capital cost of property

(a) such part of the capital cost to the corporation of property, or such amount in respect of the capital cost to the corporation of property, if any, as is allowed by the regulations;

allowance for oil or gas well, mine or timber limit

(b) such amount as an allowance in respect of an oil or gas well, mine or timber limit, if any, as is allowed to the corporation by the regulations;

(c) an amount paid in the fiscal year or payable in respect of the fiscal year, depending upon the method regularly followed by the corporation in computing its income, pursuant to a legal obligation to pay interest on,

(i) borrowed money used for the purpose of earning income from a business or property, other than borrowed money used to acquire property the income from which would be exempt, or

(ii) an amount payable for property acquired for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, other than property the income from which would be exempt,

or a reasonable amount in respect thereof, whichever is the lesser;

(d) an amount paid in the fiscal year pursuant to a legal obligation to pay interest on an amount that would be deductible under clause c if it were paid in the fiscal year or payable in respect of the fiscal year;

(e) an expense incurred in the fiscal year,

(i) in the course of issuing or selling shares of the capital stock of the corporation, or

(ii) in the course of borrowing money used by the corporation for the purpose of earning income from a business or property, other than money used by the corporation for the purpose of acquiring property the income from which would be exempt,

but not including any amount in respect of,

(iii) a commission or bonus paid or payable to a person to whom the shares would be issued or sold or from whom the money was borrowed or for or on account of services rendered by a person as a salesman, agent or dealer in securities in the course of issuing or selling the shares or borrowing the money, or

(iv) an amount paid or payable as or on account of the principal amount of the indebtedness

incurred in the course of borrowing the money,
or as or on account of interest;

idem

- (f) such part of a payment,
- (i) repaying borrowed money used for the purpose of earning income from a business or property, other than borrowed money used to acquire property the income from which would be exempt, or
 - (ii) for property acquired for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, other than property the income from which would be exempt,

made by the corporation in the fiscal year as is by section 18 required to be included in computing the income of the corporation receiving it;

reserve for
doubtful
debts

- (g) a reasonable amount as a reserve for,
- (i) doubtful debts that have been included in computing the income of the corporation for that fiscal year or a previous fiscal year, and
 - (ii) doubtful debts arising from loans made in the ordinary course of business by a corporation part of the ordinary business of which was the lending of money;

bad debts

- (h) the aggregate of debts owing to the corporation,
- (i) that it has established to have become bad debts in the fiscal year, and
 - (ii) that it has included, except in the case of debts arising from loans made in the ordinary course of business by a corporation part of the ordinary business of which was the lending of money, in computing its income for that fiscal year or a previous fiscal year;

employer's
contribution
to pension
funds

- (i) an amount paid by the corporation in the fiscal year or within sixty days from the end of the fiscal year to or under a registered pension fund or plan in respect of services rendered by employees of the corporation in the fiscal year, subject, however, as follows:

- (i) in any case where the amount so paid is the aggregate of amounts, each of which is identifiable as a specified amount in respect of an individual employee of the corporation, the amount deductible under this clause in respect of any one such individual employee is the lesser of the amount so specified in respect of that employee or \$1,500, and
- (ii) in any other case, the amount deductible under this clause is the lesser of the amount so paid or an amount determined in the prescribed manner, not exceeding \$1,500 multiplied by the number of employees of the corporation in respect of whom the amount so paid by the corporation was paid by it,

plus such amount as may be deducted as a special contribution under section 48;

- (j) where a registered pension fund or plan contains a *idem* provision under which the corporation may provide superannuation or pension benefit for an employee or former employee of the corporation by making a lump sum payment to or under the fund or plan in the fiscal year in which the employee or former employee,
 - (i) becomes eligible to retire,
 - (ii) retires or otherwise ceases to be employed by the corporation,
 - (iii) reaches an age at which the superannuation or pension benefits so provided for become payable or commence to be payable to him,

an amount paid by the corporation in the fiscal year or within sixty days from the end of the fiscal year pursuant thereto as the lump sum in respect of an employee or former employee who, in the fiscal year, became eligible to retire, retired or otherwise ceased to be employed by the corporation or reached the age referred to in subclause iii, except to the extent that it is deductible under clause *i*;

- (k) such amount in respect of expenditures on scientific ^{scientific} research as is permitted by section 44;
- (l) where a corporation is an insurance corporation, ^{refund of} other than a life insurance corporation, such amounts ^{premiums}

in respect of payments made or credits allowed by the corporation to its policyholders as are permitted by section 46;

patronage dividend

(*m*) such amounts in respect of payments made by a corporation pursuant to allocation in proportion to patronage as are permitted by section 47;

mining or logging taxes

(*n*) such amount in respect of taxes on income for the fiscal year from mining or logging operations as is permitted by the regulations;

contributions of corporations under profit sharing plan

(*o*) an amount paid by a corporation to a trustee in trust for employees of such corporation or of a corporation with which such corporation does not deal at arm's length under an employees profit sharing plan as permitted by section 49;

contributions of corporations under supplementary unemployment benefit plan

(*p*) an amount paid by a corporation to a trustee under a supplementary unemployment benefit plan as permitted by section 50.

Shareholder's allowance from corporation operating oil or gas wells

(2) In computing the income of a corporation from shares it holds in another corporation the income of which is from the operation of an oil or gas well or a mine, there may be deducted such amount, if any, as is allowed by the regulations.

Allowance in respect of oil or gas wells, etc.

(3) For greater certainty it is hereby declared that, in the case of a regulation made under clause *b* of subsection 1 allowing to a corporation an amount in respect of an oil or gas well or a mine,

(*a*) there may be allowed to the corporation by such regulation an amount in respect of any or all oil or gas wells or mines in which the corporation has any interest; and

(*b*) notwithstanding any other provision contained in this Act, the Lieutenant-Governor in Council may prescribe the formula by which the amount that may be allowed to the corporation by such regulation shall be determined.

Lessee's share of allowance

(4) Where a deduction is allowed under clause *b* of subsection 1 in respect of a coal mine operated by a lessee, the lessor and the lessee may agree as to what portion of the allowance each may deduct and, in the event that they cannot agree, the Treasurer may fix the proportions.

Borrowed money

(5) For the purpose of clause *c* of subsection 1, where a corporation has borrowed money in consideration of its promise to pay a larger amount and to pay interest on the larger amount,

- (a) the larger amount shall be deemed to be the amount borrowed; and
- (b) where the amount actually borrowed has been used in whole or in part for the purpose of earning income from a business or property, the proportion of the larger amount that the amount actually so used is of the amount actually borrowed shall be deemed to be the amount so used.

(6) For greater certainty it is hereby declared that, where ^{Idem} a corporation has used borrowed money to repay money borrowed previously, the borrowed money shall, for the purpose of clause *c* or *d* of subsection 1, be deemed to have been used for the purpose for which the money borrowed previously was used or was deemed by this subsection to have been used.

(7) Notwithstanding clauses *a* and *b* of subsection 1 of ^{Banks} section 24, there may be deducted, in computing the income for a fiscal year of a bank, such amount as is set aside or reserved for the fiscal year either by way of write-down of the value of assets or appropriation to any contingency reserve or contingent account for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises, or other contingencies, and is, in the opinion of the Treasurer, having regard to all the circumstances, not in excess of the reasonable requirements of the bank. *New.*

Deductions Not Allowed in Computing Income

24.—(1) In computing income, no deduction shall be made in respect of, ^{Deductions not allowed in computing income:}

- (a) an outlay or expense except to the extent that it ^{general limitations} was made or incurred by the corporation for the purpose of gaining or producing income from property or a business of the corporation;
- (b) an outlay, loss or replacement of capital, a payment ^{capital outlay} on account of capital or an allowance in respect of depreciation, obsolescence or depletion except as expressly permitted by this Part;
- (c) an outlay or an expense to the extent that it may ^{limitation re exempt income} reasonably be regarded as having been made or incurred for the purpose of gaining or producing exempt income or in connection with property the income from which would be exempt;

- annual value of property
- (d) the annual value of property except rent for property leased by the corporation for use in its business;
- reserves, etc.
- (e) an amount transferred or credited to a reserve, contingent account or sinking fund except as expressly permitted by this Part;
- payments on income bonds
- (f) an amount paid by a corporation other than a personal corporation as interest or otherwise to holders of its income bonds or income debentures unless the bonds or debentures have been issued or the income provisions thereof have been adopted since 1930,
- (i) to afford relief to the debtor from financial difficulties, and
- (ii) in place of or as an amendment to bonds or debentures that at the end of 1930 provided unconditionally for a fixed rate of interest.
- Unreasonable expenses
- (2) In computing income, no deduction shall be made in respect of an outlay or expense otherwise deductible except to the extent that the outlay or expense was reasonable in the circumstances.
- Unpaid amounts
- (3) In computing the income of a corporation for a fiscal year, no deduction shall be made in respect of an otherwise deductible outlay or expense payable by the corporation to a person with whom it was not dealing at arm's length if the amount thereof has not been paid before the day one year after the end of the fiscal year; but, if an amount that was not deductible in computing the income of one fiscal year by virtue of this subsection was subsequently paid, it may be deducted in computing the income of the corporation for the fiscal year during which it was paid.
- Special corporation taxes
- (4) In computing the income of a corporation for a fiscal year, no deduction shall be made in respect of corporation taxes paid or payable to a government of a province or to a municipality in the province except to the extent that,
- (a) the aggregate of all corporation taxes payable by the corporation in the fiscal year and all corporation income taxes payable by the corporation in respect of the fiscal year to the government of the province or to a municipality in the province,

exceeds the greater of,

- (b) 9 per cent of the taxable income of the corporation earned in the fiscal year in the province; or
- (c) the amount that any tax payable on the taxable income of the corporation earned in the fiscal year in the province would be if that tax were payable at such rate as is determined in accordance with the regulations to be the standard rate of tax applied for the purpose of any corporation income tax imposed by the Legislature of the province in respect of the fiscal year.

(5) In subsection 4 and this subsection,

Interpre-
tation

(a) "corporation tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax on corporations, but does not include,

corporation
tax

(i) a corporation income tax, or

(ii) any other tax declared by the regulations not to be a corporation tax;

(b) "corporation income tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax of general application on the profits of corporations;

corporation
income tax

(c) "taxable income of the corporation earned in the fiscal year in the province" means the amount determined under the provisions of section 4 that determine the amount of the taxable income of the corporation earned in a particular province in a fiscal year. *New.*

taxable
income, etc.

25.—(1) Where the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, its income for the fiscal year shall be deemed to be not less than its income from all sources other than farming minus the lesser of,

Chief source
of income

(a) one-half its loss from farming for the fiscal year; or

(b) \$5,000.

(2) For the purpose of this section, the Treasurer may determine that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income.

Treasurer
may
determine

Interpre-
tation

(3) For the purpose of this section, a "loss from farming" is a loss from farming computed by applying the provisions of this Part respecting the computation of income from a business *mutatis mutandis* except that no deduction shall be made under clause *a* of subsection 1 of section 23. *New.*

Method of
computing
income

26.—(1) Where a corporation has adopted a method of computing income from a business or a property for a fiscal year and that method has been accepted for the purposes of this Part, income from the business or property for a subsequent fiscal year shall, subject to the other provisions of this Part, be computed according to that method, unless the corporation has with the concurrence of the Treasurer adopted a different method.

Inventories

(2) For the purpose of computing the income of a corporation from a business or a property, the property described in each inventory of the business shall be valued at its cost to the corporation or its fair market value, whichever is lower, unless,

(a) all of the property described in all of the inventories of the business is valued at the cost thereof to the corporation; or

(b) all of the property described in all of the inventories of the business is valued at the fair market value thereof.

Manner of
keeping
inventory

(3) For the purpose of this section and section 82, an inventory shall show quantities and nature of the properties that should be included therein in such manner and in sufficient detail that the property may be valued in accordance with this section. *New.*

Indirect
payments

27.—(1) A payment or transfer of money, rights or things made pursuant to the direction of or with the concurrence of a corporation to some person for the benefit of the corporation or as a benefit that the corporation desired to have conferred on such person shall be included in computing the income of the corporation to the extent that it would be if the payment or transfer had been made to the corporation.

Undistrib-
uted
payments or
profits

(2) For the purposes of this Part, a payment or transfer in a fiscal year of money, rights or things made to the corporation or to some person for the benefit of the corporation and other persons jointly or a profit made by the corporation and other persons jointly in a fiscal year shall be deemed to have been received by the corporation in the fiscal year to the extent of its interest therein notwithstanding that there

was no distribution or division thereof in that fiscal year.
New.

28.—(1) Where a corporation carrying on business in Canada has purchased anything from a person with whom it was not dealing at arm's length at a price in excess of the fair market value, the fair market value thereof shall, for the purpose of computing the income of the corporation from the business, be deemed to have been paid or to be payable therefor. ^{Inadequate considerations}

(2) Where a corporation carrying on business in Canada has sold anything to a person with whom it was not dealing at arm's length at a price less than the fair market value, the fair market value thereof shall, for the purpose of computing the income of the corporation from the business, be deemed to have been received or to be receivable therefor. ^{Idem}

(3) Where a corporation carrying on business in Canada has paid or agreed to pay to a non-resident person with whom it was not dealing at arm's length as price, rental, royalty or other payment, for use or reproduction of any property, or as consideration for the carriage of goods or passengers or for other services, an amount greater than the amount, hereinafter in this subsection referred to as "the reasonable amount", that would have been reasonable in the circumstances if the non-resident person and the corporation had been dealing at arm's length, the reasonable amount shall, for the purpose of computing the income of the corporation from the business, be deemed to have been the amount that was paid or is payable therefor. ^{Idem}

(4) Where a non-resident person has paid or agreed to pay to a corporation carrying on business in Canada with which he was not dealing at arm's length as price, rental, royalty or other payment for use or reproduction of any property, or as consideration for the carriage of goods or passengers or for other services, an amount less than the amount, hereinafter in this subsection referred to as "the reasonable amount", that would have been reasonable in the circumstances if the non-resident person and the corporation had been dealing at arm's length, the reasonable amount shall, for the purpose of computing the income of the corporation from the business, be deemed to have been the amount that was paid or is payable therefor. ^{Idem}

(5) Where property of a corporation has been appropriated in any manner whatsoever to or for the benefit of a shareholder for no consideration or for a consideration below the fair market value and if the sale thereof at the fair market value would have increased the income of the corporation for the ^{Idem}

fiscal year, then for the purpose of determining the income of the corporation for the fiscal year it shall be deemed to have sold the property during the fiscal year and to have received therefor the fair market value thereof.

Idem

(6) Where property of a corporation has been appropriated in any manner whatsoever to or for the benefit of a shareholder on the winding up of the corporation and if the sale thereof at the fair market value immediately before the winding up would have increased the income of the corporation for the fiscal year, then for the purpose of determining the income of the corporation for the fiscal year it shall be deemed to have sold the property during the fiscal year and to have received therefor the fair market value thereof.

Idem

(7) Where a corporation has disposed of depreciable property as defined for the purpose of section 32 under such circumstances that subsection 3 of section 32 is applicable to determine, for the purpose of clause *a* of subsection 1 of section 23, the capital cost of the property to the person by whom the property was acquired, subsections 2, 5 and 6 of this section are not applicable in respect to the disposition.
New.

Lease-
option, hire-
purchase,
etc.

29.—(1) A lease-option agreement, a hire-purchase agreement or other contract or arrangement for the leasing or hiring of property, except immovable property used in carrying on the business of farming, by which it is agreed that the property may, on the satisfaction of a condition, vest in the lessee or other person to whom the property is leased or hired or in a person with whom the lessee or such other person does not deal at arm's length shall, for the purpose of computing the income of the lessee or other person to whom the property has been leased or hired, be deemed to be an agreement for the sale of the property to such lessee or other person and rent or other consideration paid or given thereunder shall be deemed to be on account of the price of the property and not for its use, and the lessee or other person to whom the property has been leased or hired shall, for the purpose of a deduction under clause *a* of subsection 1 of section 23, be deemed to have acquired the property at a capital cost equal to the price fixed by the contract or arrangement minus the aggregate of all amounts paid by such lessee or other person,

- (a) in the case of a contract or arrangement relating to movable property, before the commencement of the fiscal year ending in 1949; and
- (b) in the case of any other contract or arrangement, before the commencement of the fiscal year ending in 1950,

under the contract or arrangement on account of the rent or other consideration.

(2) Where a corporation is deemed under subsection 1 to have acquired property under a contract or arrangement and the contract or arrangement is subsequently rescinded or determined, the corporation shall, for the purpose of section 32, be deemed to have disposed of the property for the price fixed by the contract or arrangement minus the aggregate of all amounts paid by the corporation under the contract or arrangement on account of the rent or other consideration.

(3) Where a lease-option agreement, a hire-purchase agreement or other contract or arrangement for the leasing or hiring of property, except immovable property used in carrying on the business of farming, by which it was agreed that the property might on the satisfaction of a condition vest in a person with whom the lessee or other person to whom the property is leased or hired, hereinafter in this subsection referred to as the "lessee", was not dealing at arm's length, has been entered into and, upon satisfaction of the condition, the property has at a subsequent time vested in that person, hereinafter in this subsection referred to as the "new owner", the following rules are applicable:

- (a) for the purpose of clause *a* of subsection 1 of section 23, the lessee shall be deemed to have at the subsequent time disposed of the property for an amount equal to its undepreciated capital cost to him, as defined in section 32, at that time;
- (b) the capital cost of the property to the new owner shall be deemed to be an amount equal to the capital cost thereof to the lessee as determined under subsection 1; and
- (c) an amount equal to the capital cost of the property to the new owner as determined under clause *b* minus the amount for which the lessee is deemed by clause *a* to have disposed of the property shall be deemed to have been allowed to the new owner in respect of property of the prescribed class to which the property belongs under the regulations made pursuant to clause *a* of subsection 1 of section 23, in computing the income for any fiscal year prior to that during which the new owner acquired the property. *New.*

30.—(1) Where a corporation resident in Canada has loaned money to a non-resident person and the loan has

Lessee or hire-purchaser where contract or arrangement rescinded

Option exercised by person with whom lessee not at arm's length

Loans to non-resident persons

remained outstanding for one year or longer without interest at a reasonable rate having been included in computing the income of the lending corporation, interest thereon, computed at 5 per cent per annum for the fiscal year or part of the fiscal year during which the loan was outstanding, shall, for the purpose of computing the income of the lending corporation, be deemed to have been received by the lending corporation on the last day of each fiscal year during all or part of which the loan has been outstanding.

Exception

(2) Subsection 1 does not apply if the loan was made to a subsidiary controlled corporation and it is established that the money that was loaned was used in the business of the subsidiary corporation for the purpose of gaining or producing income. *New.*

Interest on bonds

31. Where, by virtue of an assignment or other transfer of a bond, debenture or similar security, other than an income bond or income debenture, the transferee has become entitled to interest in respect of a period commencing before the time of transfer and ending after that time that is not payable until after the time of transfer, an amount equal to that proportion of the interest that the number of days in the portion of the period that preceded the day of transfer is of the number of days in the whole period,

- (a) shall be included in computing the income of the transferor for the fiscal year in which the transfer was made; and
- (b) may be deducted in computing the income of the transferee for a fiscal year in the computation of which there has been included,
 - (i) the full amount of the interest under section 18, or
 - (ii) a portion of the interest under clause a. *New.*

Excess of proceeds over undepreciated capital costs

32.—(1) Where depreciable property of a corporation of a prescribed class has, in a fiscal year, been disposed of and the proceeds of the disposition exceed the undepreciated capital cost to the corporation of depreciable property of that class immediately before the disposition, the lesser of,

- (a) the amount of the excess; or
- (b) the amount that the excess would be if the property had been disposed of for the capital cost thereof to the corporation,

shall be included in computing the income of the corporation for the fiscal year.

(2) Where one or more amounts are by subsection 1 <sup>Determina-
tion of net
amount</sup> required to be included in computing the income of a corporation for a fiscal year in respect of the disposition of depreciable property of a prescribed class and the corporation has, during the fiscal year but following the dispositions, acquired further depreciable property of that class, notwithstanding subsection 1 and clause *e* of subsection 4, the following rules are applicable:

- (a) if the aggregate of the amounts that would according to the terms of subsection 1 be included thereunder in computing the income of the corporation is equal to or exceeds the amount that would according to the terms of clause *e* of subsection 4 be the undepreciated cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for that fiscal year,
 - (i) the amount to be included in computing the income of the corporation for the fiscal year under subsection 1 in respect of dispositions of depreciable property of that class is that aggregate minus the amount that would be that undepreciated capital cost, and
 - (ii) the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year is nothing; and
- (b) if the aggregate of the amounts that would according to the terms of subsection 1 be included thereunder in computing the income of the corporation is less than the amount that would according to the terms of clause *e* of subsection 4 be the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for that fiscal year,
 - (i) no amounts shall be included in computing the income of the corporation for the fiscal year in respect of depreciable property of that class under subsection 1, and
 - (ii) the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for the fiscal year is the amount that it would be according to the terms of clause *e* of subsection 4 minus that aggregate.

Depreciation

(3) Where depreciable property did, at any time after the commencement of a fiscal year ending in 1949, belong to a person, hereinafter in this subsection referred to as the "original owner", and has by one or more transactions between persons not dealing at arm's length become vested in a corporation, the following rules are, notwithstanding section 28, applicable for the purposes of this section and the regulations made pursuant to clause *a* of subsection 1 of section 23:

- (a) the capital cost of the property to the corporation shall be deemed to be the amount that was the capital cost of the property to the original owner; and
- (b) where the capital cost of the property to the original owner exceeds the actual capital cost of the property to the corporation, the excess shall be deemed to have been allowed to the corporation in respect of the property under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for fiscal years before the acquisition thereof by the corporation.

Interpretation

(4) In this section and in the regulations made pursuant to clause *a* of subsection 1 of section 23,

- (a) "depreciable property of a corporation" as of any time in a fiscal year means property in respect of which the corporation has been allowed or is entitled to a deduction under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for that or a previous fiscal year;
- (b) "disposition of property" includes any transaction or event entitling a corporation to proceeds of disposition of property;
- (c) "proceeds of disposition" of property includes,
 - (i) the sale price of property that has been sold,
 - (ii) compensation for property damaged, destroyed, taken or injuriously affected, either lawfully or unlawfully, or under statutory authority or otherwise,
 - (iii) an amount payable under a policy of insurance in respect of loss or destruction of property, and

(iv) an amount payable under a policy of insurance in respect of damage to property except to the extent that the amount has within a reasonable time after the damage been expended on repairing the damage;

(d) "total depreciation allowed to a corporation" before any time for property of a prescribed class means the aggregate of all amounts allowed to the corporation in respect of property of that class under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for fiscal years before that time;

(e) "undepreciated capital cost to a corporation of depreciable property" of a prescribed class as of any time means the capital cost to the corporation of depreciable property of that class acquired before that time minus the aggregate of,

(i) the total depreciation allowed to the corporation for property of that class before that time,

(ii) for each disposition before that time of property of the corporation of that class, the least of,

(A) the proceeds of disposition thereof,

(B) the capital cost to the corporation thereof, or

(C) the undepreciated capital cost to the corporation of property of that class immediately before the disposition,

and

(iii) each amount by which the undepreciated capital cost to the corporation of depreciable property of that class as of the end of a previous fiscal year was reduced by virtue of subsection 2.

(5) Where an amount payable under a policy of insurance in respect of loss or destruction of property of a prescribed class would otherwise be included in computing the income of a corporation for a fiscal year, hereinafter in this subsection referred to as "the initial fiscal year", by virtue of this section, ^{Insurance} _{proceeds}

(a) it shall, to the extent that it has been expended by the corporation in the fiscal year immediately following the initial fiscal year on acquiring,

(i) property of the same class, or

(ii) if the property destroyed was a building, a building of a prescribed class,

not be included in computing the income of the corporation for the initial fiscal year; and

(b) it shall, to the extent that it has not been included in computing the income of the corporation for the initial fiscal year, be deemed to be proceeds of a disposition made in the fiscal year immediately following the initial fiscal year of depreciable property of the corporation of the same class as the property so acquired.

Depreciation

(6) For the purpose of this section and the regulations made pursuant to clause *a* of subsection 1 of section 23, the following rules apply:

(a) where a corporation, having acquired property for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, has commenced at a later time to use it for some other purpose, the corporation shall be deemed to have disposed of it at that later time at its fair market value at that time;

(b) where a corporation, having acquired property for some other purpose, has commenced at a later time to use it for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, the corporation shall be deemed to have acquired it at that later time at its fair market value at that time;

(c) where a corporation has acquired property by gift, bequest or inheritance, the capital cost to the corporation shall be deemed to have been the fair market value thereof at the time the corporation so acquired it;

(d) where a corporation has given property away, the corporation shall be deemed to have disposed of it at the time of the gift at its fair market value at that time;

- (e) where a property has, since it was acquired by a corporation, been regularly used in part for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business and in part for some other purpose, the corporation shall be deemed to have acquired for the purpose of gaining or producing income the proportion of the property that the use regularly made of the property for gaining or producing income is of the whole use regularly made of the property at a capital cost to the corporation equal to the same proportion of the capital cost to the corporation of the whole property, and, if the property has in such a case been disposed of, the proceeds of disposition of the proportion of the property deemed to have been acquired for gaining or producing income shall be deemed to be the same proportion of the proceeds of disposition of the whole property;
- (f) where at any time after a corporation has acquired property there has been a change in the relation between the use regularly made by the corporation of the property for gaining or producing income and the use regularly made of the property for other purposes,
- (i) if the use regularly made by the corporation of the property for the purpose of gaining or producing income has increased, the corporation shall be deemed to have acquired at that time depreciable property of that class at a capital cost equal to the proportion of the fair market value of the property as of that time that the amount of the increase in the use regularly made by the corporation of the property for that purpose is of the whole use regularly made of the property, and
 - (ii) if the use regularly made of the property for the purpose of gaining or producing income has decreased, the corporation shall be deemed to have disposed at that time of depreciable property of that class and the proceeds of disposition shall be deemed to be an amount equal to the proportion of the fair market value of the property as of that time that the amount of the decrease in the use regularly made by the corporation of the property for that purpose is of the whole use regularly made of the property;

- (g) where an amount can reasonably be regarded as being in part the consideration for disposition of depreciable property of a corporation of a prescribed class and as being in part consideration for something else, the part of the amount that can reasonably be regarded as being the consideration for such disposition shall be deemed to be the proceeds of disposition of depreciable property of that class irrespective of the form or legal effect of the contract or agreement, and the person to whom the depreciable property was disposed of shall be deemed to have acquired the property at a capital cost to him equal to the same part of that amount; and
- (h) where a corporation has received or is entitled to receive a grant, subsidy or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, the capital cost of the property shall be deemed to be the capital cost thereof to the corporation minus the amount of the grant, subsidy or other assistance.

Interpre-
tation

(7) In clauses *a*, *b*, *e* and *f* of subsection 6, in the case of a non-resident corporation, "business" means a business wholly carried on in Canada or such part of a business as is wholly carried on in Canada.

Farming
and fishing

(8) Subsection 1 does not apply in determining the income of a corporation of a fiscal year from farming or fishing unless the corporation has elected to take a deduction for that or a previous fiscal year under the regulations made pursuant to clause *a* of subsection 1 of section 23 other than a regulation providing solely for an allowance for computing income from farming or fishing. *New.*

Deduction
in capital
cost of
vessels

33.—(1) Notwithstanding section 32, where a corporation owns a vessel that was constructed by or for the corporation in Canada and that is registered in Canada and the construction thereof was commenced after the 1st day of January, 1949, the corporation may, in lieu of a deduction under clause *a* of subsection 1 of section 23 and the regulations made pursuant to that clause and so long as the title to the vessel vests and remains in the corporation, deduct such part of the capital cost to the corporation of the vessel as the corporation may elect, not exceeding the lesser of,

- (a) $33\frac{1}{3}$ per cent of the capital cost to the corporation of the vessel; or
- (b) the undepreciated capital cost to the corporation of the vessel at the end of the fiscal year before making any deduction under this section for the fiscal year.

(2) Where a corporation owns a vessel that is registered in Canada, conversion or major alteration of which was commenced after the 1st day of January, 1949, the corporation may, in lieu of a deduction under clause *a* of subsection 1 of section 23 and the regulations made pursuant to that clause in respect of the conversion costs but in addition to a deduction of other capital costs of the vessel under that clause and so long as the title to the vessel vests and remains in the corporation, deduct such part of the conversion cost to the corporation of the vessel as the corporation may elect, not exceeding the lesser of,

- (a) $33\frac{1}{3}$ per cent of the conversion cost to the corporation; or
 - (b) the undepreciated conversion cost to the corporation of the vessel as of the close of the fiscal year, before making any deduction under this section for the fiscal year.
- (3) For the purposes of this Act,

Application
of sec. 32

- (a) a vessel in respect of which an allowance has been made under subsection 1 shall be deemed to be a prescribed class within the meaning of section 32;
- (b) a vessel in respect of which an allowance has been made under subsection 2 shall to the extent of the conversion cost be deemed to be a prescribed class within the meaning of section 32; and
- (c) an allowance under this section shall be deemed to have been made under clause *a* of subsection 1 of section 23. *New.*

34.—(1) Where a vessel in respect of which an allowance has been made under section 33 or in respect of which “special depreciation”, “extra depreciation” or allowances in lieu of depreciation were allowed for the purposes of the *Income War Tax Act* (Canada), the *Income Tax Act* (Canada) or this Act is disposed of, subsection 1 of section 32 does not apply in respect of the proceeds of disposition to the extent that they are used for replacement under conditions satisfactory to the Treasurer.

Sec. 32 not
applicable
in certain
cases
R.S.C. 1927,
c. 97
R.S.C. 1952,
c. 148

(2) Where a vessel in respect of which an allowance has been made under subsection 2 of section 33 is disposed of, the portion of the proceeds of disposition that is attributable to the conversion cost shall be determined by the Treasurer.

Determina-
tion of
conversion
costs

Reserve for expenses of quadrennial surveys, etc.

(3) Notwithstanding clause *e* of subsection 1 of section 24, a corporation may in computing its income for a fiscal year deduct such amount as may be allowed by the regulations as a reserve for expenses to be incurred by reason of quadrennial or other special surveys required by the *Canada Shipping Act* (Canada), or the regulations made thereunder, or under the rules of any society or association for the classification and registry of shipping approved by the Minister of Transport of Canada for the purposes of that Act.

R.S.C. 1952, c. 29

Recapture where survey completed

(4) In any case where,

- (a) a corporation made a deduction under subsection 3 in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel; and
- (b) the quadrennial or other special survey in respect of which the deduction was made has been completed to the extent that the vessel is permitted to proceed on a voyage,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the income of the corporation under Part III shall be included in computing its income under that Part for the fiscal year in which the survey was so completed.

Recapture where survey not begun or completed

(5) In any case where,

- (a) a corporation has made a deduction under subsection 3 in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel; and
- (b) before that quadrennial or other special survey was completed, the corporation sold the vessel or the vessel was lost or destroyed or any other circumstance arose that in the opinion of the Treasurer renders it improbable that the survey will be completed,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the income of the corporation under Part III shall be included in computing its income under that Part for the fiscal year in which the vessel was sold, lost or destroyed or in which such circumstance arose. *New.*

Transfer of rights to income

35. Where a corporation has at any time before the end of a fiscal year, whether before or after the commencement of this Act, transferred or assigned to a person with whom the

corporation was not dealing at arm's length the right to an amount that would, if the right thereto had not been so transferred or assigned, be included in computing the income of the corporation for the fiscal year because the amount would have been received or receivable by the corporation in or in respect of the fiscal year, the amount shall be included in computing the income of the corporation for the fiscal year unless the income is from property and the corporation has also transferred or assigned the property. *New.*

36.—(1) Where a corporation has received security or other right or a certificate of indebtedness or other evidence of indebtedness wholly or partially as or in lieu of payment of or in satisfaction of an interest, dividend or other debt that was then payable and the amount of which would be included in computing the income of the corporation if it had been paid, the value of the security, right or indebtedness or the applicable portion thereof shall, notwithstanding the form or legal effect of the transaction, be included in computing the income of the corporation for the fiscal year in which it was received, and a payment in redemption of a security, satisfaction of the right or discharge of the indebtedness shall not be included in computing the income of the recipient. ^{Securities in satisfaction of income debt}

(2) Where a security or other right or a certificate of indebtedness or other evidence of indebtedness has been received by a corporation wholly or partially as or in lieu of payment of or in satisfaction of a debt before the debt was payable, but was not itself payable or redeemable before the day on which the debt was payable, it shall for the purpose of subsection 1 be deemed to have been received when the debt became payable by the person holding it at the time. ^{Idem}

(3) This section is enacted for greater certainty and shall not be construed as limiting the generality of the other provisions of this Part by which amounts are required to be included in computing income. *New.* ^{Idem}

DIVISION C—COMPUTATION OF TAXABLE INCOME

37. For the purpose of computing the taxable income of a corporation for a fiscal year, there may be deducted from the income for the fiscal year such of the following amounts as are applicable: ^{Computation of taxable income}

- (a) the aggregate of gifts made by the corporation in the fiscal year to charitable organizations in Canada exempt from tax by clause *d* of subsection 29 of section 4, to corporations resident in Canada and exempt from tax by clause *e* or *f* of subsection 29 of ^{charitable donations}

section 4, and to Her Majesty in right of any province of Canada other than Ontario and any Canadian municipality, not exceeding 5 per cent of the income of the corporation for the fiscal year, if payment of the amounts given is proven by the filing of receipts or photostatic reproductions thereof with the Treasurer;

gifts to Her Majesty

- (b) the aggregate of gifts made by the corporation in the fiscal year to Her Majesty in right of Canada and of Ontario, if payment of the amounts given is proven by filing receipts or photostatic reproductions thereof with the Treasurer;

business losses

- (c) business losses sustained in the five fiscal years immediately preceding and the fiscal year immediately following the taxation year, but,

- (i) an amount in respect of a loss is only deductible to the extent that it exceeds the aggregate of amounts previously deductible in respect of that loss under this Act,
- (ii) no amount is deductible in respect of the loss of any fiscal year until the deductible losses of previous fiscal years have been deducted, and
- (iii) no amount is deductible in respect of losses from the income of any fiscal year except to the extent of the lesser of,

(A) the income of the corporation for the fiscal year from the business in which the loss was sustained, or

(B) the income of the corporation for the fiscal year minus all deductions permitted by the provisions of this Division other than this clause. *New.*

Dividends received by a corporation

38. Where a corporation in a fiscal year received a dividend or is deemed by section 51 to have received a dividend from a corporation that,

- (a) was resident in Canada in the fiscal year and was not by virtue of a statutory provision exempt from tax under section 4 for the fiscal year;
- (b) was a corporation non-resident of Canada more than 25 per cent of the issued share capital of which,

having full voting rights under all circumstances, belong to the corporation receiving the dividend; or

- (c) was a foreign business corporation more than 25 per cent of the issued share capital of which, having full voting rights under all circumstances, belong to the corporation receiving the dividend,

an amount equal to the dividend minus any amount deducted under subsection 2 of section 23 in computing the income of the corporation receiving the dividend may be deducted from the income of that corporation for the fiscal year for the purpose of determining its taxable income. *New.*

39. Notwithstanding anything in this Part, the taxable income of a life insurance corporation for a fiscal year is the aggregate of the amounts credited to shareholders' account or otherwise appropriated for or on account of shareholders during the fiscal year minus the aggregate of,

- (a) amounts charged in the fiscal year to the shareholders as their fair proportion of losses incurred upon investments or other losses of a similar character;
- (b) amounts transferred in the fiscal year from the shareholders' account to an insurance fund or an investment reserve fund;
- (c) in a case where an amount equal to dividends or portions of dividends would be deductible under section 38, if that section were applicable, such proportion of the amount credited or appropriated as aforesaid as may reasonably be regarded as having been derived from those dividends or portions of dividends; and
- (d) gifts made out of the shareholders' account by the corporation in the fiscal year to organizations in Canada operated exclusively for charitable purposes not exceeding in the aggregate for the fiscal year 5 per cent of the amount so credited or appropriated minus the amounts described by clauses *a* and *b*.
New.

DIVISION D—EXCEPTIONAL CASES AND SPECIAL RULES

Personal Corporations

40.—(1) No tax is payable under section 4 or 5 by a Personal corporation for a fiscal year during which it was a personal corporation exempt

Inter-
pre-
ta-
tion

(2) In this Act, "personal corporation" means a corporation that, during the whole of the fiscal year in respect of which the expression is being applied,

(a) was controlled, whether through holding of the majority of the shares of the corporation or in any other manner whatsoever, by an individual resident in Ontario, by such individual and one or more members of his family who were resident in Ontario or by any other person on his or their behalf;

(b) derived at least one-quarter of its income from,

(i) ownership of or trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or interest therein,

(ii) lending money with or without securities,

(iii) rents, hire of chattels, charterparty fees or remunerations, annuities, royalties, interest or dividends, or

(iv) estates or trusts; and

(c) did not carry on an active financial, commercial or industrial business.

Idem

(3) For the purpose of clause *a* of subsection 2, the members of the family of an individual are his spouse, sons and daughters, whether or not they live together.

Distribution
of income

(4) The income of a personal corporation whether actually distributed or not shall be deemed to have been distributed to and received by the shareholders as a dividend on the last day of each fiscal year of the corporation.

Division of
income

(5) The part of the income of a personal corporation that shall be deemed under this section to have been distributed to and received by a shareholder of the corporation shall be the proportion thereof that the value of all property transferred or loaned to the corporation by the shareholder or any person by whom his share was previously owned is of the value of the property so acquired by the corporation from all its shareholders.

Valuation

(6) The value of property transferred or loaned to a personal corporation shall be deemed for the purpose of this section to be its value at the time the property was transferred or loaned to the corporation.

(7) For the purpose of this section, where the property of ^{Transfers} a personal corporation is transferred to or otherwise acquired by another personal corporation, the shareholders of the first corporation shall be deemed to have transferred to the second corporation the property that they or persons who previously owned their share transferred to the first corporation.

(8) Where a dividend has in a fiscal year actually been paid ^{Dividends declared} by a corporation that was at the time of payment and always had been a personal corporation, the portion thereof to which a shareholder is entitled and which is received by the shareholder shall not be included in computing the income of that shareholder for the fiscal year in which it was received.

(9) Where a dividend has in a fiscal year been paid by a ^{Idem} personal corporation that was in some previous fiscal year not a personal corporation, the following rules are applicable:

(a) the dividend shall not be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received if the dividend does not exceed the remainder obtained when,

(i) the aggregate of dividends paid by the corporation previous to that time and not included by virtue of this section in computing the incomes of the shareholders by whom they were received,

is subtracted from,

(ii) the aggregate of the amounts deemed under this section to have been distributed while it was a personal corporation;

(b) in a case where the dividend does not exceed the remainder referred to in clause *a*, the dividends shall only be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received to the extent that the excess does not exceed the undistributed income on hand earned by the corporation since the 1st day of January, 1917, in fiscal years when the corporation was not a personal corporation; and

(c) where the amount to be included in computing the incomes of shareholders by virtue of clause *b* is less than the dividend, the portion thereof that shall be so included in computing the income of a particular shareholder for the fiscal year is the portion thereof that his portion of the dividend is of the whole dividend.

Idem

(10) Where a dividend has in a fiscal year been paid by a corporation when it was not a personal corporation but had previously been one, it shall be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received only to the extent that the dividend exceeds the remainder obtained when,

- (a) the aggregate of dividends paid by the corporation previous to that time and not included by virtue of this section in computing the incomes of shareholders by whom they were received,

is subtracted from,

- (b) the aggregate of the amounts deemed under this section to have been distributed by it to its shareholders while it was a personal corporation,

and, where the excess is less than the dividend so paid, the amount that shall be so included in computing the income of a particular shareholder for the fiscal year is the proportion of the excess that the portion of the dividend belonging to that particular shareholder is of the whole dividend.

Dividends deemed paid or received

(11) Where a dividend is deemed by any provision other than this section to have been paid or received, it shall for the purpose of this section be regarded as having been paid.

Where chief source of income of personal corporation not farming

(12) Where it has been determined for the purpose of subsection 1 of section 25 that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, its farming business shall be deemed for the purpose of clause *c* of subsection 2 not to have been during the fiscal year an active financial, commercial or industrial business. *New.*

Mutual Insurance Corporations

Mutual insurance corporations

41. It is hereby declared that an insurance corporation other than a life insurance corporation, whether or not it is a mutual corporation, that has in a fiscal year entered into insurance contracts or other arrangements or relationships whereby it can reasonably be regarded as undertaking to insure other persons, whether or not such persons are members or shareholders of the corporation, against loss, damage or expense of any kind, shall, regardless of the form or legal effect of those contracts, arrangements or relationships, be deemed for the purpose of section 4 to have been carrying on an insurance business in the fiscal year for profit and, in any such case, for the purpose of computing the income from the business so deemed to have been carried on, the following rules are applicable:

- (a) every amount received under, in consideration of, in respect of or on account of such contract, arrangement or relationship shall be deemed to have been received by the corporation in the course of the business;
- (b) the income shall, otherwise, be computed in accordance with the rules applicable in computing the income from a business for the purpose of this Part; and
- (c) all income from property vested in the corporation shall be deemed to be income of the corporation.
New.

Non-Resident-Owned Investment Corporations

42.—(1) No tax is payable under section 4 or 5 by a corporation for a fiscal year during which it was a non-resident-owned investment corporation.

Non-resident-owned investment corporations, tax exempt

(2) In this Act, “non-resident-owned investment corporation” means a corporation incorporated in Canada that during the whole of the fiscal year in respect of which the expression is being applied complied with the following conditions:

Interpretation

- (a) at least 95 per cent of the aggregate value of its issued shares and all its bonds, debentures and other funded indebtedness were,
 - (i) beneficially owned by non-resident persons,
 - (ii) owned by trustees for the benefit of non-resident persons or their unborn issue, or
 - (iii) owned by a corporation, whether incorporated in Canada or elsewhere, at least 95 per cent of the aggregate value of the issued shares of which and all the bonds, debentures and other funded indebtedness of which were beneficially owned by non-resident persons or owned by trustees for the benefit of non-resident persons or their unborn issue or by several such corporations;
- (b) its income was derived from,
 - (i) ownership or trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or any interest therein,

- (ii) lending money with or without security,
 - (iii) rents, hire of chattels, charterparty fees or remunerations, annuities, royalties, interest or dividends, or
 - (iv) estates or trusts;
- (c) not more than 10 per cent of its gross revenue was received from rents;
- (d) its principal business was not,
- (i) the making of loans, or
 - (ii) trading or dealing in mortgages, hypothecs, bills, notes or other similar property or any interest therein;
- (e) it has, not later than ninety days after the commencement of the fiscal year, elected in the prescribed manner to be a non-resident-owned investment corporation; and
- (f) it has not, before the fiscal year, revoked in the prescribed manner the election so made by it.

Foreign Business Corporations

Foreign
business
corporations,
tax
exempt

43.—(1) No tax is payable under section 4 or 5 by a corporation for a fiscal year when it was a foreign business corporation.

Interpre-
tation

(2) In this Act, “foreign business corporation” means a corporation that during the whole of the fiscal year in respect of which the expression is being applied,

- (a) was not a personal corporation;
- (b) complied with one of the following conditions:
 - (i) its business operations were of an industrial, mining, commercial, public utility or public service nature and were carried on entirely outside Canada, except for management and the designing, purchasing and transportation of goods if the goods were not acquired for resale in the course of trading and were acquired for the operations so carried on outside Canada, either directly or through ownership of shares in or control of sub-

subsidiary or affiliated corporations and its property, except securities and bank deposits, was situate entirely outside Canada,

(ii) it was the wholly-owned subsidiary of a corporation that complied with the conditions in subclause i and was wholly engaged in carrying on business outside Canada, or

(iii) its business was of an investment or financial nature and was carried on entirely outside Canada, its shares had been offered for public subscription or were listed on a recognized stock exchange in Canada or elsewhere and its property, except bank deposits and shares of other corporations that were entitled to exemption under this section, was situate entirely outside Canada; and

(c) derived not more than 10 per cent of its gross revenue from the leasing or operation by it of a ship or aircraft,

and has,

(d) filed a return for the fiscal year in the form and within the period of time required by section 66 and within the same time paid the tax levied by section 6; or

(e) within 370 days from the end of the fiscal year, filed a return for the fiscal year in the form required by section 66 and paid the tax imposed by section 6 plus a penalty for late filing equal to \$10 for each day of delay after the expiration of the period of time from the end of the fiscal year within which section 66 requires the filing of a return.

(3) For the purposes of this section, shares and bonds of ^{Situs} corporations incorporated in Canada shall be deemed to be property situate in Canada notwithstanding that they have been transferred on a register outside Canada.

(4) Where a corporation would have complied during the ^{Exception} whole of a fiscal year with the condition contained in subclause i of clause b of subsection 2 were it not that its business operations during the fiscal year were carried on in part in Canada through ownership of shares in or control of one or more subsidiary or affiliated corporations, the corporation shall be deemed to have complied with that condition if, during the whole of the fiscal year,

- (a) the business operations so carried on in Canada were of a mining nature; and
- (b) its main business operations were of an industrial, mining, commercial, public utility or public service nature, and were, except for management and the designing, purchasing, and transportation of goods, carried on outside Canada. *New.*

Scientific Research

Scientific
research,
deductions
from
income

44.—(1) In computing the income for a fiscal year of a corporation that had a permanent establishment in Canada and made expenditures in respect of scientific research in the fiscal year, there may be deducted,

- (a) all expenditures of a current nature made in Canada in the fiscal year,
 - (i) on scientific research related to the business and directly undertaken by or on behalf of the corporation,
 - (ii) by payments to an approved association that undertakes scientific research related to the class of business of the corporation,
 - (iii) by payments to an approved university, college, research institute or other similar institution to be used for scientific research related to the class of business of the corporation; and
- (b) the lesser of,
 - (i) one-third of the expenditures of a capital nature made in Canada, by acquiring property other than land, in the fiscal year and the two fiscal years immediately preceding that fiscal year on scientific research related to the business and directly undertaken by or on behalf of the corporation, or
 - (ii) the undepreciated capital cost to the corporation of the property so acquired as of the end of the fiscal year, before making any deduction under this clause in computing the income of the corporation for the fiscal year.

Limitation

(2) Not more than 5 per cent of the taxable income of the corporation for the fiscal year preceding the taxation year may

be deducted under this section unless the research program in respect of which the expenditures were made has been approved.

(3) No deduction may be made under this section in respect of an expenditure made to acquire rights in or arising out of scientific research or in respect of an amount deducted under this Part from income in respect of a gift to a charitable organization.

(4) In this section,

Interpreta-
tion

- (a) "approved" means approved by the Treasurer;
- (b) "scientific research" means any activity in the field of natural or applied science for the extension of knowledge;
- (c) references to expenditures on scientific research include all expenditures incurred for the prosecution or the provision of facilities for the prosecution of the scientific research;
- (d) references to scientific research relating to a business or class of business include any scientific research that may lead to or facilitate an extension of that business or, as the case may be, business of that class.

(5) An amount deducted under clause *b* of subsection 1 shall for the purpose of section 32 be deemed to be an amount allowed to the corporation in respect of the property acquired by the expenditures under the regulations made pursuant to clause *a* of subsection 1 of section 23 and for that purpose the property acquired by the expenditures shall be deemed to be of a separate prescribed class. *New.*

Expenditures
of a capital
nature

Co-operatives

45.—(1) No tax is payable under section 4 for each of the first three fiscal years after commencement of its business by a co-operative corporation that commenced business on or after the 1st day of January, 1947.

Co-operative
corporations,
income tax
exemption

(2) Where a co-operative corporation has received a grant from the government of a province that was not fixed by reference to natural products marketed, supplies, equipment or household necessities purchased or sold or services performed by it,

Provincial
grant

- (a) no amount shall be included in respect of the grant in computing the income of the corporation for any fiscal year; and

(b) clause *h* of subsection 6 of section 32 is not applicable in respect of any property in respect of or for the acquisition of which the grant was received.

Co-operative
corporation,
capital tax
exemption

(3) No tax is payable under section 5 by a corporation for any fiscal year during which it is a co-operative corporation.

Interpre-
tation

(4) In this Act, "co-operative corporation" means a corporation that was incorporated under legislation of a province respecting the establishment of co-operative corporations for the purpose of marketing, including processing incident to or connected therewith, natural products belonging to or acquired from its members or customers, of purchasing supplies, equipment or household necessities for or to be sold to its members or customers or of performing services for its members or customers, if, during the fiscal year,

- (a) the statute under which it was incorporated, its charter, articles of association or by-laws or its contracts with its members or its members and customers held forth the prospect that payments would be made to them in proportion to patronage;
- (b) none of its members had more than one vote in the conduct of the affairs of the corporation;
- (c) at least 90 per cent of its members are individuals and at least 90 per cent of its shares, if any, are held by individuals;
- (d) the rate of interest on capital subscribed by its members or the rate of its dividends on its shares did not exceed 5 per cent per annum;
- (e) the value of the product marketed for or acquired from, supplies, equipment and household necessities purchased for or sold to, and the services performed for, its customers other than members did not exceed 20 per cent of the total thereof for all its business; and
- (f) the business carried on by the corporation was not a continuation of a previous business in which a substantial number of its members had a substantial interest, either as shareholders of a corporation carrying on the previous business or otherwise. *New.*

Refund of Premiums

Deduction
in computing
income

46. In computing the income for a fiscal year of an insurance corporation other than a life insurance corporation, whether a mutual corporation or a joint stock company, there

may be deducted every amount credited in respect of business for the fiscal year to a policyholder of the corporation by way of dividend, refund of premiums or refund of premium deposits, if the amount was during the fiscal year or within twelve months thereafter,

- (a) paid to the policyholder;
- (b) applied in discharge, in whole or in part, of a liability of the policyholder to pay premiums to the corporation; or
- (c) credited to the account of the policyholder on terms that he is entitled to payments thereof on or before expiry or termination of the policy. *New.*

Patronage Dividends

47.—(1) Notwithstanding anything in this Part, there may be deducted in computing income for a fiscal year the aggregate of the payments made pursuant to allocations in proportion to patronage by a corporation, Patronage dividends, deduction in computing income

- (a) within the fiscal year or within twelve months thereafter to its customers of the fiscal year; and
- (b) within the fiscal year or within twelve months thereafter to its customers of a previous fiscal year, the deduction of which from income of a previous fiscal year was not permitted.

(2) Notwithstanding subsection 1, if the corporation has not made allocations in proportion to patronage in respect of all its customers of the fiscal year at the same rate with appropriate differences for different types or classes of goods, products or services, or classes, grades or qualities thereof, the amount that may be deducted under this section is an amount equal to the lesser of, Limitation where non-member customers

- (a) the aggregate of the payments mentioned in subsection 1; or
- (b) the aggregate of,
 - (i) the part of the income of the corporation for the fiscal year attributable to business done with members, and
 - (ii) the allocation in proportion to patronage made to non-member customers of the fiscal year.

Limitation
by reference
to capital
employed

(3) Where the deduction of an amount under subsection 1 or 2 would result in the taxable income of the corporation for the fiscal year, before deduction of any amount under section 37 in respect of business losses, being less than the amount by which,

- (a) 3 per cent of the capital employed in the business at the commencement of the fiscal year,

exceeds,

- (b) the interest, if any, paid on borrowed moneys, other than moneys borrowed from a bank or from a corporation or association described in clause *i* of subsection 29 of section 4, and deductible in computing the income of the corporation for the fiscal year,

the amount that may be deducted under this section is such as will leave the corporation with a taxable income, before deduction of any amount under section 37 in respect of business losses, equal to the excess.

Interpreta-
tion

(4) For the purposes of this section,

- (a) "allocation in proportion to patronage" for a fiscal year means an amount credited by a corporation to a customer of that fiscal year on terms that the customer is entitled to or will receive payment thereof, computed at a rate in relation to the quantity, quality or value of the goods or products acquired, marketed, handled, dealt in or sold, or services rendered by the corporation from, on behalf of or to the customer, whether as principal or as agent of the customer or otherwise, with appropriate differences in the rate for different classes, grades or qualities thereof,

- (i) if the amount was credited,

- (A) within the fiscal year or within twelve months thereafter, and

- (B) at the same rate in relation to quantity, quality or value aforesaid as the rate at which amounts were similarly credited to all other customers of that year who were members or to all other customers of that year, as the case may be, with appropriate differences aforesaid for different classes, grades or qualities, and

- (ii) if the prospect that amounts would be so credited was held forth by the corporation to its customers of that year who were members or non-member customers of that year, as the case may be;
- (b) "capital employed in the business" shall be computed in accordance with subsection 8, except that no deduction shall be made from capital in respect of borrowed moneys, other than moneys borrowed from a bank or from a corporation described in clause *i* of subsection 29 of section 4;
 - (c) "customer" means a customer of a corporation and includes a person who sells or delivers goods or products to the corporation or for whom the corporation renders services;
 - (d) "consumer goods or services" means goods or services the cost of which was not deductible by the corporation in computing the income from a business or property;
 - (e) "income of the corporation attributable to business done with members" of any fiscal year means that proportion of the income of the corporation for the fiscal year, before making any deduction under this section, that the value of the goods or products acquired, marketed, handled, dealt in or sold or services rendered by the corporation from, on behalf of, or for members, is of the total value of goods or products acquired, marketed, handled, dealt in or sold or services rendered by the corporation from, on behalf of, or for all customers during the fiscal year;
 - (f) "payment" includes,
 - (i) the issue of a certificate of indebtedness or shares of the corporation or of a corporation of which the corporation is a subsidiary wholly-owned corporation if the corporation or that other corporation has in the fiscal year or within twelve months thereafter disbursed an amount of money equal to the aggregate face value of all certificates or shares so issued in the course of redeeming or purchasing certificates of indebtedness or shares of the corporation or that other corporation previously issued,

- (ii) the application by the corporation of an amount to the liability of a member to the corporation, including, without restricting the generality of the foregoing, an amount applied in fulfilment of an obligation of the member to make a loan to the corporation and an amount applied on account of payment of shares issued to a member, pursuant to a by-law of the corporation, pursuant to statutory authority or at the request of the member, or
- (iii) the amount of a payment or transfer by the corporation that under subsection 1 of section 27 is required to be included in computing the income of a member;
- (g) "member" means a person who is entitled as a member or shareholder to full voting rights in the conduct of the affairs of the corporation or of another corporation of which the corporation is a subsidiary wholly-owned corporation; and
- (h) "non-member customer" means a customer who is not a member.

Holding
forth
prospect of
allocations

(5) For the purpose of this section, the corporation shall be deemed to have held forth the prospect that amounts would be credited to a customer of a fiscal year by way of allocation in proportion to patronage,

- (a) if throughout the fiscal year the statute under which the corporation was incorporated or registered, its charter, articles of association or by-laws or its contract with the customer held forth the prospect that amounts would be so credited to customers who are members or non-member customers, as the case may be; or
- (b) if prior to the commencement of the fiscal year or prior to such other day as may be prescribed for the class of business in which the corporation is engaged, the corporation has published an advertisement in the prescribed form in a newspaper or newspapers of general circulation throughout the greater part of the area in which the corporation carried on business holding forth that prospect to customers who are members or non-member customers, as the case may be, and has filed copies of the newspaper or newspapers with the Treasurer before the end of the thirtieth day of the fiscal year or within thirty days from the prescribed day, as the case may be.

(6) For the purpose of subsection 3, "3 per cent of the capital employed in the business at the commencement of the fiscal year" means in any case where the fiscal year of the corporation is less than twelve months that proportion of 3 per cent of the capital so employed at the commencement of the fiscal year that the number of days in the fiscal year is of 365. <sup>Interpre-
tation</sup>

(7) Where a payment has been received by a corporation in respect of an allocation in proportion to patronage, other than an allocation in respect of consumer goods or services, the amount thereof shall be included in computing the income of the recipient for the fiscal year in which the payment was received and, without restricting the generality of the foregoing, where a certificate of indebtedness or a share was issued to a person in respect of an allocation in proportion to patronage, the amount thereof shall be included in computing the income of the recipient for the fiscal year in which the certificate or share was received and not in computing his income for the fiscal year in which the indebtedness was subsequently discharged or the share was redeemed. <sup>Customer's
income</sup>

(8) For the purpose of this section, "capital employed in the business" means the capital at the beginning of the fiscal year and shall be computed in accordance with the following rules and is subject to the deductions or other adjustments provided in subsections 9 to 13, inclusive: <sup>Interpre-
tation</sup>

- (a) so far as it consists of assets acquired by purchase on or after the incorporation of the corporation, the price at which those assets were acquired and, where the price of any asset has been satisfied otherwise than in cash, the value of the consideration actually given for that asset at the time it was given shall be treated as the price at which such asset was acquired;
- (b) so far as it consists of assets being debts due to the corporation, the full amount of those debts subject to any deduction that has been allowed under this Act in respect thereof on account of bad debts;
- (c) so far as it consists of any other assets that have been acquired otherwise than by purchase as aforesaid, the value of the assets when they became assets of the corporation;
- (d) the amount of money or bank deposits that is actually used by the corporation in its business.

(9) Capital employed in the business is subject to the following deductions: ^{idem}

- (a) any sum contributed directly or indirectly by Canada or by any province of Canada towards the acquisition by the corporation of any asset referred to in subsection 8;
- (b) the total amount of depreciation which has been or should have been taken into account in accordance with this Act or any predecessor thereto plus any accumulated depreciation reserves at the commencement of this Act or any predecessor thereto recognized by the Treasurer for the purposes of this section, and in addition such amount on account of depletion as is deemed by the Treasurer to be fair and reasonable;
- (c) any borrowed money and debts of the corporation, other than dividends declared but unpaid at the commencement of the fiscal year, except the amount of indebtedness represented by income bonds or income debentures, the interest on which is not allowed as a deduction under clause *f* of subsection 1 of section 24 or any provision under a former Act of like character and except the amount of indebtedness represented by a non-interest bearing advance from a corporation to its subsidiary that the Treasurer, in his sole discretion, determines to be in the nature of permanently invested capital;
- (d) any investments the income from which is exempt or would be exempt from the tax imposed by section 4; and
- (e) any moneys, bank deposits, investments or other assets which are unproductive and are not required for the purposes of the business or which were not acquired for the purposes of the business.

Idem

(10) Capital employed in the business,

- (a) shall be increased by a portion of any *bona fide* additions to the assets of the corporation or reduction in the liabilities of the corporation in the fiscal year; and
- (b) shall be decreased by a portion of any *bona fide* reduction in the assets of the corporation or addition to the liabilities of the corporation in the fiscal year,

unless the increase or decrease results from profits or losses of the corporation in the fiscal year.

(11) The increase or decrease required by subsection 10 ^{Idem} is that proportion of the addition or reduction, as the case may be, that the number of days in the fiscal year after the addition or reduction occurs bears to the number of days in the fiscal year.

(12) Capital employed in the business shall be decreased by ^{Idem} the amount of dividends paid in cash during the fiscal year to the extent of one-half of the amount by which the capital, calculated in accordance with subsections 8 and 9, at the commencement of the fiscal year is greater than the capital so calculated at the commencement of the next succeeding fiscal year.

(13) Notwithstanding anything in this section, the com- ^{Idem}putation of capital employed in the business may be revised to disregard the whole or any portion of capital values resulting from a transaction deemed not to have been arranged at arm's length. *New.*

Special Contributions by Corporations to Superannuation Funds

48.—(1) Where a corporation has made a special pay- ^{Corpora-}ment or payments on account of an employees superannuation ^{tion's} or pension fund or plan in respect of the past services of ^{payment to} employees pursuant to a recommendation of a qualified ac- ^{pension plan}tuary in whose opinion the resources of the fund or plan required to be augmented by the amount of one or more special payments to ensure that all the obligations of the fund or plan to the employees may be discharged in full and has made the payment so that it is irrevocably vested in or for the fund or plan and the payment has been approved by the Treasurer, there may be deducted in computing the income for the fiscal year the lesser of,

- (a) one-tenth of the whole amount so recommended to be paid; or
- (b) the amount by which the aggregate of the amount so paid during a period not exceeding ten years ending with the end of the fiscal year exceeds the aggregate of the amounts that were deductible under this section in respect thereof in computing the income of the corporation for the previous fiscal years.

(2) For greater certainty and without restricting the ^{Application}generality of subsection 1, it is hereby declared that subsection 1 is applicable where the resources of a fund or plan required to be augmented by reason of an increase in the superannuation or pension benefits payable out of or under the fund or plan.

*Employees Profit Sharing Plan*Interpre-
tation

49.—(1) In this Act, “employees profit sharing plan” means an arrangement under which payments computed by reference to the profits from the business of a corporation or by reference to the profits from the business of a corporation and the profits, if any, from the business of a person with whom the corporation does not deal at arm’s length are made by the corporation to a trustee in trust for the benefit of officers or employees of the corporation or of a person with whom the corporation does not deal at arm’s length, whether or not payments are also made to the trustee by the officers or employees, and under which the trustee has, since the commencement of the plan or the end of 1949, whichever is later, each year allocated either contingently or absolutely to individual officers or employees,

- (a) all amounts received by him from the corporation or from a person with whom the corporation does not deal at arm’s length; and
- (b) all profits from the trust property, computed without regard to any capital gain made by the trust or capital loss sustained by it at any time since the end of 1955,

in such manner that the aggregate of all such amounts and such profits minus such portion thereof as has been paid to beneficiaries under the trust is allocated either contingently or absolutely to officers or employees who are beneficiaries thereunder.

No tax
while trust
governed
by a plan

(2) No tax is payable under section 4 on the taxable income of the trust for a fiscal year during which the trust was governed by an employees profit sharing plan.

Corpora-
tion’s
contribution
to trust
deductible

(3) An amount paid by a corporation to a trustee under an employees profit sharing plan during a fiscal year or within 120 days thereafter may be deducted in computing the income of the corporation for the fiscal year to the extent that it was not deductible in computing income for a previous fiscal year.

Payment
out of
profits

(4) Where the terms of an arrangement under which a corporation makes payments to a trustee specifically provide that the payments shall be made “out of profits”, such arrangement shall, if the corporation has so elected in the prescribed manner, be deemed for the purpose of subsection 1 to be an arrangement for payments “computed by reference to the profit of the corporation from its business”. *New.*

Supplementary Unemployment Benefit Plan

50.—(1) In this Act, “supplementary unemployment benefit plan” means an arrangement, other than an arrangement in the nature of a superannuation or pension fund or plan or an employees profit sharing plan, under which payments are made by a corporation to a trustee in trust for the payment of periodic amounts to employees or former employees of the corporation who are or may be laid off for any temporary or indefinite period.

(2) No tax is payable under section 4 upon the taxable income of the trust for a period during which the trust was governed by a supplementary unemployment benefit plan.

(3) An amount paid by a corporation to a trustee under a supplementary unemployment benefit plan during a fiscal year or within thirty days thereafter may be deducted in computing the income of the corporation for the fiscal year to the extent that it was not deductible in computing income for a previous fiscal year. *New.*

Undistributed Income

51.—(1) Where funds or property of a corporation have, at a time when the corporation had undistributed income on hand, been distributed or otherwise appropriated in any manner whatsoever to or for the benefit of one or more of its shareholders on the winding-up, discontinuance or reorganization of its business, a dividend shall be deemed to have been received at that time by each shareholder equal to the lesser of,

- (a) the amount or value of the funds or property so distributed or appropriated to him; or
- (b) his portion of the undistributed income then on hand.

(2) Where a corporation has, at a time when it had undistributed income on hand,

- (a) redeemed or acquired any of its common shares or reduced its common stock; or
- (b) converted any of its common shares into shares other than common shares or into some obligation of the corporation,

a dividend shall be deemed to have been received at that time by each of the persons who held any of the shares at that time equal to the lesser of,

- (i) the amount received or the value of that which was received by him for or in respect of the shares or the reduction or conversion, or
- (ii) his portion of the undistributed income then on hand.

Undistrib-
uted income
capitalized

(3) Where the whole or any part of the undistributed income on hand of a corporation has been capitalized, a dividend shall be deemed to have been received by each of the persons who held any of its shares immediately before the capitalization equal to the shareholder's portion of the undistributed income that was capitalized.

Undistrib-
uted income
reduced

(4) Where under this section a dividend has been deemed to have been received, the undistributed income on hand of the corporation paying it shall be deemed to have been reduced by the amount that the shareholders are so deemed to have received.

Stock
dividend

(5) Where a corporation has paid a stock dividend, the corporation shall for the purpose of subsection 3 be deemed to have capitalized immediately before the payment undistributed income on hand equal to the lesser of,

- (a) the undistributed income then on hand; or
- (b) the amount of the stock dividend.

Non-resident
corporation

(6) Except where the corporation is a non-resident corporation more than 50 per cent of the share capital of which having full voting rights under all circumstances belongs to non-residents, this section is applicable in computing the income of the shareholder for the purpose of this Part, whether or not the corporation had a permanent establishment in Canada.

Where
paid-up
capital
increased

(7) Where a corporation has at any time increased its paid-up capital otherwise than by,

- (a) payment of a stock dividend; or
- (b) a transaction that has increased the assets of the corporation by an amount not less than the amount by which its paid-up capital has been increased,

the corporation shall, for the purpose of subsection 3, be deemed to have capitalized at that time undistributed income on hand equal to the lesser of,

- (c) the undistributed income then on hand; or

- (d) the amount by which the paid-up capital of the corporation was so increased, minus the amount if any by which the assets of the corporation have been so increased. *New.*

52.—(1) In this Act,

Undistrib-
uted income
on hand

- (a) “undistributed income on hand” of a corporation at the end of or at any time in a specified fiscal year means the aggregate of the incomes of the corporation for the fiscal years beginning with the fiscal year that ended in 1917 and ending with the specified fiscal year minus the aggregate of the following amounts for each of those years:
- (i) each loss sustained by the corporation for a fiscal year,
 - (ii) each expense incurred or disbursement made by the corporation during one of those years that was not allowed as a deduction in computing income for one of those years under this Part, except,
 - (A) an expense incurred or a disbursement made in respect of the acquisition of property, including goodwill, or the repayment of loans or capital,
 - (B) an outlay or expense the deduction of which was not allowed by reason of subsection 3 of section 24, or
 - (C) unless the undistributed income on hand is being determined for the purpose of subsection 1 of section 51, any part of the payment referred to in section 48 that has not been allowed as a deduction in computing income of one of those years,
 - (iii) the amount by which all capital losses sustained by the corporation in those fiscal years exceeds all capital profits or gains made by the corporation in those fiscal years,
 - (iv) all amounts by which under other provisions of this Act the undistributed income on hand of the corporation has been deemed to have been reduced previous to the specified fiscal year,

R.S.C. 1927,
c. 97

- (v) dividends paid by the corporation in those fiscal years except a dividend that was paid exclusively out of a surplus or accumulated profits on hand before the 1st day of January, 1917, and that was not taxable under the *Income War Tax Act* (Canada) as income of the recipient other than a dividend or any part of a dividend that is established to have been paid out of income for the fiscal year ending in 1917 that was earned before the 1st day of January, 1917, minus the aggregate of amounts if any that were deductible by the shareholders in respect of the dividends under the regulations made under subsection 2 of section 23 or that would have been so deductible if the shareholders had been taxable under section 4 for the fiscal year in which the dividends were received, and
- (vi) premiums determined in the manner provided by subsection 3 paid by the corporation on redemption or acquisition of any of its shares other than common shares.

Share-
holder's
portion

(2) A shareholder's portion of undistributed income on hand of a corporation at any time, or any portion thereof, means the amount that would have been payable to him on the winding-up of the corporation at that time if the subscribed capital had been repaid and what remained to be distributed on the winding-up were an amount equal to the undistributed income on hand at that time, or the portion of it, as the case may be.

Premiums
on
redemption
or
acquisition
of capital
stock

(3) For the purpose of this section, a share has been redeemed or acquired at a premium if the amount payable by the corporation in respect of the redemption or acquisition exceeds,

- (a) the par value of the share, if it had a par value; or
- (b) if the share had no par value, the proportion of the paid-up capital of the corporation, immediately before the redemption or acquisition of the share, with respect to the class of shares to which the share belongs that 1 is of the number of issued shares of the class immediately before the redemption or acquisition of the share,

and the premium is the amount of the excess.

(4) Notwithstanding anything contained in clause *a* of subsection 1, the undistributed income of a life insurance corporation on hand at any time means the amount that is at the credit of its shareholders' account at that time. ^{Life insurance corporation}

(5) For the purpose of subclause *i* of clause *a* of subsection 1, "loss" for a fiscal year means a loss computed by applying *mutatis mutandis* the provisions of this Part respecting the computation of the income of the corporation. ^{Interpretation}

(6) Where clause *a* of subsection 1 is being applied to determine the undistributed income on hand of a corporation at a specified time in a fiscal year after a dividend has been deemed by section 51 to have been received from the corporation in the fiscal year, the undistributed income on hand at the specified time is the undistributed income on hand of the corporation determined in accordance with the terms of said clause *a* minus the amount of the dividends that have been so deemed to have been received from the corporation at a previous time in the fiscal year. ^{Determination}

(7) Where in the case of a corporation referred to in subsection 8 of section 54 as a "predecessor corporation" clause *a* of subsection 1 is being applied to determine the undistributed income of the corporation on hand at any specified time after such time after 1954 as all or substantially all of the property of the corporation described in subsection 8 of section 54 has been acquired as described in that subsection, there shall not be included in the amount or amounts deductible under any subclause of clause *a* of subsection 1 any amount in respect of expenses incurred by the corporation included in the aggregate determined under clause *e* of subsection 8 of section 54. ^{Idem}

(8) For the purpose of subclause *iii* of clause *a* of subsection 1, ^{Interpretation}

(a) where depreciable property of a corporation as defined by subsection 4 of section 32 has been disposed of in 1949 or a subsequent fiscal year, the capital loss arising from the disposition shall be deemed not to be more than the actual capital cost of the property to the corporation minus the capital cost thereof as determined for the purpose of section 32; and

(b) where depreciable property of a corporation as defined by subsection 4 of section 32 has been disposed of in 1949 or a subsequent fiscal year, the capital profit or gain arising from the disposition shall be deemed not to be more than the proceeds

of the disposition as defined in the said subsection 4 minus the capital cost of the property to the corporation as determined for the purpose of section 32.

Idem

(9) Where in the calculation of the undistributed income on hand of a corporation at any time there have been included in,

- (a) computing the amount determined by subclause v of clause *a* of subsection 1; or
- (b) computing the amount by which the undistributed income on hand is deemed to be reduced by virtue of subsection 4 of section 51,

amounts that were not included in computing the income of the shareholders but that would have been so included if it were not for section 40, and the aggregate of those amounts exceeds the aggregate of the incomes of the corporation that were by section 40 deemed to have been distributed to its shareholders, the undistributed income of the corporation on hand at that time shall be deemed to be the amount that it would be if the aggregate of the deductions permitted by subclauses i to vi of clause *a* of subsection 1 were reduced by an amount equal to the excess.

Farming loss

(10) In the computation of a loss for the purpose of subclause i of clause *a* of subsection 1, there shall not be included a loss sustained by a corporation in its farming business for a fiscal year in respect of which the Treasurer has determined under section 25 that the chief source of income of the corporation is neither farming nor a combination of farming and some other source of income except to the extent that the loss has been deducted in computing taxable income for a fiscal year under clause *c* of section 37.

Idem

(11) Where the Treasurer has determined under section 25 that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, no expense or disbursement shall be included in the amount deductible under subclause ii of clause *a* of subsection 1 if the amount thereof is included in the computation of a loss sustained by the corporation for the fiscal year in its farming business.

Mining income

(12) For the purpose of computing the undistributed income on hand of a corporation under clause *a* of subsection 1, the income of the corporation for a fiscal year shall, if subsection 4 of section 53 was applicable in the computation thereof, be deemed to be the amount that it would have been if subsection 4 of section 53 had not been applicable.

(13) Where more than 50 per cent of the issued share capital of a corporation has, between a time when the corporation ceased to carry on active business and a time when it commenced to carry on active business again, been acquired by a person or persons who did not own any of the shares in the corporation at the time when it so ceased to carry on active business, if the corporation had no undistributed income on hand at the latter time, the reference in subsection 1 to "the fiscal year that ended in 1917" shall be deemed to be a reference to the fiscal year in which the corporation so commenced to carry on active business again.

Control
acquired of
inactive
business

(14) A person who has a right under a contract, in equity or otherwise, either immediately or in the future and either absolutely or contingently, to, or to acquire, shares in a corporation shall be deemed for the purpose of subsection 13 to have acquired the shares at the time he acquired the right.

Acquisition
of shares

(15) Where all of the assets and liabilities of an insurance corporation incorporated under or pursuant to the laws of a province, hereinafter in this subsection referred to as the "old corporation", have at a time when the corporation had undistributed income on hand been acquired by an insurance corporation incorporated under or pursuant to an Act of the Parliament of Canada, hereinafter in this subsection referred to as the "new corporation", under an arrangement whereby it is contemplated that the new corporation will carry on the business formerly carried on by the old corporation, and the paid-up capital of the new corporation was not, at the time of the acquisition of such assets and liabilities, less than the paid-up capital of the old corporation at that time,

Insurance
corporations

- (a) the amount of the dividend deemed by section 51 to have been received at that time by each of the persons who held any of the shares of the old corporation at that time shall be deemed to be the amount otherwise so deemed to have been received at that time by each such person minus the amount paid up on the shares of the old corporation so held by him; and
- (b) the undistributed income of the new corporation on hand immediately after that time as determined under clause *a* of subsection 1 shall be deemed to be the amount otherwise determined thereunder plus the amount of the undistributed income of the old corporation on hand immediately before that time.
- New.*

Mining

Interpretation

53.—(1) In this section,

- (a) “minerals” does not include petroleum or natural gas;
- (b) “mining property” means a right to prospect, explore or mine for minerals or a property the principal value of which depends upon its mineral content;
- (c) “prospector” means an individual who prospects or explores for minerals or develops a property for minerals on behalf of himself, on behalf of himself and others, or as an employee.

Amount not included in income

(2) An amount that would otherwise be included in computing the income for a fiscal year of a corporation which has, either under an arrangement with a prospector made before the prospecting, exploration or development work or as employer of the prospector, advanced money for or paid part or all of the expenses of prospecting or exploring for minerals or of developing a property for minerals shall not be included in computing the income of the corporation for the year if it is the consideration for,

- (a) an interest in the mining property acquired under the arrangement under which the corporation made the advance or paid the expenses or, if the prospector was the employee of the corporation, acquired by the corporation through the prospector’s efforts; or
- (b) shares of the capital stock of another corporation received by the corporation in consideration for property described in clause *a* that the corporation disposed of to the corporation issuing the shares.

Non-application

(3) Clause *b* of subsection 2 does not apply,

- (a) in the case of a corporation that disposes of the shares while or after carrying on a campaign to sell the shares of the issuing corporation to the public; or
- (b) to shares acquired by the exercise of an option to purchase shares received as consideration for property described in clause *a* of subsection 2.

Exemption for three years

(4) Subject to the prescribed conditions, there shall not be included in computing the income of a corporation income derived from the operation of a mine during the period of

thirty-six months commencing with the day on which the mine came into production.

(5) In subsection 4,

Interpreta-
tion

- (a) "mine" does not include an oil well, gas well, brine well, sand pit, gravel pit, clay pit, shale pit or stone quarry, other than the deposit of oil shale or bituminous sand; and
- (b) "production" means production in reasonable commercial quantities. *New.*

Exploration, Prospecting and Development Expenses

54.—(1) A corporation the principal business of which is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas may deduct in computing its income under this Part for a fiscal year the lesser of,

Deduction
from income
of
petroleum
or natural
gas
corporations

- (a) the aggregate of such of the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada as were incurred during the calendar years 1949 to 1952, to the extent that they were not deductible in computing income for a previous fiscal year; or
- (b) of that aggregate, an amount equal to the income of the corporation for the fiscal year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this section, minus the deductions allowed for the fiscal year by subsection 8 of this section and by section 38.

(2) A corporation the principal business of which is mining or exploring for minerals may deduct in computing its income under this Part for a fiscal year the lesser of,

Deduction
from income
of mining
corporation

- (a) the aggregate of such of the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada as were incurred during the calendar year 1952, to the extent that they were not deductible in computing income of a previous fiscal year; or

- (b) of that aggregate an amount equal to its income for the fiscal year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this section, minus the deductions allowed for the year by subsection 8 of this section and by section 38,

if the corporation has filed certified statements of such expenses and has satisfied the Treasurer that it has been actively engaged in prospecting and exploring for minerals in Canada by means of qualified persons and has incurred these expenses for such purposes.

Deduction
from income
of
petroleum
or natural
gas
corporation
or a mining
corporation

- (3) A corporation the principal business of which is,
 - (a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas; or
 - (b) mining or exploring for minerals,

may deduct in computing its income under this Part for a fiscal year the lesser of,

- (c) the aggregate of such of,
 - (i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada, and
 - (ii) the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada,

as were incurred after the calendar year 1952 and before the end of the fiscal year, to the extent that they were not deductible in computing income for a previous fiscal year; or

- (d) of that aggregate, an amount equal to its income for the fiscal year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and

- (ii) if no deduction were allowed under this section, minus the deductions allowed for the fiscal year by subsections 1, 2 and 8 of this section and by section 38.

(4) In computing a deduction under subsection 1 or 3, no amount shall be included in respect of a payment for or in respect of a right, licence or privilege to explore for, drill for or take petroleum or natural gas other than an annual payment not exceeding \$1 per acre. Limitation
re payments
for
exploration
and drilling
rights

(5) Notwithstanding subsection 4, where a corporation the principal business of which is of the class described in clause *a* or *b* of subsection 3 has after 1952 paid an amount, other than a rental or royalty, to the government of Canada or of a province for a legal lease of the right to take or remove petroleum or natural gas from a specified parcel of land in Canada, which expression is for greater certainty declared not to include a right of the type commonly referred to as a "Reservation", and the corporation has before a well came into production on that land surrendered all its rights under the lease so acquired without receiving any consideration therefor or repayment of any part of the amount so paid, the amount so paid shall for the purpose of subsection 3 be deemed to have been an expense incurred by the corporation as a drilling or exploration expense on or in respect of exploring or drilling for petroleum or natural gas in Canada during the fiscal year in which its rights were so surrendered. Bonus
payments

(6) For the purpose of this section, it is hereby declared that expenses incurred by a corporation on or in respect of exploring or drilling for petroleum or natural gas in Canada or in searching for minerals in Canada do not and never did include expenses so incurred by that corporation pursuant to an agreement under which it undertook to incur those expenses in consideration for, Expenses
incurred for
specified
considera-
tions not
deductible

- (a) shares of the capital stock of a corporation that owned or controlled the mineral rights;
- (b) an option to purchase shares of the capital stock of a corporation that owned or controlled the mineral rights; or
- (c) a right to purchase shares of the capital stock of a corporation that was to be formed for the purpose of acquiring or controlling the mineral rights.

(7) Notwithstanding subsection 6, a corporation the principal business of which is, Exception

(a) production, refining or marketing of petroleum, petroleum products or natural gas and exploring or drilling for petroleum or natural gas; or

(b) mining or exploring for minerals,

may deduct in computing its income under this Part for a fiscal year the lesser of,

(c) the aggregate of such of,

(i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada, and

(ii) the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada,

as were incurred after the calendar year 1953 and before the end of the fiscal year,

(iii) pursuant to an agreement under which it undertook to incur those expenses for a consideration mentioned in clause *a*, *b* or *c* of subsection 6, and

(iv) to the extent that they were not deductible in computing income for a previous fiscal year; or

(d) of that aggregate, an amount equal to its income for the fiscal year,

(i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and

(ii) if no deduction were allowed under this subsection, minus any deduction allowed for the fiscal year by section 38,

but where a corporation has incurred expenses the deduction of which from income for a fiscal year is authorized by this subsection, no deduction in respect of those expenses may be made under this section in computing the income of any other corporation for that or any other fiscal year.

Property
acquired by
successor
corporation

(8) Notwithstanding subsection 7, where a corporation, hereinafter in this subsection referred to as the "successor corporation", the principal business of which is,

- (a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas; or
- (b) mining or exploring for minerals,

has at any time after 1954 acquired from a corporation, hereinafter in this subsection referred to as the "predecessor corporation", the principal business of which was production, refining or marketing of petroleum, petroleum products or natural gas, exploring or drilling for petroleum or natural gas, or mining or exploring for minerals, all or substantially all of the property of the predecessor corporation used by it in carrying on the business,

- (c) pursuant to the purchase of such property by the successor corporation in consideration of shares of the capital stock of the successor corporation; or
- (d) as a result of the distribution of such property to the successor corporation upon the winding-up of the predecessor corporation subsequently to the purchase of all or substantially all of the shares of the capital stock of the predecessor corporation by the successor corporation in consideration of the shares of the capital stock of the successor corporation,

there may be deducted by the successor corporation in computing its income under this Part for a fiscal year the lesser of,

- (e) the aggregate of,
 - (i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by the predecessor corporation on or in respect of exploring or drilling for petroleum or natural gas in Canada, and
 - (ii) the prospecting, exploration and development expenses incurred by the predecessor corporation in searching for minerals in Canada,

to the extent that such expenses,

- (iii) were not deductible by the successor corporation in computing its income for a previous fiscal year and were not deductible by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the succes-

sor corporation or its income for a previous fiscal year, and

- (iv) would, but for the provisions of clause *b* of subsection 1, clause *b* of subsection 2, clause *d* of subsection 3 and clause *d* of subsection 7 or any of those clauses or this subsection, have been deductible by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the successor corporation; or
- (f) of that aggregate, an amount equal to such part of its income for the year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this section,

minus any deduction allowed for the fiscal year by section 38, as may reasonably be regarded as attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property from which the predecessor corporation had, immediately before the acquisition by the successor corporation of the property so acquired, a right to take or remove petroleum or natural gas or a right to take or remove minerals,

and, in respect of such expenses included in the aggregate determined under clause *e*, no deduction may be made under this section by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the successor corporation or its income for any subsequent fiscal year.

General
limitation

(9) Where a corporation has incurred expenses that may be deducted from income under more than one provision of this section, it is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction.

Expenses
deductible
under
certain
enactments
deemed not
otherwise
deductible
R.S.C. 1952,
c. 148

(10) Where expenses are or have been under this section or corresponding sections of Acts referred to in subsection 12 of section 83A of the *Income Tax Act* (Canada) deductible from or in computing the income of the corporation, or where any amount is or has been deductible in respect of the expenses under any of those provisions from taxes otherwise payable, it is hereby declared that no amount in respect of

the same expenses is or has been deductible under any other authority in computing the income or from the income of that corporation or any other corporation for that fiscal year or any other fiscal year. *New.*

Crown Corporations

55.—(1) Sections 4, 5 and 6 apply to each corporation prescribed in the regulations as though the income from, the paid-up capital invested in, and the permanent establishment occupied by, Application of Act to Crown corporations

- (a) any business carried on by such corporation as agent of Her Majesty; and
- (b) any property of Her Majesty administered by the corporation,

were income, paid-up capital, or a permanent establishment of the corporation, and the exemption provided by subsection 29 of section 4, subsection 8 of section 5 and the specially reduced tax provided by subsection 7 of section 6 does not apply to any such corporation.

(2) Where a corporation prescribed in the regulations has acquired depreciable property before the commencement of the first fiscal year commencing after 1951, for the purpose of section 32 and the regulations made under clause *a* of subsection 1 of section 23, that property shall be deemed to have been acquired at a capital cost equal to the amount that according to the books of the corporation was its value at the commencement of that fiscal year. Idem

(3) For the purpose of computing a deduction under clause *c* of section 37, a corporation prescribed in the regulations shall be deemed not to have had income or a loss for a fiscal year before the first fiscal year commencing after 1951. Previous income and losses

(4) Where land of Her Majesty has been transferred to a corporation prescribed in the regulations for the purpose of disposition, the acquisition of the property by the corporation and any disposition thereof shall be deemed not to have been in the course of the business carried on by the corporation. Interpretation
New.

Railway Companies

56.—(1) Notwithstanding subsection 2 of section 55, where property of the following description, namely, Capital cost of certain property

- (a) railway track or railway track grading; or
- (b) a crossing,

has before 1956 been acquired by a corporation, that property shall for the purposes of section 32 and the regulations made under clause *a* of subsection 1 of section 23 be deemed to have been acquired at a capital cost equal to the amount that according to the books of the corporation was its value at the close of its fiscal year ending in 1955.

Idem

(2) For the purpose of this section, in determining the amount that according to the books of the corporation was the value of any property at the close of its fiscal year ending in 1955, no amount shall be included in respect of property that at that time was leased from any other person.

Repairs,
replace-
ments, etc.

(3) Where any amount in respect of an expenditure incurred by a corporation on or in respect of the repair, replacement, alteration or renovation of depreciable property of the corporation of a class prescribed by the regulations made for the purpose of this section is, under any uniform classification and system of accounts and returns prescribed by the Board of Transport Commissioners for Canada pursuant to the *Railway Act* (Canada), required to be entered in the books of the corporation otherwise than as an expense,

R.S.C. 1952,
c. 234

- (a) no deduction may be made in respect of that expenditure in computing the income of the corporation for a fiscal year; and
- (b) for the purpose of section 32 and the regulations made under clause *a* of subsection 1 of section 23, the corporation shall be deemed to have acquired at the time the expenditure was incurred depreciable property of that class at a capital cost equal to that amount.

Interpre-
tation

(4) In this section, "crossing" means any railway crossing of a highway, or any highway crossing of a railway, and every manner of construction of the railway or of the highway by the elevation or depression of the one above or below the other, or by the diversion of one or the other, and any work ordered or authorized by the Board of Transport Commissioners for Canada to be provided as one work for the protection, safety and convenience of the public in respect of one or more railways of as many tracks crossing or so crossed as the Board of Transport Commissioners for Canada in its discretion determines. *New.*

Special Reserves

57.—(1) In computing the income of a corporation for a ^{Special} fiscal year, _{reserves}

- (a) every amount received in the fiscal year in the course of a business,
- (i) that is on account of services not rendered or goods not delivered before the end of the fiscal year or that for any other reason may be regarded as not having been earned in the fiscal year or a previous fiscal year, or
 - (ii) under an arrangement or understanding that it is repayable in whole or in part on the return or resale to the corporation of articles in or by means of which goods were delivered to a customer,

shall be included;

- (b) every amount receivable in respect of property sold or services rendered in the course of the business in the fiscal year shall be included notwithstanding that the amount is not receivable until a subsequent fiscal year unless the method adopted by the corporation for computing income from the business and accepted for the purpose of this Part does not require the corporation to include any amount receivable in computing its income for a fiscal year unless it has been received in that fiscal year;
- (c) subject to subsection 3, where amounts of a class described in subclause i or ii of clause a have been included in computing the income of a corporation from a business for the fiscal year or a previous fiscal year, there may be deducted a reasonable amount as a reserve in respect of,
- (i) goods that it is reasonably anticipated will have to be delivered after the end of the fiscal year,
 - (ii) services that it is reasonably anticipated will have to be rendered after the end of the fiscal year,
 - (iii) periods for which rent or other amounts for the possession or the use of land or a ship have been paid in advance,
 - (iv) periods for which rent or other amounts for the possession or the use of chattels other than

a ship have been paid in advance, if the payment in respect thereof was made for a period of more than two years, or

(v) repayments under arrangements or understandings of the class described in subclause ii of clause *a* that it is reasonably anticipated will have to be made after the end of the fiscal year on the return or resale to the corporation of articles other than bottles;

(d) where an amount has been included in computing the income of a corporation from its business for the fiscal year or a previous fiscal year in respect of property sold in the course of the business and that amount is not receivable until a day,

(i) more than two years after the day on which the property was sold, and

(ii) after the end of the fiscal year,

there may be deducted a reasonable amount as a reserve in respect of that part of the amount so included in computing the income that can reasonably be regarded as a portion of the profit from the sale; and

(e) there shall be included the amounts deducted under clauses *c* and *d* in computing the income from a business for the immediately preceding fiscal year.

Interpretation

(2) Clauses *a* and *b* of subsection 1 are enacted for greater certainty and shall not be construed as implying that any amount not referred to therein is not to be included in computing the income from a business for a fiscal year whether or not it is received or receivable in the fiscal year.

Special reserves

(3) Where an amount is deductible in computing income for a fiscal year under clause *c* of subsection 1 as a reserve in respect of,

(a) articles of food or drink that it is reasonably anticipated will have to be delivered after the end of the fiscal year; or

(b) transportation that it is reasonably anticipated will have to be provided after the end of the fiscal year,

there shall be substituted for the amount determined thereunder an amount not exceeding the aggregate of the amounts

included in computing the income of the corporation from the business for the fiscal year that were received or receivable, depending upon the method regularly followed by the corporation in computing its profit, in the fiscal year in respect of,

- (c) articles of food or drink not delivered before the end of the fiscal year; or
- (d) transportation not provided before the end of the fiscal year,

as the case may be.

(4) Clause *c* of subsection 1 does not apply to allow a ^{Exception} deduction as a reserve in respect of guarantees, indemnities or warranties.

(5) Clause *c* of subsection 1 does not apply to allow a ^{Policy reserves} deduction as a reserve in respect of insurance, but an insurance corporation, other than a life insurance corporation, may in computing its income from its insurance business for a fiscal year deduct as policy reserves such amounts as have been approved for the purpose of this subsection by the Treasurer.

(6) Clause *c* of subsection 1 does not apply to allow a ^{Unearned commission} deduction to an insurance agent or broker in respect of unearned commissions, but a corporation may in computing its income from a business as an insurance agent or a broker for a fiscal year deduct as a reserve in respect of unearned commissions an amount equal to the proportion of an amount that has been included in computing its income for the fiscal year or a previous fiscal year as a commission in respect of an insurance contract, other than a life insurance contract, that,

- (a) the number of days in that portion of the period provided for in the insurance contract that is after the end of the fiscal year,

is of,

- (b) the whole of that period.

(7) For the purpose of clause *e* of subsection 1, an amount ^{Interpretation} determined under subsection 3 or an amount deducted under subsection 5 or 6 shall be deemed to have been deducted under clause *c* of subsection 1.

Accounts Receivable

58.—(1) Where a person who has been carrying on a ^{Sale of accounts receivable} business has in a fiscal year sold all or substantially all the

property used in carrying on the business, including the debts that had been or will be included in computing his income for that fiscal year or a previous fiscal year and that are still outstanding, to a purchaser who proposes to continue the business which the vendor has been carrying on, if the vendor and the purchaser have executed jointly an election in the prescribed form to have this section apply, the following rules are applicable:

- (a) there may be deducted in computing the income of the vendor for the fiscal year an amount equal to the difference between the face value of the debts so sold, other than debts in respect of which the vendor has made deductions under clause *h* of subsection 1 of section 23 and the consideration paid by the purchaser to the vendor for the debts so sold;
- (b) an amount equal to the difference described in clause *a* shall be included in computing the income of the purchaser for the fiscal year;
- (c) the debts so sold shall be deemed for the purpose of clauses *g* and *h* of subsection 1 of section 23 to have been included in computing the income of the purchaser for the fiscal year or a previous fiscal year, but no deduction may be made by the purchaser under clause *h* of subsection 1 of section 23 in respect of a debt in respect of which the vendor has previously made a deduction; and
- (d) each amount deducted by the vendor in computing income for a previous fiscal year under clause *h* of subsection 1 of section 23 in respect of any of the debts so sold shall be deemed for the purpose of clause *f* of section 18 to have been so deducted by the purchaser.

Statement
by vendor
and
purchaser

(2) An election executed for the purpose of subsection 1 shall contain a statement by the vendor and the purchaser jointly as to the consideration paid for the debts sold by the vendor to the purchaser and that statement is, as against the Treasurer, binding upon the vendor and the purchaser in so far as it may be relevant in respect of any matter arising under this Act. *New.*

Sale of Inventory

Sale of
inventory

59.—(1) Where upon or after disposing of or ceasing to carry on a business or a part of a business a corporation has sold all or any part of the property that was included in the inventory of the business, the property so sold shall for the

purposes of this Part be deemed to have been sold by the corporation,

- (a) during the last fiscal year in which the corporation carried on the business or part of the business; and
- (b) in the course of carrying on the business.

(2) Where a person who has been carrying on a business has sold all or part of the property that was included in the inventory of the business, whether or not he has disposed of or ceased to carry on that business or a part of that business, to a person who has used all or part of the property so sold as inventory of a business carried on or to be carried on by the purchaser, and the amount of the consideration paid by the purchaser is, in part, consideration for the property so sold and, in part, consideration for something else, the following rules are applicable:

- (a) such part of the consideration as the vendor and the purchaser have in writing agreed to be the price paid for the property so sold shall be deemed, both for the purpose of computing income from the business of the vendor and for the purpose of computing income from the business of the purchaser, to be the price so paid; and
- (b) where an agreement as contemplated by clause *a* has not been filed with the Treasurer within sixty days after notice in writing by the Treasurer has been forwarded to the vendor and the purchaser that such an agreement is required for the purpose of any assessment of tax under this Act, such part of the consideration paid as is fixed by the Treasurer shall be deemed to be the price agreed upon by them as the price paid for the properties so sold.

(3) A reference in this section to property that was included in the inventory of a business shall be deemed to include a reference to property that would have been so included if the income from the business had not been computed in accordance with the method authorized by subsection 1 of section 60.

(4) Where an amount is included in computing the income of a corporation for a fiscal year by virtue of this section, the corporation may elect to pay as tax for the fiscal year under section 4, in lieu of the amount that would otherwise be payable, an amount equal to the aggregate of,

- (a) the tax that would be payable by the corporation for the fiscal year under section 4 if no amount were

included in computing its income for the fiscal year by virtue of this section; and

- (b) the aggregate of the amounts by which the tax payable under section 4 would have been increased if one-third of the amount so included by virtue of this section had been included in computing the income of the corporation for each of the three fiscal years ending with the last fiscal year in which it carried on the business or the part of the business referred to in subsection 1,

and in any such case the election is not valid unless the corporation was during each of those three years carrying on that business. *New.*

*Special Method of Computing Income:
Sale of Accounts Receivable*

Special
method of
computing
income

60.—(1) For the purpose of computing the income of a corporation for a fiscal year from the business of farming, the income from the business for that fiscal year may, if the corporation so elects, be computed in accordance with a method hereinafter in this section referred to as the “cash” method, whereby the income therefrom for that fiscal year shall be deemed to be an amount equal to,

- (a) the aggregate of all amounts that,
- (i) were received in the fiscal year, or are deemed by this Act to have been received in that fiscal year, in the course of carrying on the business, and
 - (ii) were in payment of or on account of an amount that would, if the income from the business were not computed in accordance with the cash method, be included in computing income therefrom for that or any other fiscal year,

minus,

- (b) the aggregate of all amounts that
- (i) were paid in the fiscal year, or are deemed by this Act to have been paid in the fiscal year, in the course of carrying on the business, and
 - (ii) were in payment of or on account of an amount that would, if the income from the business

were not computed in accordance with the cash method, be deductible in computing income therefrom for that or any other fiscal year,

and minus any deduction for the fiscal year permitted by clause *a* of subsection 1 of section 23.

(2) Subsection 1 does not apply for the purpose of computing the income of a corporation for a fiscal year from a business carried on by it jointly with one or more other persons, unless each of the other persons by whom the business is jointly carried on has elected to have his income from the business for that fiscal year computed in accordance with the method authorized by subsection 1 of section 85F of the *Income Tax Act* (Canada). Exception
R.S.C. 1952,
c. 148

(3) Where a corporation has filed a return under this Act for a fiscal year wherein its income for that fiscal year from the business of farming has been computed in accordance with the method authorized by subsection 1, income from the business for a subsequent fiscal year shall subject to other provisions of this Part be computed in accordance with that method unless the corporation, with the concurrence of the Treasurer and upon such terms and conditions as are specified by the Treasurer, adopts some other method. Concurrence
of the
Treasurer

(4) There shall be included in computing the income of a corporation for a fiscal year such part of an amount received by it in the fiscal year, upon or after disposing of or ceasing to carry on a business or part of a business, for, on account or in lieu of payment of, or in satisfaction of debts owing to the corporation that arose in the course of carrying on the business as would have been included in computing the income of the corporation for the fiscal year had the amount so received been received by it in the course of carrying on the business. Accounts
receivable

(5) Subsection 4 of section 59 applies *mutatis mutandis* where any amount is included in computing the income of a corporation for a fiscal year by virtue of subsection 4. *New.* Election

Mortgage Reserves

61. In computing the income for a fiscal year of a corporation the business of which includes the lending of money on the security of a mortgage, hypothec or agreement of sale of real property, Special
mortgage
reserves

- (a) there may be deducted as a reserve, in lieu of any deduction under clause *g* of subsection 1 of section 23, the lesser of,

(i) 3 per cent of the aggregate of,

- (A) each amount outstanding at the end of the fiscal year as or on account of the principal amount of loans made by the corporation on the security of a mortgage, hypothec or agreement of sale of real property,
- (B) each amount due and unpaid at the end of the fiscal year or on account of interest payable to the corporation under a mortgage, hypothec or agreement of sale of real property, and
- (C) each amount that has been taken into account in computing the income of the corporation for the fiscal year as or on account of the value of real property of the corporation that was included in the inventory of the corporation at the end of the fiscal year and that was acquired by foreclosure or otherwise after default made under a mortgage, hypothec, agreement of sale of real property, otherwise than as or on account of the value of real property in respect of which any amount for the fiscal year has been included under paragraph A or B,

or

- (ii) the amount if any deducted under this clause as a reserve in computing the income of the corporation for the immediately preceding fiscal year, plus one-twelfth of the amount determined under subclause i,

but no deduction may be made under this clause as a reserve in respect of loans made on the security of a mortgage or hypothec under the *National Housing Act, 1954* (Canada) or any of the Housing Acts as defined in clause *e* of section 2 of the *Central Mortgage and Housing Corporation Act* (Canada); and

- (b) there shall be included the amount deducted under clause *a* as a reserve in computing the income of the corporation for the immediately preceding fiscal year. *New.*

1953-4,
c. 73 (Can.)

R.S.C. 1952,
c. 46

PART IV

COMPUTATION OF PAID-UP CAPITAL

DIVISION A—TAXABLE PAID-UP CAPITAL

62. The taxable paid-up capital of a corporation shall be measured as at the close of the fiscal year for which the tax imposed by section 5 is levied and is its paid-up capital minus the deductions permitted by Division C.

DIVISION B—COMPUTATION OF PAID-UP CAPITAL

63. The paid-up capital of a corporation for a fiscal year is its paid-up capital as it stood at the close of the fiscal year and includes the paid-up capital stock of the corporation, its earned, capital and any other surplus, all its reserves, whether created from income or otherwise, except any reserve the creation of which is allowed as a charge against income under Part III, all sums or credits advanced or loaned to the corporation by any other corporation whether assumed or undertaken by it, represented by bonds, bond mortgages, debentures, income bonds, income debentures, mortgages, lien notes and any other securities to which the property of the corporation or any of it is subject. R.S.O. 1950, c. 72, s. 10^{1/2}(2), *amended*.

DIVISION C—COMPUTATION OF TAXABLE
PAID-UP CAPITAL

64.—(1) For the purpose of computing the taxable paid-up capital of a corporation for a fiscal year, there may be deducted from its paid-up capital as at the close of the fiscal year such of the following amounts as are applicable:

- (a) the amount of the goodwill or other intangible thing included as an asset to the extent that such goodwill or other intangible thing in the opinion of the Treasurer has no value, but this deduction applies to no more than 50 per cent of the book value of such goodwill or other intangible thing;
- (b) the amount of the discount allowed on the sale of the shares of a corporation incorporated under Part IV of *The Corporations Act, 1953*;
- (c) the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a* and *b*, which the cost of the investments made by the corporation in the shares and bonds of other corporations, in loans

and advances to other corporations and in the bonds, debentures and other securities of any government, municipal or school corporation bears to the total assets of the corporation remaining after the deductions of the amounts provided by clauses *a* and *b*, but cash on deposit with any corporation doing the business of a savings bank and amounts due by a corporation with its head office outside Canada to a subsidiary controlled corporation or a subsidiary wholly-owned corporation taxable under section 5 shall be deemed not to be loans and advances to other corporations;

Capital
held in
mining

(*d*) in the case of a corporation engaged in mining, the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a*, *b* and *c* which the total of,

(i) the amount held or used in the survey for exploration and development of minerals,

(ii) the amount invested in the mine as defined by *The Mining Tax Act*,

(iii) the amount invested in the plant and works necessary to and forming part of such mine, and

(iv) the amount invested in the plant and works necessary for the refinement of the ore taken from the mine,

R.S.O. 1950,
c. 237

bears to the total assets remaining after the deduction of the amounts provided by clauses *a*, *b* and *c*. R.S.O. 1950, c. 72, s. 10 (4), *amended*.

Interpre-
tation

(2) For the purpose of this Part, "total assets" includes any amount,

(*a*) by which any asset of a corporation is carried in its books of account or on its balance sheet in excess of the cost thereof;

(*b*) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is not deductible under Part III,

and excludes any amount,

- (c) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is deductible under Part III. *New.*

65.—(1) Unless otherwise provided in this Act, any tax imposed by this Act shall be determined on the amount of the paid-up capital stock, mileage or other subject in respect of which the amount of the tax is to be ascertained as such stock, mileage or other subject stood at the close of the fiscal year of the corporation for which the tax is imposed. ^{How tax to be determined}

(2) Any tax imposed by this Act that is to be calculated in respect of, ^{Idem}

- (a) the taxable income of a corporation;
- (b) the numbers of places of business of a corporation; or
- (c) the gross premiums that become payable to insurance corporations,

shall be calculated with reference to the taxable income earned, the maximum number of places of business open, the gross premiums that become payable, as the case may be, during the fiscal year of the corporation for which the respective tax is imposed. R.S.O. 1950, c. 72, s. 16, *amended.*

PART V

RETURNS, PAYMENTS, ASSESSMENTS AND APPEALS

DIVISION A—RETURNS

66.—(1) Every corporation on which a tax is imposed by this Act shall, on or before the last day of the month that ends six months following the close of its fiscal year, without notice or demand, and every corporation on which a tax is or is not imposed by this Act shall, upon receipt of a notice or demand in writing from the Treasurer or from any officer of the Treasury Department authorized by the Treasurer to make such demand, deliver to the Treasurer such return as is required for the purpose of carrying out the provisions of this Act. ^{Annual return}

(2) The return shall contain an estimate of the respective taxes payable and shall be verified by a certificate certifying that the financial statements included in the return or attached thereto are in agreement with the books of the corporation, and such certificate shall be signed by the president or some other officer having personal knowledge of the affairs of the ^{Verification of returns}

corporation and, in the case of an extra-provincial corporation, by the manager or chief agent of the corporation in Ontario or by such other person or persons connected with the corporation as the Treasurer may require. R.S.O. 1950, c. 72, c. 17, *amended*.

Penalty
for default

67.—(1) Every corporation that fails to deliver a return as and when required by subsection 1 of section 66 shall pay a penalty of,

- (a) an amount equal to 5 per cent of the tax that was unpaid when the return was required to be delivered, if the tax payable by the corporation for the fiscal year that was unpaid at that time was less than \$10,000; and
- (b) \$500, if at the time the return was required to be delivered tax payable by the corporation equal to \$10,000 or more was unpaid.

Failure to
complete
return

(2) Every corporation that fails to complete the information required on the return to be delivered under subsection 1 of section 66 is liable to a penalty of 1 per cent of the taxes payable by it under this Act, but such penalty shall not in any case be less than \$20 or more than \$100.

False
statements

(3) Every person who has,

- (a) made, or participated in, assented to or acquiesced in the making of, false or deceptive statements in a return, certificate, statement or answer delivered or made as required by or under this Act or the regulations;
- (b) to evade payment of a tax imposed by this Act, destroyed, altered, mutilated, secreted or otherwise disposed of the records or books of account of a corporation;
- (c) made, or assented to or acquiesced in the making of, false or deceptive entries, or omitted, or assented to or acquiesced in the omission, to enter a material particular, in records or books of account of a corporation;
- (d) wilfully in any manner evaded or attempted to evade compliance with this Act or payment of taxes imposed by this Act; or
- (e) conspired with any person to commit an offence described by clauses *a* to *d*,

is guilty of an offence and, in addition to any penalty otherwise provided by this Act, is liable on summary conviction to a fine of not less than \$25 and not more than \$10,000 plus, in an appropriate case, an amount of not more than double the amount of the tax that should have been shown to be payable or that was sought to be evaded, or to imprisonment for a term of not more than two years, or to both fine and imprisonment. R.S.O. 1950, c. 72, s. 18, *amended*.

68. The Treasurer may enlarge the time for making any return before or after the time for making it. R.S.O. 1950, c. 72, s. 19. Extended time for making returns

DIVISION B—PAYMENTS

69.—(1) The taxes imposed by this Act shall be deemed to accrue proportionately as the days of each fiscal year for which such taxes are imposed pass. Taxes, when to accrue

(2) Every corporation on which a tax is imposed by this Act shall pay the tax, as estimated by the corporation on its taxable income or other subject for the last preceding fiscal year or for the fiscal year in respect of which the tax is payable, at the rates applicable for the last-mentioned fiscal year, in four equal instalments, Dates of payment

(a) on or before the fifteenth day of the fifth, eighth and eleventh months of the fiscal year in respect of which the tax is payable; and

(b) on or before the fifteenth day of the second month of the fiscal year following that in respect of which the tax is payable.

(3) Notwithstanding subsection 2 and subject to subsection 4 of section 70, where for the purposes of this section any corporation estimates the amount of tax payable for a fiscal year to be less than \$81, the corporation may, instead of paying the instalments required by subsection 2, pay such tax on or before the fifteenth day of the second month of the fiscal year following that in respect of which the tax is payable. Special cases

(4) Every corporation shall pay the amount if any by which any tax payable as estimated by the corporation to be payable in the return required to be delivered by subsection 1 of section 66 exceeds the amounts paid under subsection 2 or 3, as the case may be, at the time of making such return. R.S.O. 1950, c. 72, s. 20 (1, 2), *amended*. Balance of tax, when payable

70.—(1) Where the amount paid on account of tax payable by a corporation for a fiscal year before the expiration of the time allowed for delivering of the return of the corporation Interest on unpaid tax

under section 66 is less than the amount of tax payable for the fiscal year, the corporation liable to pay the tax shall pay interest on the difference between those two amounts from the expiration of the time for delivering the return to the date of payment at the rate of 6 per cent per annum.

Idem

(2) Where a corporation is required by subsection 2 of section 69 to pay a part or instalment of tax and it has failed to pay all or any part thereof as required, the corporation, in addition to the interest payable under subsection 1, shall pay interest on the amount it failed to pay at 6 per cent per annum from the day on or before which it was required to make the payment to the day of payment or the beginning of the period in respect of which it becomes liable to pay interest thereon under subsection 1, whichever is earlier. R.S.O. 1950, c. 72, s. 20 (3, 4), *amended*.

Special cases

(3) In addition to the interest payable under subsection 1, where a corporation paid tax for a fiscal year under subsection 3 of section 69 and the tax payable for the fiscal year is \$81 or more, it shall forthwith after assessment pay an amount equal to 3 per cent of the tax payable by the corporation for the fiscal year. *New*.

Interest on unpaid tax

(4) The interest payable under subsection 2 and the penalty interest payable under subsection 6 shall be computed by reference to the tax payable by a corporation for,

(a) the last preceding fiscal year; or

(b) the fiscal year in respect of which the tax is payable,

whichever is less, and where a corporation has paid tax for a fiscal year under subsection 3 of section 69 and where the tax payable by the corporation,

(c) for the last preceding fiscal year; and

(d) for the fiscal year in respect of which the tax is payable,

are both \$81 or more, the corporation shall be deemed to have been in default of payment of tax as required by subsection 2 of section 69 and shall pay interest and penalty interest in respect thereof as required by subsections 2 and 6 and in such case subsection 3 does not apply. R.S.O. 1950, c. 72, s. 20 (5), *amended*.

Effect of carry-back of loss

(5) Where a corporation is entitled to deduct under section 37 in computing its taxable income for a taxation year an

amount in respect of a loss sustained in the fiscal year immediately following the taxation year, hereinafter in this subsection referred to as "the loss year", for the purpose of computing interest and penalty interest under this section on tax or a part or instalment of tax for the taxation year for any portion of the period in respect of which the interest is payable on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct any amount under section 37 in respect of that loss.

(6) In addition to the interest payable under subsections 1 and 2, every corporation required by section 69 to pay a part or instalment or the whole of the tax for a fiscal year on or before the day on or before which a return under subsection 1 of section 66 is required to be delivered for that fiscal year shall pay penalty interest on any part or instalment or the whole of such tax that remains unpaid more than one month after the day such part or instalment or such whole was required to be paid by section 69 as the rate of one-half of 1 per cent per month or part thereof calculated with respect to each part or instalment or the whole of such tax, as the case may be, from one month following the date on or before which each part or instalment or the whole of such tax, as the case may be, is required to be paid by section 69 until the date of payment. *New.*

DIVISION C—ASSESSMENTS

71.—(1) The Treasurer shall with all due despatch examine each return delivered under section 66 and assess the tax for the fiscal year and the interest and penalties if any payable. R.S.O. 1950, c. 72, s. 21 (1), *amended*.

(2) After examination of a return, the Treasurer shall send by registered mail a notice of assessment to the corporation which delivered the return. R.S.O. 1950, c. 72, s. 21 (10), *part, amended*.

(3) Liability for tax imposed by this Act is not affected by an incorrect or incomplete assessment or by the fact that no assessment has been made.

(4) The Treasurer may at any time assess tax, interest or penalties and may at any time re-assess or make additional assessments. R.S.O. 1950, c. 72, s. 21 (12), *amended*.

(5) Where a corporation has delivered the return required by section 66 for a fiscal year and, within one year from the day on or before it was required by section 66 to deliver a

return for that fiscal year, has filed an amended return for the fiscal year claiming a deduction from income under clause *c* of section 37 in respect of a business loss sustained in the fiscal year immediately following that fiscal year, the Treasurer shall re-assess the tax payable by the corporation for that fiscal year. *New.*

Treasurer
not bound
by returns

(6) The Treasurer is not bound by a return or information delivered by or on behalf of a corporation and may, notwithstanding a return or information so delivered or if no return or information has been delivered, assess the tax payable under this Act. R.S.O. 1950, c. 72, s. 21 (9), *amended.*

Assessment
valid and
binding

(7) An assessment, subject to being varied or vacated on an objection or appeal and subject to a re-assessment, shall be deemed to be valid and binding notwithstanding any error, defect or omission therein or in any proceeding under this Act relating thereto. R.S.O. 1950, c. 72, s. 33, *amended.*

Payment
of
assessment

72. Every corporation shall within thirty days from the day of mailing of the notice of assessment pay any part of the assessed tax, interest and penalties then remaining unpaid, whether or not an objection to or appeal from the assessment is outstanding. R.S.O. 1950, c. 72, s. 21 (10), *part, amended.*

DIVISION D—REFUNDS OF OVERPAYMENTS

Refunds

73.—(1) If the return required to be delivered by a corporation under section 66 for a fiscal year has been delivered within two years from the end of that fiscal year, the Treasurer,

(a) may, upon mailing the notice of assessment for the fiscal year, refund without application therefor any overpayment made on account of the tax payable for the fiscal year; and

(b) shall make such a refund after mailing the notice of assessment if application therefor has been made in writing by the corporation within two years from the day on which the overpayment was made or the day on which the notice of assessment was mailed. R.S.O. 1950, c. 72, s. 21 (11), *part, amended.*

Application
to other
taxes

(2) Instead of making a refund that might otherwise be made under this section, the Treasurer may, where the corporation is liable or about to become liable to make another payment under this Act, apply the amount of the overpayment to that other liability and notify the corporation of such action. *New.*

(3) Where an amount in respect of an overpayment is refunded or applied under this section on other liability, interest at the rate of 3 per cent per annum shall be paid or applied thereon for the period commencing with the latest of,

- (a) the day on which the overpayment arose;
- (b) the day on or before which the return of the corporation in respect of which the overpayment arose was required by section 66 to be delivered; or
- (c) the day on which the return of the corporation in respect of which the overpayment arose was delivered,

and ending with the day of refunding or application aforesaid, unless the amount of the interest so calculated is less than \$1, in which event no interest shall be paid or applied under this subsection. R.S.O. 1950, c. 72, s. 21 (11), *part, amended*.

(4) Where by a decision of the Treasurer under section 74 or by a decision of a court it is finally determined that the tax payable under this Act by a corporation for a fiscal year is less than the amount assessed by the assessment under section 71 to which objection was made or from which the appeal was taken and the decision makes it appear that there has been an overpayment for the fiscal year, the interest payable under subsection 3 on that overpayment shall be computed at 6 per cent instead of at 3 per cent.

(5) For the purpose of this section, "overpayment" means the aggregate of all amounts paid on account of tax payable for a fiscal year minus all amounts payable under this Act or an amount so paid where no amount is so payable.

(6) Where a corporation is entitled to deduct under section 37 in computing its taxable income for a taxation year an amount in respect of a loss sustained in the fiscal year immediately following the taxation year, hereinafter in this subsection referred to as "the loss year", and the amount of the tax payable for the taxation year is relevant in determining an overpayment for the purpose of computing interest under subsection 3 for any portion of a period ending on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct any amount under section 37 in respect of that loss. *New*.

DIVISION E—OBJECTIONS TO ASSESSMENT

74.—(1) A corporation that objects to an assessment under this Act may within sixty days from the day of mailing of

the notice of assessment serve on the Treasurer a notice of objection in duplicate in the prescribed form setting out the reasons for the objection and all relevant facts.

Service

(2) A notice of objection under this section shall be served by being sent by registered mail to the Comptroller.

Recon-
sideration

(3) Upon receipt of the notice of objection, the Treasurer shall with all due despatch reconsider the assessment and vacate, confirm or vary the assessment or re-assess and he shall thereupon notify the corporation of his action by registered letter. *New.*

DIVISION F—APPEALS

Appeal

75.—(1) Where a corporation has served notice of objection to an assessment under section 74, the corporation may appeal to the Supreme Court to have the assessment vacated or varied after the Treasurer has confirmed or re-assessed, but no appeal under this section may be instituted after the expiration of ninety days from the day notice has been mailed to the corporation under section 74 that the Treasurer has confirmed the assessment or re-assessed. R.S.O. 1950, c. 72, s. 24, *amended.*

Appeals,
how
instituted

(2) An appeal to the Supreme Court shall be instituted by serving on the Treasurer a notice of appeal in duplicate in the prescribed form and by filing a copy thereof with the Registrar of the Supreme Court or the local registrar of the Supreme Court for the county or district in which the corporation appealing has its head office or other permanent establishment.

Notice of
appeal

(3) A notice of appeal shall be served upon the Treasurer by being sent by registered mail to the Comptroller.

Statement
of
allegations

(4) The corporation appealing shall set out in the notice of appeal a statement of the allegations of fact, the statutory provisions and reasons which it intends to submit in supporting its appeal. *New.*

Security
for
costs

(5) An appeal by a corporation and all proceedings thereunder are, upon the expiration of sixty days from the day the appeal is instituted, null and void unless security for the costs of the appeal has been, within the said period, paid into court in the sum of \$400 or such other sum as the Treasurer may require and, upon an appeal becoming null and void by virtue of this subsection, no other appeal or proceedings shall be instituted in respect of the same decision.

Idem

(6) When security has been given under subsection 5, notice thereof shall be served on the Treasurer specifying

the fact and the purpose of the payment. R.S.O. 1950, c. 72, s. 25, *amended*.

76.—(1) The Treasurer shall with all due despatch serve ^{Reply to} on the corporation appealing and file in the court a reply ^{notice of} to the notice of appeal admitting or denying the facts alleged and containing a statement of such further allegations of fact and of such statutory provisions and reasons as the Treasurer intends to rely on. ^{appeal}

(2) The court or a judge may in its or his discretion strike ^{Amendment} out a notice of appeal or any part thereof for failure to comply ^{of notice} with subsection 4 of section 75 and may permit an amendment ^{of appeal} to be made to a notice of appeal or a new notice of appeal to be substituted for the one struck out.

(3) The court or a judge may in its or his discretion, ^{Amendment} to reply

(a) strike out any part of a reply for failure to comply with subsection 1 or permit the amendment of a reply; or

(b) strike out a reply for failure to comply with this section and order a new reply to be filed within a time to be fixed by the order.

(4) Where a notice of appeal is struck out for failure to ^{Failure} comply with subsection 4 of section 75 and a new notice of ^{to} appeal is not filed as and when permitted by the court or a judge, the court or a judge thereof may, in its or his discretion, dispose of the appeal by dismissing it. ^{comply}

(5) Where a reply is not filed as required by this section ^{Idem} or is struck out under this section and a new reply is not filed as ordered by the court or a judge within the time ordered, the court may dispose of the appeal *ex parte* or after a hearing on the basis that the allegations of fact contained in the notice of appeal are true. *New*.

77.—(1) Upon the filing of the material referred to with ^{Matter} the Registrar of the Supreme Court or the local registrar of ^{deemed} the Supreme Court for the county or district in which the corporation appealing has its head office or permanent establishment of the material referred to in sections 75 and 76, the matter shall be deemed to be an action in the court and, unless the court otherwise orders, ready for hearing. ^{action}

(2) Any fact or statutory provision not set out in the notice ^{Facts not} of appeal or reply may be pleaded or referred to in such ^{set out} manner and upon such terms as the court may direct. ^{may be} ^{pleaded}

Disposal
of appeal

- (3) The court may dispose of the appeal by,
- (a) dismissing it;
 - (b) allowing it; or
 - (c) allowing it, and
 - (i) vacating the assessment,
 - (ii) varying the assessment,
 - (iii) restoring the assessment, or
 - (iv) referring the assessment back to the Treasurer for reconsideration and re-assessment.

Court may
order
payment of
tax, etc.

- (4) The Court may in delivering judgment disposing of an appeal order payment or refund of tax, interest, penalties or costs by the taxpayer or the Treasurer, as the case may be. *New.*

Proceedings
in camera

- 78.** Proceedings under this Division shall be held in camera upon request made to the court by the corporation appealing or by the Treasurer. R.S.O. 1950, c. 72, s. 32, *amended.*

Supreme
Court
practice
to govern

- 79.** The practice and procedure of the Supreme Court, including the right of appeal and the practice and procedure relating to appeals, apply to every matter deemed to be an action under section 77 and every judgment and order given or made in every such action may be enforced in the same manner and by the like process as a judgment or order given or made in an action commenced in the court. R.S.O. 1950, c. 72, s. 27 (3), *amended.*

Irregularities

- 80.** An assessment shall not be vacated or varied on appeal by reason only of any irregularity, informality, omission or error on the part of any person in the observation of any directory provision of this Act. R.S.O. 1950, c. 72, s. 31, *amended.*

PART VI

ADMINISTRATION AND ENFORCEMENT

Investi-
gations

- 81.**—(1) Any person thereunto authorized by the Treasurer for any purpose related to the administration or enforcement of this Act may at all reasonable times enter into any premises or place where any business is carried on or any property is kept or anything is done in connection with any business or any books or records are or should be kept pursuant to this Act, and,

- (a) audit or examine the books and records and any account, voucher, letter, telegram or other document which relates or may relate to the information that is or should be in the books or records or the amount of tax payable under this Act;
- (b) examine property described by an inventory or any property, process or matter an examination of which may, in his opinion, assist him in determining the accuracy of an inventory or in ascertaining the information that is or should be in the books or records or the amount of any tax payable under this Act;
- (c) require the president, manager, secretary or any director, agent or representative of the corporation liable to pay or considered possibly liable to pay tax under this Act and any other person on the premises of such corporation to give him all reasonable assistance with his audit or examination and to answer all questions relating to the audit or examination either orally or, if he so requires, in writing, on oath or by statutory declaration and, for that purpose, require such person to attend at the premises or place with him; and
- (d) if during the course of an audit or examination it appears to him that there has been a violation of this Act or the regulations, seize and take away any of the records, books, accounts, vouchers, letters, telegrams and other documents and retain them until they are produced in any court proceedings. *New.*

(2) The Treasurer may, for any purpose relating to the *Idem* administration or enforcement of this Act, by registered letter or by a demand served personally, require from any corporation or from the president, manager, secretary, or any director, agent or representative thereof,

- (a) any information or additional information or a return as required by section 66 or a supplementary return; or
- (b) production, or production on oath, of any books, letters, accounts, invoices, statements, financial or otherwise, or other documents,

within such reasonable time as may be stipulated therein.

(3) The Treasurer may, for any purpose related to the *Idem* administration or enforcement of this Act, by registered

letter or by a demand served personally, require from any person, partnership, syndicate, trust or corporation holding or paying or liable to pay any portion of the income of the corporation, or from any partner, agent or official of any such person, partnership, syndicate, trust or corporation, production, or production on oath, of any books, letters, accounts, invoices, statements, financial or otherwise, or other documents, within such reasonable time as may be stipulated therein. R.S.O. 1950, c. 72, s. 21 (2, 3), *amended*.

Idem

(4) The Treasurer may, for any purpose related to the administration or enforcement of this Act, with the approval of a judge of the Supreme Court, which approval the judge is hereby empowered to give upon *ex parte* application, authorize in writing any officer of the Office of the Comptroller of Revenue, together with such members of the provincial police or other peace officers as he calls on to assist him and such other persons as may be named therein, to enter and search, if necessary by force, any building, receptacle or place for documents, books, records, papers or things which may afford evidence as to the violation of any provision of this Act or the regulations and to seize and take away any such documents, books, records, papers or things and retain them until they are produced in any court proceedings.

Inquiry

(5) The Treasurer may, for any purpose related to the administration or enforcement of this Act, authorize any person, whether or not he is an officer of the Office of Comptroller of Revenue, to make such inquiry as he may deem necessary with reference to anything relating to the administration or enforcement of this Act.

Copies

(6) Where any book, record or other document has been seized, examined or produced under this section, the person by whom it is seized or examined or to whom it is produced or any officer of the Office of Comptroller of Revenue may make, or cause to be made, one or more copies thereof and a document purporting to be certified by the Treasurer or a person thereunto authorized by the Treasurer to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have if it had been proven in the ordinary way.

Compliance

(7) No person shall hinder or molest or interfere with any person doing anything that he is authorized by this section to do or prevent or attempt to prevent any person doing any such thing and, notwithstanding any other law to the contrary, every person shall, unless he is unable to do so, do everything he is required by this section to do. *New*.

(8) Declarations or affidavits in connection with returns <sup>Adminis-
tration
of oaths</sup> delivered under this Act or statements of information submitted pursuant to this section may be taken before any person having authority to administer an oath, or before any person specially authorized for that purpose by the Lieutenant-Governor in Council, but any person so specially authorized shall not charge any fee therefor. R.S.O. 1950, c. 72, s. 44, *amended*.

(9) For the purpose of an inquiry authorized under sub-<sup>Powers
of inquiry</sup> section 5, the person authorized to make the inquiry has all the powers and authority that may be conferred upon a commissioner appointed under *The Public Inquiries Act*. <sup>R.S.O. 1950,
c. 308</sup> R.S.O. 1950, c. 72, s. 21 (8), *amended*.

82.—(1) Every corporation that is required by this Act <sup>Books and
records.</sup> to pay taxes shall keep records and books of account, including an annual inventory kept in the prescribed manner, at its permanent establishment in Ontario or at such other place as may be designated by the Treasurer, in such form and containing such information as will enable the taxes payable under this Act to be determined.

(2) Where a corporation has failed to keep adequate ^{Idem} records and books of account for the purpose of this Act, the Treasurer may require the corporation to keep such records and books of account as he may specify and the corporation shall thereafter keep records and books of account as so required.

(3) Every corporation required by this section to keep ^{Idem} records and books of account shall, until written permission for their disposal is obtained from the Treasurer, retain every such record or book of account and every account or voucher necessary to verify the information in any such records or books of account. R.S.O. 1950, c. 72, s. 21 (5), *amended*.

83.—(1) Every corporation that has failed to deliver a ^{Offences} return as and when required by this Act or the regulations is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of not less than \$25 for each day of default.

(2) Every corporation that has failed to comply with or ^{Idem} contravened section 81 or 82 is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of \$25 for each day during which the default continues. R.S.O. 1950, c. 72, s. 21 (2, 3, 6), *amended*.

Officers,
etc., of
corporations

84. Where a corporation is guilty of an offence under this Act, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in, or participated in, the commission of the offence is a party to and guilty of the offence and is liable on summary conviction to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted. *New.*

Communi-
cation of
information

85.—(1) No person employed in the service of Her Majesty shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under this Act or allow any such person to inspect or have access to any written statement furnished under this Act.

Offence
and
penalty

(2) Every person who violates any provision of this section is guilty of an offence and on summary conviction is liable to a penalty of not more than \$200. R.S.O. 1950, c. 72, s. 45, *amended.*

Collection

Priority
of tax

86.—(1) All taxes, interest, penalties, costs and other amounts payable under this Act are debts due to Her Majesty and are a first lien and charge upon the property in Ontario of the corporation liable to pay such taxes, interest, penalties, costs and other amounts, but such lien and charge does not apply to any mine as defined in *The Mining Tax Act* until the corporation owning the mine has become liable for the payment of a tax on mining profits under *The Mining Tax Act*.

R.S.O. 1950,
c. 237

Tax and
penalty to
be lien on
property

(2) All taxes, interest, penalties, costs and other amounts payable under this Act by a corporation that owns, operates or uses a railway are a special lien on any property, real or personal, in which the corporation has any interest, legal or equitable (other than as lessee or under any agreement for running rights or operating rights) in priority to every claim, privilege, lien or encumbrance, whenever created, of every person, and the lien and its priority shall not be lost or impaired by any neglect, omission or error of any minister, officer, servant or agent of the Crown, or by want of registration. R.S.O. 1950, c. 72, s. 36, *amended.*

Garnishment

87.—(1) When the Treasurer has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a corporation liable to make a payment under this Act, he may, by registered letter or by a letter served personally, require him to pay the moneys otherwise payable to that corporation in whole or in part to the Treasurer on account of the liability under this Act.

Idem

(2) The receipt of the Treasurer for moneys paid as required under this section is a good and sufficient discharge of the original liability to the extent of the payment.

(3) Every person who has discharged any liability to a corporation liable to make a payment under this Act without complying with a requirement under this section is liable to pay to Her Majesty in right of Ontario an amount equal to the liability discharged or the amount that he was required under this section to pay to the Treasurer, whichever is the lesser. R.S.O. 1950, c. 72, c. 35, *amended*. Liability of debtor

(4) Where a person who is or is about to become indebted or liable to make a payment to a corporation liable to make a payment under this Act carries on business under a name or style other than his own name, the registered or other letter under subsection 1 may be addressed to the name or style under which he carries on business and, in the case of personal service, shall be deemed to have been validly served if it has been left with an adult person employed at the place of business of the addressee. Service of garnishee

(5) Where the persons who are or are about to become indebted or liable to make any payment to a corporation liable to make a payment under this Act carry on business in partnership, the registered or other letter under subsection 1 may be addressed to the partnership name and, in the case of personal service, shall be deemed to have been validly served if it has been served on one of the partners or left with an adult person employed at the place of business of the partnership. *New*. Idem

88.—(1) Upon default of payment by a corporation of any tax, interest or penalty or any of them imposed upon a corporation by this Act, Recovery of tax, interest and penalties

- (a) the Treasurer may bring an action for the recovery thereof in any court in which a debt or money demand of a similar amount may be collected, and every such action shall be brought and executed in and by the name of the Treasurer or his name of office and may be continued by his successor in office as if no change had occurred, and shall be tried without a jury;
- (b) the Treasurer may issue a warrant, directed to the sheriff of any county or district in which any property of the corporation is located or situate, for the amount of the tax, interest and penalty or any of them owing by the corporation, together with interest thereon from the date of the issue of the warrant and the costs, expenses and poundage of the sheriff, and such warrant has the same force and effect as a writ of execution issued out of the Supreme Court. R.S.O. 1950, c. 72, s. 34 (1), *amended*.

Remedies
for
recovery
of tax
and
penalty

89. The use of any of the remedies provided by sections 87 and 88 does not bar or affect any of the other remedies therein provided, and the remedies provided by this Act for the recovery or enforcement of the payment of any tax, interest and penalty or any of them imposed by this Act are in addition to any other remedies existing by law, and no action or other proceeding taken in any way prejudices, limits or affects any lien, charge or priority existing under this Act or otherwise. R.S.O. 1950, c. 72, s. 34 (3), *amended*.

Notice to
be given
Treasurer
of sale of
company's
capital
assets

90.—(1) Where a corporation has failed to pay taxes, interest and penalties or any of them imposed by this Act for a period of more than three years from the date of mailing of the notice of assessment provided by subsection 2 of section 71, no person shall sell any capital assets of the corporation unless he has given written notice by registered letter to the Treasurer not less than ten days before the date of the sale.

Penalty

(2) Every person who violates the provisions of subsection 1 is liable to a penalty of not less than an amount equal to the amount of such taxes, interest and penalties in default and such penalty is recoverable by action in any court in which a debt or money demand of a similar amount may be collected. R.S.O. 1950, c. 72, s. 37, *amended*.

Compromis-
ing
disputes as
to liability
for taxes

91. If any doubt or dispute arises as to the liability of a corporation to pay a tax or any portion of a tax demanded under the authority of this Act, or if owing to special circumstances it is deemed inequitable to demand payment of the whole amount imposed by this Act, the Treasurer may accept such amount as he deems proper. R.S.O. 1950, c. 72, s. 38, *amended*.

General
penalty

92. Every person who, and every corporation that, contravenes or fails to comply with any of the provisions of this Act or the regulations for which no other penalty is provided is guilty of an offence and on summary conviction is liable to a fine of not less than \$50 and not more than \$500. R.S.O. 1950, c. 72, s. 39, *amended*.

Fines
payable
to the
Treasurer

93. The fines imposed for offences under this Act are payable to the Treasurer. R.S.O. 1950, c. 72, s. 34 (2), *amended*.

Regulations

94. The Lieutenant-Governor in Council may make regulations,

(a) authorizing or requiring the Deputy Treasurer or any officer of the Treasury Department to exercise

any power or perform any duty conferred or imposed upon the Treasurer by this Act;

- (b) providing for the issuance of certificates as to the amount of taxes, interest and penalties or any of them owing by any corporation under this Act and prescribing the fee payable therefor;
- (c) prescribing anything that by this Act is to be prescribed or is to be determined or regulated by the regulations;
- (d) prescribing amendments to the provisions of Part III and to the provisions of Part II that relate to the allocation of taxable income and taxable paid-up capital between Ontario and any other jurisdiction, such amendments to remain effective only if enacted by the Legislature at the first regular session after such amendments have been prescribed;
- (e) respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act. *New.*

PART VII

TRANSITIONAL PROVISIONS

95.—(1) Notwithstanding section 4, the tax as calculated thereunder shall be reduced in the case of any corporation the fiscal year of which does not coincide with the calendar year but ends in the calendar year 1957 in the proportion of the total tax which the number of days of such fiscal year that are in the calendar year 1956 bears to the total number of days of such fiscal year. ^{Income tax reduced in 1957}

(2) Where the amount of the tax imposed by section 4 on a corporation is reduced under subsection 1, the amount of the tax as so reduced is, notwithstanding section 12, the amount of the deduction allowed by section 12. ^{Effect of reduced income tax on sec. 12} *New.*

96.—(1) Notwithstanding subsections 2 and 3 of section 69, every corporation that would but for this section have been liable to pay an instalment or part or the whole of the taxes imposed under this Act before the 15th day of May, 1957, shall pay such parts, instalments or the whole of such taxes on or before the 15th day of May, 1957. ^{Extension of payment}

(2) Interest, penalty interest, and any other penalties that would otherwise apply as from an earlier date under any

section of this Act but for the provisions of subsection 1 apply as from the 15th day of May, 1957. *New.*

Effect of
R.S.C. 1952,
c. 148 on
this Act

97. Notwithstanding any provision of this Act and in order that corporations that become taxable under this Act may be dealt with under this Act on the same basis and in the same manner as they will be dealt with under the *Income Tax Act* (Canada) with respect to fiscal years of such corporations ending in 1957 and later fiscal years, the provisions of the *Income Tax Act* (Canada) and every predecessor thereof affecting the determination of taxable income as they have been in force from time to time shall be deemed, for the purposes of this Act, to have been applied in determining the taxable incomes of such corporations for fiscal years thereof ending in calendar years before 1957, at the same time and to the same extent as they were applicable under those Acts. *New.*

PART VIII

MISCELLANEOUS

Application
of R.S.O.
1950, c. 72
and this
Act

98.—(1) *The Corporations Tax Act* applies to corporations in respect of all fiscal years ending before or during 1956 and this Act applies thereafter, provided that the provisions of this Act relating to the collection of taxes apply to the collection of taxes under *The Corporations Tax Act*.

R.S.O. 1950,
c. 72;
1952, c. 13;
1953, c. 22,
repealed

(2) Subject to subsection 1, *The Corporations Tax Act*, *The Corporations Tax Amendment Act, 1952* and *The Corporations Tax Amendment Act, 1953* are repealed.

Commence-
ment

99. This Act comes into force on the day it receives Royal Assent.

Short title

100. This Act may be cited as *The Corporations Tax Act, 1957*.

The Corporations Tax Act, 1957

1st Reading

February 26th, 1957

2nd Reading

3rd Reading

MR. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

The Corporations Tax Act, 1957

MR. PORTER

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

The Corporations and Income Taxes Suspension Act, 1952 validated an Ontario-Canada agreement under which, *inter alia*, Ontario agreed to suspend the operation of *The Corporations Tax Act* during the years 1952-1956 inclusive.

The new Act contained in this bill replaces the suspended Act.

This new Act imposes a tax on corporations at 11 per cent of their total taxable income and permits a deduction from such tax of a certain specified portion thereof where a corporation carries on business outside as well as in Ontario. The provisions for the allocation of taxable income, as they apply under the *Income Tax Act* (Canada), are included in this Act to measure the specified portion referred to.

The description of taxable income on which the tax of 11 per cent is calculated is precisely the same as it is under the *Income Tax Act* (Canada) as that Act applies to corporations.

The new Act also imposes a general tax on paid-up capital of 1/20 of 1 per cent and taxes on places of business as well as special capital taxes on banks, railways, telegraph companies, express companies, sleeping, parlor and dining car companies. The rates applicable are the same as those that applied under the former Act with one difference: that these taxes are payable by the corporations concerned only to the extent that their amount exceeds the tax the same corporations are required to pay on taxable income at 11 per cent.

The new Act also imposes a tax of 2 per cent on gross premium income of all insurance companies with respect to business transacted in Ontario after deduction of premiums in respect of re-insurance ceded to insurance companies licensed to transact business in Ontario.

PART I—INTERPRETATION

- SECTION 1. Interpretation.
- SECTION 2. Permanent establishment.

PART II—LIABILITY FOR TAXES

- SECTION 3.—(1) General taxing section.
(2), (3) Fiscal year.
- SECTION 4.—(1) General income tax.
(2)-(28) Provisions for allocation of tax when more than one province involved.
(29) Exemptions from income tax.
(30)-(33) Special provisions.
- SECTION 5.—(1) General capital tax.
(2)-(7) Provisions for allocation of capital taxes.
(8) Exemptions from capital tax.
- SECTION 6.—(1) General place of business tax.
(2)-(7) Reduced place of business taxes in certain cases.
- SECTIONS 7-11. Special capital and place of business taxes on certain special classes of corporation.
- SECTION 12. Deductions of income tax from capital and place of business taxes levied under sections 5 to 11.
- SECTION 13. Gross premium tax on insurance companies.
- SECTION 14. Special taxes on hotels.

PART III—COMPUTATION OF TAXABLE INCOME

Division A—Taxable Income

- SECTION 15. Taxable income.

Division B—Computation of Income

- SECTION 16. World income.
SECTION 17. Income from business or property.
SECTIONS 18-21. Amounts included in computing income.
SECTION 22. Amounts not included in computing income.
SECTION 23. Deductions allowed in computing income.
SECTIONS 24-36. Deductions not allowed in computing income.

Division C—Computation of Taxable Income

- SECTIONS 37-39. Computation of taxable income.

Division D—Exceptional Cases and Special Rules

- SECTIONS 40-61. Exceptional cases and special rules.

PART IV—COMPUTATION OF PAID-UP CAPITAL

Division A—Taxable Paid-up Capital

- SECTION 62. Taxable paid-up capital.

Division B—Computation of Paid-up Capital

- SECTION 62. Computation of paid-up capital.

Division C—Computation of Taxable Paid-up Capital

- SECTIONS 64, 65. Computation of taxable paid-up capital.

PART V—RETURNS, PAYMENTS, ASSESSMENTS AND APPEALS

Division A—Returns

- SECTIONS 66-68. Returns.

Division B—Payments

- SECTIONS 69, 70. Payments.

Division C—Assessments

- SECTIONS 71, 72. Assessments.

Division D—Refunds of Overpayments

- SECTION 73. Refunds of overpayments.

Division E—Objections to Assessment

- SECTION 74. Objections to assessment.

Division F—Appeals

- SECTIONS 75-80. Appeals.

PART VI—ADMINISTRATION AND ENFORCEMENT

- SECTIONS 81-94. Administration and enforcement.

PART VII—TRANSITIONAL PROVISIONS

- SECTIONS 95-97. Transitional provisions.

PART VIII—MISCELLANEOUS

- SECTIONS 98-100. Miscellaneous.



BILL

The Corporations Tax Act, 1957

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

INTERPRETATION

1.—(1) In this Act,

Interpreta-
tion

1. "amount" means money, rights or things expressed in terms of the amount of money or the value in terms of money of the right or thing;
2. "assessment" includes a re-assessment;
3. "bank" means a corporation or joint stock company wherever incorporated for the purpose of doing a banking business or the business of a savings bank that transacts such business in Ontario, whether the head office is situate in Ontario or elsewhere;
4. "business" includes a profession, calling, trade, manufacture or undertaking of any kind whatsoever and includes an adventure or concern in the nature of trade but does not include office or employment;
5. "common share" is a share the holder of which is not precluded upon the reduction or redemption of the capital stock from participating in the assets of the corporation beyond the amount paid up thereon plus a fixed premium and a defined rate of dividend;
6. "Comptroller" means Comptroller of Revenue;
7. "corporation" means any corporation however or wherever incorporated and, where any corporation or the whole or any part of the property thereof is placed in the hands or under the control of an agent,

assignee, trustee, liquidator, receiver or other official, includes such agent, assignee, trustee, liquidator, receiver or other official, but does not include a corporation incorporated without share capital;

8. "dividend" does not include a stock dividend;
9. "employed" means performing the duties of an office or employment;
10. "employee" includes officer;
11. "employer", in relation to an officer, means the person from whom the officer receives his remuneration;
12. "employment" means the position of an individual in the service of some other person, including Her Majesty or a foreign state or sovereign, and "servant" or "employee" means a person holding such a position;
13. "exempt income" means money, rights or things received or acquired by a corporation in such circumstances that they are, by reason of any provision in Part III, not included in computing its income and includes any amount that is deductible under section 38;
14. "farming" includes tillage of the soil, live stock raising or exhibiting, maintaining of horses for racing, raising of poultry, fur farming, dairy farming, fruit growing and the keeping of bees, but does not include an office or employment under a person engaged in the business of farming;
15. "fishing" includes fishing for or catching shell fish, crustaceans and marine animals, but does not include an office or employment under a person engaged in the business of fishing;
16. "fiscal year" means the period for which the accounts of the business of a corporation are ordinarily made up and accepted for purposes of assessment under this Act and, in the absence of an established practice, the fiscal year is that adopted by a corporation, but no fiscal year may exceed fifty-three weeks and any change in a usual and accepted fiscal year shall be made for the purposes of this Act only with the concurrence of or in accordance with the direction of the Treasurer;

17. "foreign business corporation" means a corporation defined by section 43 to be a foreign business corporation;
18. "gross revenue" means the aggregate of all amounts received or, depending upon the method regularly followed by the corporation in computing its profit, receivable in the fiscal year otherwise than as or on account of capital;
19. "income bond" or "income debenture" means respectively a bond or debenture in respect of which interest or dividends are payable only when the debtor corporation has made a profit before taking into account the interest or dividend obligation on such bond or debenture;
20. "insurance corporation" includes life, fire, ocean or inland marine, inland transportation, accident, plate-glass, automobile, steam-boiler and burglary insurance companies, guaranty, surety and casualty companies and underwriters and syndicates of underwriters operating on the plan known as Lloyds, that transact business or undertake risks on lives or property in Ontario or that are licensed under *The Insurance Act*, but does not include mutual insurance companies insuring agricultural and other non-hazardous risks on the premium note plan the sole business of which is carried on in Ontario, fraternal societies and mutual benefit societies as defined in *The Insurance Act*, and pension fund and employees' mutual benefit societies incorporated under or subject to *The Corporations Act, 1953*; R.S.O., 1950, c. 183 1953, c. 19
21. "inventory" means a description of property the cost or value of which is relevant in computing the income of a corporation from a business for a fiscal year;
22. "jurisdiction" means a province or territory of Canada or a state outside Canada having sovereign power;
23. "loss" means a loss computed by applying the provisions of this Act respecting the computation of income from a business *mutatis mutandis*, but not including in the computation a dividend or part of a dividend the amount of which would be deductible under section 38 in computing taxable income, minus any amount by which a loss operated to reduce the

income of a corporation from other sources for purpose of tax on income for the fiscal year in which it was sustained;

24. "non-resident" means not resident in Canada;
25. "non-resident owned investment corporation" means a corporation defined by section 42 to be a non-resident owned investment corporation;
26. "permanent establishment" has the meaning given to that expression by section 2;
27. "personal corporation" means a corporation defined by section 40 to be a personal corporation;
28. "prescribed", in the case of a form or the information to be given on a form, means prescribed by order of the Treasurer and, in any other case, means prescribed by the regulations;
29. "property" means property of any kind whatsoever whether real or personal or corporeal or incorporeal and includes every interest or profit, legal or equitable, present or future, vested or contingent in, arising out of or incident to property;
30. "railway" includes a railway and part of a railway operated in whole or in part by steam, electricity or other motive power, constructed and operated on highways or on land owned by the corporation that owns or operates it, or partly on highways and partly on such land, but does not include a street railway constructed or operated in whole or in part upon or along a highway under or by virtue of an agreement with or a by-law of a city or town;
31. "registered pension fund or plan" means an employees' superannuation or pension fund or plan accepted by the Treasurer for registration for the purposes of this Act in respect of its constitution and operations for the fiscal year under consideration;
32. "regulations" means regulations made under this Act;
33. "share" means a share of capital stock of a corporation;
34. "shareholder" includes a member or other person entitled to receive payment of a dividend;

35. "a shareholder's portion of undistributed income of a corporation" has the meaning given to that expression by subsection 2 of section 52;
36. "subsidiary controlled corporation" means a corporation more than 50 per cent of the issued share capital of which, having full voting rights under all circumstances, belongs to the corporation to which it is subsidiary;
37. "subsidiary wholly-owned corporation" means a corporation all the issued share capital of which, except directors' qualifying shares, belong to the corporation to which it is subsidiary;
38. "taxable income" has the meaning given that expression by section 15;
39. "taxation year" means that fiscal year in relation to which the amount of a tax under this Act is being calculated when the expression is used to distinguish it from another fiscal year;
40. "Treasurer" means Treasurer of Ontario;
41. "tax payable" by a corporation under sections 3 to 14 means the tax payable by the corporation as fixed by assessment or re-assessment subject to variation on objection or appeal, if any, in accordance with sections 74 to 80, as the case may be;
42. "undistributed income on hand" has the meaning given to that expression by section 52. R.S.O. 1950, c. 72, s. 1, *amended*.

(2) For the purposes of this Act,

Arm's length

- (a) related persons shall be deemed not to deal with each other at arm's length; and
- (b) it is a question of fact whether persons not related to each other were at a particular time dealing with each other at arm's length.

(3) For the purposes of subsections 2 and 4 and this section, "related persons", or persons related to each other, are,

Related persons

- (a) individuals connected by blood relationship, marriage or adoption;

- (b) a corporation, and,
- (i) a person who controls the corporation, if it is controlled by one person,
 - (ii) a person who is a member of a related group that controls the corporation, or
 - (iii) any person related to a person described by subclause i or ii;
- (c) any two corporations,
- (i) if they are controlled by the same person or group of persons,
 - (ii) if each of the corporations is controlled by one person and the person who controls one of the corporations is related to the person who controls the other corporation,
 - (iii) if one of the corporations is controlled by one person and that person is related to any member of a related group that controls the other corporation,
 - (iv) if one of the corporations is controlled by one person and that person is related to each member of an unrelated group that controls the other corporation,
 - (v) if any member of a related group that controls one of the corporations is related to each member of an unrelated group that controls the other corporation, or
 - (vi) if each member of an unrelated group that controls one of the corporations is related to at least one member of an unrelated group that controls the other corporation.

Corporations
related to
each other

(4) Where two corporations are related to the same corporation within the meaning of subsection 3, they shall, for the purposes of subsections 2 and 3, be deemed to be related to each other.

Interpreta-
tion

(5) In subsections 3 and 6 and this subsection,

Related
group

(a) "related group" means a group of persons each member of which is related to every other member of the group; and

(b) "unrelated group" means a group of persons that is not a related group. Unrelated group

(6) For the purpose of subsection 3,

Controlled by related group, options, etc.

(a) where a related group is in a position to control a corporation, it shall be deemed to be a related group that controls the corporation whether or not it is part of a larger group by whom the corporation is in fact controlled; and

(b) a person who has a right under a contract, in equity or otherwise, either immediately or in the future or either absolutely or contingently, to, or to acquire, shares in a corporation, or to control the voting rights of shares in a corporation, shall be deemed to have had the same position in relation to the control of the corporation as if he owned the shares.

(7) For the purpose of clause *a* of subsection 3,

Persons related by blood relationship, etc.

(a) persons are connected by blood relationship if one is the child or other descendant of the other or one is the brother or sister of the other;

(b) persons are connected by marriage if one is married to the other or to a person who is so connected by blood relationship to the other; and

(c) persons are connected by adoption if one has been adopted, either legally or in fact, as the child of the other or as the child of a person who is so connected by blood relationship, other than as a brother or sister, to the other. *New.*

2.—(1) In this Act, "permanent establishment" includes branches, mines, oil wells, farms, timberlands, factories, workshops, warehouses, offices, agencies, and other fixed places of business, and land. Permanent establishment

(2) Where a corporation carries on business through an employee or agent who has general authority to contract for his employer or principal or has a stock of merchandise from which he regularly fills orders which he receives, such employee or agent shall be deemed to operate a permanent establishment of the corporation. Idem

(3) The fact that a corporation has business dealings through a commission agent, broker or other independent agent shall not of itself be deemed to mean that the corporation has a permanent establishment. Idem

- Idem* (4) The fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in a trade or business in a place shall not of itself be deemed to mean that the first-mentioned corporation is operating a permanent establishment in that place.
- Idem* (5) Notwithstanding subsection 3, an insurance corporation is deemed to have a permanent establishment in each jurisdiction in which the corporation is registered to do business.
- Idem* (6) The fact that a corporation maintains an office solely for the purchase of merchandise shall of itself be deemed to mean that the corporation has a permanent establishment in that office.
- Idem* (7) The fact that a corporation has assets in a jurisdiction in a fiscal year shall of itself be deemed to mean that the corporation has a permanent establishment in that jurisdiction for the fiscal year.
- Idem* (8) The fact that a non-resident corporation in a fiscal year produced, grew, mined, created, manufactured, fabricated, improved, packed, preserved or constructed in whole or in part anything in Canada whether or not the corporation exported that thing without selling it prior to exportation, shall of itself, for the purposes of this Act, be deemed to mean that the corporation maintained a permanent establishment at any place where the corporation did any of those things in the fiscal year.
- Idem* (9) The use of substantial machinery or equipment in a particular place at any time in a fiscal year of a corporation constitutes a permanent establishment of such corporation in that place for the fiscal year.
- Idem* (10) The fact that a corporation has only a charter or other instrument of incorporation shall of itself, for the purposes of this Act, be deemed to mean that the corporation has a permanent establishment in the place designated in its charter or other instrument of incorporation as its head office.
New.

PART II

LIABILITY FOR TAXES

Taxes
payable

3.—(1) Every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay to Her Majesty for the uses of Ontario the taxes imposed by this Act at the time and in the manner provided in this Act.

(2) For the purposes of this Act, where a fiscal year is referred to by a reference to a calendar year, the reference is to the fiscal year or years coinciding with, or ending in, that year. Fiscal year

(3) Where a corporation ceases to have a permanent establishment in Ontario during a fiscal year or the existence of a corporation is terminated during a fiscal year, it shall, in respect of such incomplete fiscal year, pay the taxes imposed by this Act in the same manner as though such fiscal year ended on the date on which it ceased to have a permanent establishment in Ontario or upon which its existence was terminated, as the case may be. R.S.O. 1950, c. 72, s.2, *amended*. Incomplete fiscal year

4.—(1) Except as provided otherwise in this Act, every corporation that has a permanent establishment in Ontario shall, for every fiscal year of the corporation, pay a tax of 11 per cent calculated on its taxable income. Income tax

(2) There may be deducted from the tax otherwise payable by a corporation under this section for a fiscal year an amount equal to 11 per cent of that portion of its taxable income which is earned in the fiscal year in each jurisdiction other than Ontario. Deductions from tax on income—allocation of taxable income

(3) Where in a fiscal year a corporation has no permanent establishment outside Ontario, all of its taxable income for the year shall be deemed to have been earned in Ontario. Allocation of taxable income

(4) Where in a fiscal year a corporation had no permanent establishment in Ontario, all of its taxable income for the fiscal year shall be deemed to have been earned in jurisdictions outside Ontario. Idem

(5) Except as otherwise provided, where in a fiscal year a corporation had a permanent establishment in Ontario and a permanent establishment in any other jurisdiction, the amount of its taxable income that shall be deemed to have been earned in the fiscal year in that jurisdiction is one-half the aggregate of, Idem

- (a) that proportion of its taxable income for the fiscal year that the gross revenue for the fiscal year attributable to the permanent establishment in that jurisdiction is of its total gross revenue for the fiscal year; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to the

employees of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

Gross
revenue
attributable
to a
permanent
establish-
ment

(6) For the purpose of subsection 5 of this section and subsection 5 of section 5,

- (a) where a corporation ships to a customer goods or merchandise from a permanent establishment, the gross revenue from the sale of such goods or merchandise shall be attributable to that permanent establishment and not to any other permanent establishment of the corporation;
- (b) where a corporation sells standing timber, the gross revenue from such sale shall be attributable to the permanent establishment that includes the timber limit from which the standing timber was taken and not to any other permanent establishment of the corporation; and
- (c) where the supplier of a corporation ships goods or merchandise belonging to the corporation to a customer thereof and such goods or merchandise do not pass through a permanent establishment of the corporation, the gross revenue from the sale shall be attributable to the permanent establishment to which the person negotiating the sale may reasonably be regarded as being attached.

Allocation of
investment
income

(7) For the purpose of subsection 5 of this section and subsection 5 of section 5, interest on bonds, debentures and mortgages, dividends on shares of capital stock and rentals and royalties for property that is not used in the regular business operations of a corporation shall be excluded when calculating the gross revenue of the corporation or any part thereof.

Insurance
corporations,
allocation of
taxable
income

(8) Notwithstanding subsection 5, the proportion^m of the taxable income of an insurance corporation that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is that proportion of its taxable income for the fiscal year that the aggregate of,

- (a) its net premiums for the year in respect of insurance on properties situated in that jurisdiction; and
- (b) its net premiums for the year in respect of insurance, other than on property, from contracts from persons resident in that jurisdiction,

is of the total net premiums for the fiscal year of the corporation.

(9) In subsection 8, "net premiums" of a corporation for a fiscal year means the aggregate of the gross premiums received by the corporation in the fiscal year, other than consideration received for annuities, minus the aggregate for the fiscal year of,

Interpre-
tation ■

- (a) premiums paid for re-insurance;
- (b) dividends or rebates paid or credited to policyholders; and
- (c) rebates or returned premiums paid in respect of the cancellation of policies,

by the corporation.

(10) In subsection 8, "total net premiums" of a corporation for a fiscal year means the aggregate of,

Idem

- (a) its net premium income in respect of insurance on property situate in each province or territory of Canada and each country other than Canada in which the corporation has a permanent establishment; and
- (b) its net premium income in respect of insurance other than on property, from contracts with persons resident in each province or territory of Canada and each country other than Canada in which the corporation has a permanent establishment.

(11) Notwithstanding subsection 5, the amount of taxable income of a bank that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-third of the aggregate of,

Banks,
allocation of
taxable
income

- (a) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the year by the bank to the personnel of its permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the bank; and
- (b) twice that proportion of its taxable income for the fiscal year that the aggregate amount of loans and deposits of its permanent establishments in that jurisdiction for the fiscal year is of the aggregate of all loans and deposits of the bank for the fiscal year.

Idem (12) For the purpose of subsection 11, the amount of loans for a fiscal year is one-twelfth of the aggregate of the amounts outstanding on the loans made by the bank at the close of business on the last day of each month in the fiscal year.

Idem (13) For the purpose of subsection 11, the amount of deposits for a fiscal year is one-twelfth of the aggregate of the amounts on deposit with the bank at the close of business on the last day of each month in the fiscal year.

Idem (14) For the purpose of subsections 12 and 13, loans and deposits do not include bonds, stocks, debentures, items in transit and deposits in favour of Her Majesty in right of Canada.

Trust and loan corporations, allocation of taxable income (15) Notwithstanding subsection 5, the amount of taxable income of a trust and loan corporation or a trust corporation or a loan corporation that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is that proportion of its taxable income for the fiscal year that the gross revenue of its permanent establishments in that jurisdiction for the fiscal year is of the total gross revenue for the fiscal year of the corporation.

Interpretation (16) For the purpose of subsection 15, the "gross revenue of its permanent establishments in that jurisdiction" for a fiscal year means the aggregate of the gross revenue of the corporation for the fiscal year arising from,

- (a) loans secured by real property situated in that jurisdiction;
- (b) loans not secured by real property to persons residing in that jurisdiction;
- (c) loans administered by the permanent establishments of the corporation in that jurisdiction made to persons residing in another jurisdiction in which the corporation has no permanent establishment but not including loans secured by real property situated in another jurisdiction in which the corporation has a permanent establishment; and
- (d) business conducted at the permanent establishments of the corporation in that jurisdiction, other than revenue in respect of loans.

Railway corporations, allocation of taxable income (17) Notwithstanding subsection 5, the amount of taxable income of a railway corporation that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario, unless subsection 28 applies, is one-half of the aggregate of,

- (a) that proportion of the amount determined under subsection 18 that the equated track miles of the corporation in that province or territory of Canada is of the equated track miles of the corporation in Canada; and
- (b) that proportion of the amount determined under subsection 18 that the gross ton-miles of the corporation for the fiscal year in that province or territory of Canada is of the gross ton-miles of the corporation for the fiscal year in Canada.

(18) For the purpose of clauses *a* and *b* of subsection 17, ^{Idem} the amount to be determined is an amount equal to the taxable income of the corporation for the fiscal year minus that part of such taxable income that may reasonably be considered to have been earned by the operation of ships or airlines.

(19) For the purpose of subsection 17, “the equated track ^{Interpre-}miles” in a specified place means the aggregate of,

- (a) the number of miles of first main track;
- (b) 80 per cent of the number of miles of other main tracks; and
- (c) 50 per cent of the number of miles of yard tracks and sidings,

in that place.

(20) Notwithstanding subsection 5, the amount of taxable ^{Airline corporations, allocation of taxable income} income of an airline corporation that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is an amount that is equal to one-quarter of the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the capital cost of all fixed assets of the corporation, except aircraft, in that province or territory of Canada at the end of the fiscal year is of the capital cost of all its fixed assets, except aircraft, in Canada at the end of the fiscal year; and
- (b) that proportion of its taxable income that three times the number of revenue plane miles flown by its aircraft in that province or territory of Canada during the fiscal year is of the total number of revenue plane miles flown by its aircraft in Canada during the fiscal year.

**Interpre-
tation**

(21) For the purpose of subsection 20, "revenue plane miles flown" shall be weighted according to payload capacity of the aircraft operated.

Idem

(22) For the purpose of subsection 21, "payload capacity" of an aircraft means,

- (a) for a type of aircraft listed in the regulations, the number of pounds shown therein for that aircraft; and
- (b) for a type of aircraft not listed in the regulations, the average maximum commercial load expressed in pounds of the aircraft with fuel and oil tanks half full as determined by the Treasurer.

**Grain
elevator
operators,
allocation of
taxable
income**

(23) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the operation of grain elevators that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-half the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the number of bushels of grain received in the fiscal year in the elevators operated by the corporation in that jurisdiction is of the total number of bushels of grain received in the fiscal year in all the elevators operated by the corporation; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

**Bus and
truck
operators,
allocation
of taxable
income**

(24) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the transportation of goods and passengers, other than by the operation of a railway, steamship or airline service, that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-half of the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the number of miles travelled by its vehicles in that jurisdiction in the fiscal year is of the total number of miles travelled by its vehicles in the fiscal year; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that jurisdiction is

of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

(25) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the operation of a pipeline for oil, gas or water that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is one-half of the aggregate of,

Pipeline operators, allocation of taxable income

- (a) that proportion of its taxable income for the fiscal year that the number of miles of pipe of the corporation in that province or territory of Canada is of the number of miles of pipe of the corporation in Canada; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that province or territory of Canada is of the aggregate of all salaries and wages paid in all its permanent establishments in Canada in the fiscal year by the corporation.

(26) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is owning and operating ships that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is one-half the aggregate of,

Navigation companies, allocation of taxable income

- (a) that proportion of its taxable income for the fiscal year that the ton-hours spent by the ships owned by the corporation in the ports of that province or territory of Canada is of the total ton-hours of all the ships owned by the corporation spent in Canadian ports; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to personnel of the corporation in its shore establishments in that province or territory of Canada is of the aggregate of the salaries and wages paid in the fiscal year by the corporation in all the shore establishments in Canada of the corporation,

but, in the case of a corporation the ships of which spend no ton-hours in any Canadian port during the fiscal year, the amount of taxable income of the corporation that shall be deemed to have been earned in the fiscal year in a province or territory of Canada outside Ontario is the proportion of its taxable income that would apply if only the proportion referred to in clause *b* were applicable.

Divided
businesses,
allocation
of taxable
income

(27) Where part of the business of a corporation for a fiscal year, other than a corporation described in subsections 8, 11, 15, 17, 20, 23, 24, 25 or 26, consisted of operations normally conducted by a corporation described in one of those subsections, the corporation and the Treasurer may agree to determine the amount of taxable income deemed to have been earned in the fiscal year in a jurisdiction outside Ontario as the aggregate of the amounts computed,

- (a) by applying the provisions of such of those subsections as would have been applicable if it had been a corporation described therein to the portion of its taxable income for the fiscal year that might reasonably be considered to have arisen from that part of the business; and
- (b) by applying the provisions of subsection 5 to the remaining portion of its taxable income for the fiscal year.

Idem

(28) Where a corporation to which subsection 17 would otherwise apply operates an airline or navigation service or both, the amount of its taxable income that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is the aggregate of the amounts computed,

- (a) by applying the provisions of subsection 20 to that part of its taxable income for the fiscal year that might reasonably be considered to have arisen from the operation of the airline service;
- (b) by applying the provisions of subsection 26 to that part of its taxable income for the fiscal year that might reasonably be considered to have arisen from the operation of ships; and
- (c) by applying the provisions of subsection 17 to the remaining portion of its taxable income for the fiscal year.

Exemptions:

(29) No tax is payable under this section by a corporation for a fiscal year when that corporation was,

Municipal
authorities

- (a) a municipality, or a municipal or public body performing a function of government;

Municipal
or provincial
corporations

- (b) a corporation, commission or association not less than 90 per cent of the shares or capital of which was owned by Her Majesty in right of Canada or a province or by a Canadian municipality, or a wholly-

owned corporation subsidiary to such a corporation, commission or association, except as provided by section 55;

- (c) an agricultural organization, a board of trade or a chamber of commerce, no part of the income of which is payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof; Certain organizations
- (d) a charitable organization, all the resources of which were devoted to charitable activities carried on by the organization itself and no part of the income of which was payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof; Charitable organizations
- (e) a corporation that was constituted exclusively for charitable purposes, no part of the income of which was payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof, that has not since the 1st day of June, 1950, acquired control of any other corporation and that during the fiscal year, Non-profit corporation
- (i) did not carry on any business,
 - (ii) had no debts incurred since the 1st day of June, 1950, other than obligations arising in respect of salaries, rents and other current operating expenses, and
 - (iii) except in the case of a corporation that was constituted exclusively for charitable purposes before the 1st day of January, 1940, expended amounts each of which is,
 - (A) an expenditure in respect of charitable activities carried on by the corporation itself,
 - (B) a gift to an organization in Canada the income of which for the period is exempt from tax under this section by virtue of clause *d*, or
 - (C) a gift to a corporation resident in Canada the income of which for the period is exempt from tax under this section by virtue of this clause,

and the aggregate of which is not less than 90 per cent of the income of the corporation for the fiscal year;

Labour
organiza-
tions

(f) a labour organization or society or a benevolent or fraternal benefit society or order;

Non-profit
organiza-
tions

(g) a club, society or association organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose except profit, no part of the income of which was payable to or otherwise available for the personal benefit of any proprietor, member or shareholder thereof;

Mutual
insurance
corporations

(h) a mutual insurance corporation that received its premiums wholly from the insurance of churches, schools or other charitable organizations;

Credit
unions

(i) a corporation incorporated or organized as a credit union or co-operative credit society if,

(i) it was restricted to carrying on business in Ontario and it derived its revenues primarily from,

(A) loans made to or cashing cheques for members residing within Ontario,

(B) bonds of or guaranteed by the Government of Canada or Ontario, or

(C) loans made to a co-operative credit society of which it is a member, or

(ii) the members thereof were corporations or associations,

(A) incorporated or organized as credit unions substantially all of which derived their revenues primarily from loans made to members or from bonds of or guaranteed by the Government of Canada or Ontario,

(B) incorporated, organized or registered under co-operative legislation of Ontario and governed thereby, or

(C) incorporated or organized for charitable purposes,

or were corporations or associations no part of the income of which was payable to or otherwise benefited personally any shareholder or member thereof;

- (j) an institutional housing corporation, an institutional holding company or a limited dividend housing corporation within the meaning of those expressions as defined by the *National Housing Act* (Canada); Housing corporations
R.S.C. 1952,
c. 188
- (k) a corporation exempt by section 40 as a personal corporation; Personal corporations
- (l) a corporation exempt by section 43 as a foreign business corporation; Foreign business corporations
- (m) a corporation exempt by subsection 1 of section 45 as a co-operative corporation; Co-operatives
- (n) a corporation incorporated solely in connection with or for the administration of a registered pension fund or plan; Pension trusts or corporations
- (o) an insurer who was engaged during the fiscal year in no business other than insurance if, in the opinion of the Treasurer, 50 per cent of the gross premium income for the fiscal year was in respect of the insurance of farm property, property used in fishing, or residences of farmers and fishermen. Farmers' and fishermen's insurers
- (30) Where it is necessary for the purpose of this section to ascertain the taxable income of a corporation for a period that is part of a fiscal year, the taxable income for the period shall be deemed to be the proportion of the taxable income for the fiscal year that the number of days in the period is of the number of days in the fiscal year. Apportionment rule
- (31) For the purpose of clause *e* of subsection 29, When deemed not to have acquired control of another corporation
- (a) a corporation is controlled by another corporation if more than 50 per cent of its issued share capital, having full voting rights under all circumstances, belongs to,
- (i) the other corporation, or
- (ii) the other corporation and persons with whom the other corporation does not deal at arm's length,

but a corporation shall be deemed not to have acquired control of another corporation if it has not purchased or otherwise acquired for a consideration any of the shares in the capital stock of that other corporation;

Gifts

- (b) there shall be included in computing the income of a corporation all gifts received by the corporation other than,
- (i) a gift received subject to a trust or direction that the property given, or property substituted therefor, is to be held permanently by the corporation for the purpose of gaining or producing income therefrom, or
 - (ii) a gift or portion of a gift in respect of which it is established that the donor has not been allowed a deduction under clause *a* of section 37 or a gift made by a person who was not taxable under section 4 for the fiscal year in which the gift was made.

Rules

(32) In computing the income of a corporation for the purpose of determining whether it is described by clause *e* of subsection 29 for a fiscal year,

- (a) there may be deducted an amount not exceeding its income for the fiscal year preceding the taxation year computed without including or deducting any amount under this subsection; and
- (b) there shall be included any amount that has been deducted under this subsection for the immediately preceding fiscal year.

Election by
new
charitable
corporation

(33) For the purpose of determining whether a corporation has complied with subclause iii of clause *e* of subsection 29 for its first fiscal year after its incorporation, the whole or any part of amounts expended by it in the immediately subsequent fiscal year shall, if it so elects, be deemed to have been expended by it in the first fiscal year and not in the subsequent fiscal year. *New.*

Rate of
general
capital tax

5.—(1) Except as provided in sections 7, 8, 9, 10, 11, 13 and 14, every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay a tax of one-twentieth of 1 per cent calculated on its taxable paid-up capital.

(2) There may be deducted from the tax otherwise payable by a corporation under this section for a fiscal year an amount equal to one-twentieth of 1 per cent of that portion of the taxable paid-up capital which is deemed to be used by the corporation in the fiscal year in each jurisdiction outside Ontario.

Deductions from tax on paid-up capital, allocation of taxable paid-up capital

(3) Where in a fiscal year a corporation has no permanent establishment outside Ontario, all of its taxable paid-up capital for the fiscal year shall be deemed to have been used in Ontario.

Allocation of taxable paid-up capital

(4) Where in a fiscal year a corporation has no permanent establishment in Ontario, all of its taxable paid-up capital shall be deemed to have been used in jurisdictions outside Ontario.

Idem

(5) Except as otherwise provided, where in a fiscal year a corporation has a permanent establishment in Ontario and a permanent establishment in any other jurisdiction, the amount of its taxable paid-up capital that shall be deemed to have been used in the fiscal year in that other jurisdiction is one-half the aggregate of,

Idem

- (a) that proportion of the taxable paid-up capital that the gross revenue for the fiscal year reasonably attributable to the permanent establishments in that jurisdiction is of its total gross revenue for the fiscal year; and
- (b) that proportion of its taxable paid-up capital that the aggregate of the salaries and wages paid in the fiscal year by the corporation to the employees of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

(6) Notwithstanding subsection 5, the amount of taxable paid-up capital of an airline corporation that shall be deemed to have been used in the fiscal year in a province or territory of Canada outside Ontario is an amount that is equal to one-quarter of the aggregate of,

Idem, airline companies

- (a) that proportion of its taxable paid-up capital for the fiscal year that the capital cost of all fixed assets of the corporation, except aircraft, in that province or territory of Canada at the end of the fiscal year is of the capital cost of all its fixed assets, except aircraft, in Canada at the end of the fiscal year; and

(b) that proportion of its taxable paid-up capital that three times the number of revenue plane miles flown by its aircraft in that province or territory of Canada during the fiscal year is of the total number of revenue plane miles flown by its aircraft in Canada during the fiscal year.

Idem (7) For the purposes of subsection 6, the provisions of subsections 21 and 22 of section 4 apply *mutatis mutandis*.

Exemptions (8) Except as provided by section 55, no tax is payable under this section by a corporation for a fiscal year when that corporation was any of the corporations referred to in clauses a to o of subsection 29 of section 4. R.S.O. 1950, c. 72, s. 10, *amended*.

General place of business taxes **6.**—(1) Except as in this section otherwise provided, every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay a tax of \$50 for each such establishment in Ontario.

Exceptions (2) The tax imposed by this section is not payable by any corporation that would be liable to a tax under section 7, 8, 9, 10, 11 or 13 if it were not for the provisions of section 12.

Idem (3) For the purpose of this section, permanent establishments shall be deemed to be separate permanent establishments only in such cases where each of them is located apart from the other and apart from the head office or executive office of the corporation and, where a corporation closes one permanent establishment and subsequently opens another, the two permanent establishments shall be counted as one for the fiscal year.

Agent's office (4) For the purpose of this section, where a corporation, firm, broker, agent or other person is acting as the agent of more than one corporation, each of such corporations shall be deemed to have a permanent establishment in the office or place of business of such corporation, firm, broker, agent or other person.

Reduction in tax (5) Every corporation the paid-up capital of which is less than \$100,000 shall for every fiscal year of the corporation, in lieu of the tax imposed under subsection 1, pay a tax of one-twentieth of 1 per cent calculated on its paid-up capital for each permanent establishment in Ontario, but in no case shall the tax imposed by this subsection be less than the amount which, when added to the amount of the tax imposed by section 5, totals \$20.

(6) Every corporation,

Tax payable
by certain
companies

- (a) that is engaged in mining, the profits of which during the fiscal year are insufficient to be assessed for a tax under *The Mining Tax Act* and that does not hold as assets investments in the shares, bonds and obligations of other corporations and governments, municipal and school corporations having an original cost value of more than \$40,000;
- (b) the charter of which has not been surrendered and the nominal head office of which is designated as being in Ontario and that, in the opinion of the Treasurer, has not commenced to do business or has ceased to do business and is entirely without assets,

R.S.O. 1950,
c. 327

shall for every fiscal year of the corporation, in lieu of the tax imposed by subsection 1, pay a tax of \$20.

(7) Except as provided in section 55, every corporation referred to in clauses *b, c, d, e, f, g, i, j, m* and *n* of subsection 29 of section 4 shall, in lieu of the tax imposed by subsection 1, 5 or 6, pay a tax of \$5. R.S.O. 1950, c. 72, s. 12, *amended*.

7.—(1) Every bank shall for every fiscal year thereof pay,

Banks,
taxes on
paid-up
capital

- (a) a tax of one-fifth of 1 per cent of the paid-up capital stock thereof and one-tenth of 1 per cent on the reserve fund and undivided profits thereof;
- (b) an additional tax of \$3,000 for the principal office in Ontario and \$200 for each additional office, branch or agency in Ontario, but in the case of such additional offices, branches and agencies that were open during the fiscal year fewer than 250 days, one tax of \$200 shall apply for each 250 days or fraction thereof that such offices, branches and agencies were open.

(2) Where the head office of a bank is outside Ontario and where it has not more than five offices, branches and agencies in Ontario, the Treasurer, having regard to the amount of business transacted in Ontario, may reduce the amount of tax imposed by clause *a* of subsection 1, but such tax shall in no case be less than one-tenth of 1 per cent calculated on one-half of the paid-up capital stock. R.S.O. 1950, c. 72, s. 3, *amended*.

Reduction
in certain
cases

8.—(1) Every corporation that owns, operates or uses a railway shall for every fiscal year thereof pay a tax of \$60 per mile for one track, and, where the line consists of two or more tracks, of \$40 per mile for each additional track, owned, operated or used in any municipality in Ontario, and of \$40 per mile for one track, and, where the line consists of two

Railways,
mileage tax

or more tracks, of \$20 per mile for each additional track, in territory without municipal organization in Ontario, but a corporation that owns, operates or uses a railway that, either by itself or in conjunction with any other railway leased by it or to which it is leased or with which it is amalgamated or together with which it forms one system, does not exceed 150 miles in length from terminal to terminal, whether or not one or both of such terminals are outside Ontario, shall, in lieu of such tax, pay a tax of \$15 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$5 per mile for each additional track in Ontario, and, where the railway or system does not exceed 30 miles in length between such terminals, a tax of \$10 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$5 per mile for each additional track in Ontario.

Additional
tax

(2) In addition to the tax imposed by subsection 1, every corporation that owns, operates or uses a railway that, either by itself or in conjunction with any other railway leased by it or to which it is leased or with which it is amalgamated or together with which it forms one system, exceeds 150 miles in length from terminal to terminal, whether or not one or both of such terminals are outside Ontario, shall for every fiscal year of the corporation pay a tax of \$25 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$20 per mile for each additional track in Ontario.

Corporation
owning and
corporation
operating
liable

(3) Both the corporation that owns the railway and the corporation that operates or uses it are liable jointly and severally for the payment to the Treasurer of the amount of taxes imposed by this section, but the total amount payable in respect of any railway shall not exceed the amount that would be payable under this section if the railway were owned, operated or used by one corporation.

Switches,
etc., not to
be included

(4) Switches, spurs and sidings shall not be included in the measurement of track for the purpose of this section.

Subsidiary
corporation

(5) Where a corporation that owns, operates or uses a railway owns or controls other corporations that are not taxable under this section, such other corporations are taxable under such other sections under this Act as are applicable without regard to the taxes payable by the owning or controlling corporation under this section. R.S.O. 1950, c. 72, s. 5, *amended*.

Telegraph
companies,
special tax

9. Every corporation that owns, operates or uses a line or a part of a line of telegraph in Ontario for gain, including every corporation that owns, operates or uses a railway, shall for every fiscal year of the corporation pay a tax of 1 per cent upon the total amount of money invested by the

corporation in such line or part thereof and the plant and works connected therewith; provided that a corporation that owns and a corporation that operates and uses any such line or part thereof are liable jointly and severally for the payment of such tax, but the total amount payable in respect of such line or part thereof and the works and plant connected therewith shall not exceed the total amount of tax imposed under this section, notwithstanding that the line or part thereof is owned, operated or used by more than one corporation. R.S.O. 1950, c. 72, s. 6, *amended*.

10. Every corporation that carries on the business of an express company over a railway in Ontario, including a corporation that owns, operates or uses a railway, shall for every fiscal year of the corporation pay a tax of \$800 for each 100 miles or fraction thereof up to but not exceeding a tax of \$10,000. R.S.O. 1950, c. 72, s. 7, *amended*. Express companies, special tax

11. Every corporation, except a corporation that owns, operates or uses a railway, that transacts in Ontario the business of operating, leasing or hiring sleeping or parlour or dining cars run upon or used upon any railway in Ontario, shall, for every fiscal year of the corporation, pay a tax of 1 per cent calculated upon the money invested in such cars in use in Ontario. R.S.O. 1950, c. 72, s. 8, *amended*. Car companies, special tax

12. There may be deducted from the total of the taxes payable by a corporation under sections 5, 6, 7, 8, 9, 10 and 11 the tax payable by that corporation under section 4. *New*. Deduction from special taxes

13.—(1) Every insurance corporation shall pay a tax of 2 per cent calculated on the gross premiums that become payable to the corporation or its agent or agents during the fiscal year in respect of business transacted in Ontario, other than considerations for annuities, after deducting from such premiums, Insurance companies

- (a) cash value of dividends credited to policyholders;
- (b) premiums returned;
- (c) premiums paid in respect of re-insurance ceded to insurance corporations licensed to transact business in Ontario.

(2) In determining the amount of tax payable under subsection 1, Premiums in respect of business transacted in Ontario

- (a) every life insurance premium that becomes payable at the time the person insured is a resident of Ontario; and

(b) every other premium that by the terms of the policy or renewal thereof becomes payable in respect of insurance of a person resident or property situate in Ontario at the time such premium becomes payable whether or not,

- (i) such premium is earned wholly or partly in Ontario,
- (ii) the business in respect of the policy is transacted wholly or partly in Ontario, or
- (iii) the payment of such premium is made wholly or partly in Ontario,

shall be deemed to be a premium payable in respect of business transacted in Ontario.

Exception

(3) The tax imposed by subsection 1 is not payable in respect of premiums payable under a contract of marine insurance.

Marine insurance

(4) In this section, "marine insurance" means insurance against marine losses, that is to say, the losses incident to marine adventure, and may by the express terms of a contract or by usage of trade extend so as to protect the insured against losses on inland waters or by land or air which are incidental to any sea voyage.

Unfair discrimination

(5) Where it is established to the satisfaction of the Lieutenant-Governor in Council that any jurisdiction discriminates unfairly by imposing taxes, fees and other monetary obligations on any insurance corporation or any particular class of insurance corporations organized under the laws of Canada or of Ontario and having their principal offices in Ontario that in the aggregate are in excess of comparable taxes, fees and monetary obligations imposed on any similar corporation or class of corporations organized under the laws of such jurisdiction, the Lieutenant-Governor in Council may direct that any corporation or any class of corporations organized under the laws of such jurisdiction and that transact business in Ontario shall pay, in addition to the tax otherwise imposed by this section, a tax not exceeding the equivalent of such excess, and such additional tax is recoverable in the same manner as any other tax imposed by this Act.

Fiscal year

(6) For the purposes of this Act, the fiscal year of every insurance corporation shall be deemed to end on the 31st day of December. R.S.O. 1950, c. 72, s. 4, *amended*.

Tax on hotels

14. Every corporation that operates one or more hotels in Ontario in addition to carrying on the business pursuant to

which it is taxable under sections 7, 8, 9, 10, 11 and 13, or any of them, shall pay the taxes imposed by sections 4, 5 and 6, calculated with respect to the taxable income of such hotel or hotels, the taxable paid-up capital of such hotel or hotels and the permanent establishment that is each such hotel, respectively, in addition to any of the taxes imposed by any of the sections 4 to 13 with respect to any business other than that of operating one or more hotels, and section 12 applies *mutatis mutandis* to the taxes so payable under sections 5 and 6. R.S.O. 1950, c. 72, ss. 11, 13, 15, *amended*.

PART III

COMPUTATION OF TAXABLE INCOME

DIVISION A—TAXABLE INCOME

15. The taxable income of a corporation for a fiscal year is its income for that year minus the deductions permitted by Division C. *New*. ^{Taxable income}

DIVISION B—COMPUTATION OF INCOME

General Rules

16. The income of a corporation for a fiscal year for the purposes of this Part is its income for the fiscal year from all sources inside or outside Ontario and, without restricting the generality of the foregoing, includes income for the fiscal year from all businesses and property. *New*. ^{World income}

17. Subject to the other provisions of this Part, income for a fiscal year from the business or property of a corporation is the profit therefrom for the fiscal year. *New*. ^{Income from business or property}

Amounts Included in Computing Income

18. Without restricting the generality of section 16, there shall be included in computing the income of a corporation for a fiscal year, ^{Amounts included in computing income,}

- (a) amounts received in the fiscal year as, on account or in lieu of payment of, or in satisfaction of, dividends or annuity payments; ^{dividends}
- (b) amounts received in the fiscal year or receivable in the fiscal year, depending upon the method regularly followed by the corporation in computing its profit, as interest or on account or in lieu of payment of, or in satisfaction of, interest; ^{interest}

income from
partnership
or syndicate

(c) the income of a corporation from a partnership or syndicate for the fiscal year, whether or not it has withdrawn such income during the fiscal year;

previous
reserve for
bad debts

(d) the amount deducted as a reserve for doubtful debts in computing the income of a corporation for the immediately preceding fiscal year;

insurance
proceeds
expended

(e) such part of an amount payable to the corporation under a policy of insurance in respect of damage to property that is depreciable property of the corporation within the meaning of section 32 as has been expended by the corporation,

(i) within the fiscal year, and

(ii) within a reasonable time after the damage,

on repairing the damage;

bad debts
recovered

(f) amounts received in the fiscal year on account of debts in respect of which a deduction for bad debts had been made in computing the income of the corporation for a previous fiscal year, whether or not the corporation was carrying on the same business in the fiscal year during which such deduction was made;

payments
based on
production
or, use

(g) amounts received by the corporation in the fiscal year that were dependent upon use of or production from property, whether or not they were instalments of the sale price of the property, but instalments of the sale price of agricultural land shall not be included by virtue of this clause; and

employees
profit
sharing plan

(h) amounts received by the corporation in the fiscal year under an employees profit sharing plan established for the benefit of the employees of the corporation or of a corporation with which the first-mentioned corporation does not deal at arm's length.
New.

Income and
capital
combined

19. Where a payment under a contract or other arrangement can reasonably be regarded as being in part a payment of interest or other payment in the nature of income and in part a payment in the nature of capital, the part of the payment that can reasonably be regarded as a payment of interest or other payment in the nature of income shall, irrespective of when the contract or arrangement was made or the form or legal effect thereof, be included in computing the income of the corporation receiving it. *New.*

20.—(1) Where, in a fiscal year,

Appropriation of property to shareholders

- (a) a payment has been made by a corporation to a corporation that is a shareholder therein otherwise than pursuant to a *bona fide* business transaction;
- (b) funds or property of a corporation have been appropriated in any manner whatsoever to or for the benefit of a corporation that is a shareholder therein; or
- (c) a benefit or advantage has been conferred by a corporation to a corporation that is a shareholder therein,

otherwise than,

- (i) on the reduction of its capital, the redemption of its shares or the winding up, discontinuance or reorganization of its business,
- (ii) by payment of a stock dividend, or
- (iii) by conferring on all holders of common shares in the capital of the corporation a right to buy additional common shares therein,

the amount or value thereof shall be included in computing the income of the corporation that is a shareholder therein for the fiscal year.

(2) Where a corporation has in a fiscal year made a loan to a corporation that is a shareholder therein, the amount thereof shall be deemed to have been received by the corporation that is a shareholder therein as a dividend in the fiscal year unless,

Loan to shareholder

- (a) the loan was made in the ordinary course of its business and the lending of money was part of its ordinary business and *bona fide* arrangements were made at the time the loan was made for repayment thereof within a reasonable time; or
- (b) the loan was repaid within one year from the end of the fiscal year of the lending corporation in which it was made and it is established by subsequent events or otherwise that the repayment was not made as a part of a series of loans and repayments.

(3) An annual or other periodic amount paid by a corporation to another corporation in respect of an income bond or income debenture shall be deemed to have been received by

Interest on income bonds

the receiving corporation as a dividend unless the corporation paying it is entitled to deduct the amount so paid in computing its income.

Application (4) This section is applicable in computing the income of a corporation that is a shareholder of the paying corporation for the purposes of this Part, whether or not the paying corporation had a permanent establishment in Ontario. *New.*

Certain reserves included in computing income

21. In computing the income for a fiscal year of a bank, there shall be included the amount by which the aggregate of the amounts, that at the end of the fiscal year are set aside or reserved by way of write-down of the value of assets or appropriation to contingency reserves or contingent accounts for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises, or other contingencies, is, in the opinion of the Treasurer, having regard to all of the circumstances, in excess of the reasonable requirements of the bank. *New.*

Amounts Not Included in Computing Income

Amounts not included in computing income:

22. In computing the income of a corporation for a fiscal year, there shall not be included,

War Savings Certificates

(a) an amount received under a War Savings Certificate issued by His Majesty in right of Canada or under a similar savings certificate issued by His Majesty in right of Newfoundland before April 1, 1949;

ship or aircraft of non-resident corporation

(b) the income for the fiscal year of a non-resident corporation earned in Canada from the operation of a ship or aircraft owned or operated by such corporation, if the country where that corporation resides or maintains its chief place of business grants substantially similar relief for the fiscal year to a corporation that resides or has its chief place of business in Canada. *New.*

Deductions Allowed in Computing Income

Deductions allowed in computing income:

23.—(1) Notwithstanding clauses *a* and *b* of subsection 1 of section 24, there may be deducted in computing the income of a corporation for a fiscal year,

capital cost of property

(a) such part of the capital cost to the corporation of property, or such amount in respect of the capital cost to the corporation of property, if any, as is allowed by the regulations;

allowance for oil or gas well, mine or timber limit

(b) such amount as an allowance in respect of an oil or gas well, mine or timber limit, if any, as is allowed to the corporation by the regulations;

(c) an amount paid in the fiscal year or payable in interest respect of the fiscal year, depending upon the method regularly followed by the corporation in computing its income, pursuant to a legal obligation to pay interest on,

(i) borrowed money used for the purpose of earning income from a business or property, other than borrowed money used to acquire property the income from which would be exempt, or

(ii) an amount payable for property acquired for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, other than property the income from which would be exempt,

or a reasonable amount in respect thereof, whichever is the lesser;

(d) an amount paid in the fiscal year pursuant to a legal obligation to pay interest on an amount that would be deductible under clause c if it were paid in the fiscal year or payable in respect of the fiscal year;

(e) an expense incurred in the fiscal year,

(i) in the course of issuing or selling shares of the capital stock of the corporation, or

expense of
issuing
shares or
borrowing
money

(ii) in the course of borrowing money used by the corporation for the purpose of earning income from a business or property, other than money used by the corporation for the purpose of acquiring property the income from which would be exempt,

but not including any amount in respect of,

(iii) a commission or bonus paid or payable to a person to whom the shares would be issued or sold or from whom the money was borrowed or for or on account of services rendered by a person as a salesman, agent or dealer in securities in the course of issuing or selling the shares or borrowing the money, or

(iv) an amount paid or payable as or on account of the principal amount of the indebtedness

incurred in the course of borrowing the money, or as or on account of interest;

idem

- (f) such part of a payment,
- (i) repaying borrowed money used for the purpose of earning income from a business or property, other than borrowed money used to acquire property the income from which would be exempt, or
 - (ii) for property acquired for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, other than property the income from which would be exempt,

made by the corporation in the fiscal year as is by section 18 required to be included in computing the income of the corporation receiving it;

reserve for
doubtful
debts

- (g) a reasonable amount as a reserve for,
- (i) doubtful debts that have been included in computing the income of the corporation for that fiscal year or a previous fiscal year, and
 - (ii) doubtful debts arising from loans made in the ordinary course of business by a corporation part of the ordinary business of which was the lending of money;

bad debts

- (h) the aggregate of debts owing to the corporation,
- (i) that it has established to have become bad debts in the fiscal year, and
 - (ii) that it has included, except in the case of debts arising from loans made in the ordinary course of business by a corporation part of the ordinary business of which was the lending of money, in computing its income for that fiscal year or a previous fiscal year;

employer's
contribution
to pension
funds

- (i) an amount paid by the corporation in the fiscal year or within sixty days from the end of the fiscal year to or under a registered pension fund or plan in respect of services rendered by employees of the corporation in the fiscal year, subject, however, as follows:

- (i) in any case where the amount so paid is the aggregate of amounts, each of which is identifiable as a specified amount in respect of an individual employee of the corporation, the amount deductible under this clause in respect of any one such individual employee is the lesser of the amount so specified in respect of that employee or \$1,500, and
- (ii) in any other case, the amount deductible under this clause is the lesser of the amount so paid or an amount determined in the prescribed manner, not exceeding \$1,500 multiplied by the number of employees of the corporation in respect of whom the amount so paid by the corporation was paid by it,

plus such amount as may be deducted as a special contribution under section 48;

- (j) where a registered pension fund or plan contains a *idem* provision under which the corporation may provide superannuation or pension benefit for an employee or former employee of the corporation by making a lump sum payment to or under the fund or plan in the fiscal year in which the employee or former employee,

- (i) becomes eligible to retire,
- (ii) retires or otherwise ceases to be employed by the corporation,
- (iii) reaches an age at which the superannuation or pension benefits so provided for become payable or commence to be payable to him,

an amount paid by the corporation in the fiscal year or within sixty days from the end of the fiscal year pursuant thereto as the lump sum in respect of an employee or former employee who, in the fiscal year, became eligible to retire, retired or otherwise ceased to be employed by the corporation or reached the age referred to in subclause iii, except to the extent that it is deductible under clause *i*;

- (k) such amount in respect of expenditures on scientific ^{scientific} research as is permitted by section 44;
- (l) where a corporation is an insurance corporation, ^{refund of} other than a life insurance corporation, such amounts ^{premiums}

in respect of payments made or credits allowed by the corporation to its policyholders as are permitted by section 46;

patronage dividend

(*m*) such amounts in respect of payments made by a corporation pursuant to allocation in proportion to patronage as are permitted by section 47;

mining or logging taxes

(*n*) such amount in respect of taxes on income for the fiscal year from mining or logging operations as is permitted by the regulations;

contributions of corporations under profit sharing plan

(*o*) an amount paid by a corporation to a trustee in trust for employees of such corporation or of a corporation with which such corporation does not deal at arm's length under an employees profit sharing plan as permitted by section 49;

contributions of corporations under supplementary unemployment benefit plan

(*p*) an amount paid by a corporation to a trustee under a supplementary unemployment benefit plan as permitted by section 50.

Shareholder's allowance from corporation operating oil or gas wells

(2) In computing the income of a corporation from shares it holds in another corporation the income of which is from the operation of an oil or gas well or a mine, there may be deducted such amount, if any, as is allowed by the regulations.

Allowance in respect of oil or gas wells, etc.

(3) For greater certainty it is hereby declared that, in the case of a regulation made under clause *b* of subsection 1 allowing to a corporation an amount in respect of an oil or gas well or a mine,

(*a*) there may be allowed to the corporation by such regulation an amount in respect of any or all oil or gas wells or mines in which the corporation has any interest; and

(*b*) notwithstanding any other provision contained in this Act, the Lieutenant-Governor in Council may prescribe the formula by which the amount that may be allowed to the corporation by such regulation shall be determined.

Lessee's share of allowance

(4) Where a deduction is allowed under clause *b* of subsection 1 in respect of a coal mine operated by a lessee, the lessor and the lessee may agree as to what portion of the allowance each may deduct and, in the event that they cannot agree, the Treasurer may fix the proportions.

Borrowed money

(5) For the purpose of clause *c* of subsection 1, where a corporation has borrowed money in consideration of its promise to pay a larger amount and to pay interest on the larger amount,

- (a) the larger amount shall be deemed to be the amount borrowed; and
- (b) where the amount actually borrowed has been used in whole or in part for the purpose of earning income from a business or property, the proportion of the larger amount that the amount actually so used is of the amount actually borrowed shall be deemed to be the amount so used.

(6) For greater certainty it is hereby declared that, where ^{Idem} a corporation has used borrowed money to repay money borrowed previously, the borrowed money shall, for the purpose of clause *c* or *d* of subsection 1, be deemed to have been used for the purpose for which the money borrowed previously was used or was deemed by this subsection to have been used.

(7) Notwithstanding clauses *a* and *b* of subsection 1 of ^{Banks} section 24, there may be deducted, in computing the income for a fiscal year of a bank, such amount as is set aside or reserved for the fiscal year either by way of write-down of the value of assets or appropriation to any contingency reserve or contingent account for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises, or other contingencies, and is, in the opinion of the Treasurer, having regard to all the circumstances, not in excess of the reasonable requirements of the bank. *New.*

Deductions Not Allowed in Computing Income

24.—(1) In computing income, no deduction shall be ^{Deductions not allowed in computing income:} made in respect of,

- (a) an outlay or expense except to the extent that it ^{general limitations} was made or incurred by the corporation for the purpose of gaining or producing income from property or a business of the corporation;
- (b) an outlay, loss or replacement of capital, a payment ^{capital outlay} on account of capital or an allowance in respect of depreciation, obsolescence or depletion except as expressly permitted by this Part;
- (c) an outlay or an expense to the extent that it may ^{limitation re exempt income} reasonably be regarded as having been made or incurred for the purpose of gaining or producing exempt income or in connection with property the income from which would be exempt;

- annual value of property
- (d) the annual value of property except rent for property leased by the corporation for use in its business;
- reserves, etc.
- (e) an amount transferred or credited to a reserve, contingent account or sinking fund except as expressly permitted by this Part;
- payments on income bonds
- (f) an amount paid by a corporation other than a personal corporation as interest or otherwise to holders of its income bonds or income debentures unless the bonds or debentures have been issued or the income provisions thereof have been adopted since 1930,
- (i) to afford relief to the debtor from financial difficulties, and
- (ii) in place of or as an amendment to bonds or debentures that at the end of 1930 provided unconditionally for a fixed rate of interest.
- Unreasonable expenses
- (2) In computing income, no deduction shall be made in respect of an outlay or expense otherwise deductible except to the extent that the outlay or expense was reasonable in the circumstances.
- Unpaid amounts
- (3) In computing the income of a corporation for a fiscal year, no deduction shall be made in respect of an otherwise deductible outlay or expense payable by the corporation to a person with whom it was not dealing at arm's length if the amount thereof has not been paid before the day one year after the end of the fiscal year; but, if an amount that was not deductible in computing the income of one fiscal year by virtue of this subsection was subsequently paid, it may be deducted in computing the income of the corporation for the fiscal year during which it was paid.
- Special corporation taxes
- (4) In computing the income of a corporation for a fiscal year, no deduction shall be made in respect of corporation taxes paid or payable to a government of a province or to a municipality in the province except to the extent that,
- (a) the aggregate of all corporation taxes payable by the corporation in the fiscal year and all corporation income taxes payable by the corporation in respect of the fiscal year to the government of the province or to a municipality in the province,

exceeds the greater of,

- (b) 9 per cent of the taxable income of the corporation earned in the fiscal year in the province; or
- (c) the amount that any tax payable on the taxable income of the corporation earned in the fiscal year in the province would be if that tax were payable at such rate as is determined in accordance with the regulations to be the standard rate of tax applied for the purpose of any corporation income tax imposed by the Legislature of the province in respect of the fiscal year.

(5) In subsection 4 and this subsection,

Interpretation

- (a) "corporation tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax on corporations, but does not include,
 - (i) a corporation income tax, or
 - (ii) any other tax declared by the regulations not to be a corporation tax;
- (b) "corporation income tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax of general application on the profits of corporations;
- (c) "taxable income of the corporation earned in the fiscal year in the province" means the amount determined under the provisions of section 4 that determine the amount of the taxable income of the corporation earned in a particular province in a fiscal year. *New.*

corporation tax

corporation income tax

taxable income, etc.

25.—(1) Where the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, its income for the fiscal year shall be deemed to be not less than its income from all sources other than farming minus the lesser of,

Chief source of income

- (a) one-half its loss from farming for the fiscal year; or
- (b) \$5,000.

(2) For the purpose of this section, the Treasurer may determine that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income.

Treasurer may determine

Interpre-
tation

(3) For the purpose of this section, a "loss from farming" is a loss from farming computed by applying the provisions of this Part respecting the computation of income from a business *mutatis mutandis* except that no deduction shall be made under clause *a* of subsection 1 of section 23. *New*.

Method of
computing
income

26.—(1) Where a corporation has adopted a method of computing income from a business or a property for a fiscal year and that method has been accepted for the purposes of this Part, income from the business or property for a subsequent fiscal year shall, subject to the other provisions of this Part, be computed according to that method, unless the corporation has with the concurrence of the Treasurer adopted a different method.

Inventories

(2) For the purpose of computing the income of a corporation from a business or a property, the property described in each inventory of the business shall be valued at its cost to the corporation or its fair market value, whichever is lower, unless,

- (a) all of the property described in all of the inventories of the business is valued at the cost thereof to the corporation; or
- (b) all of the property described in all of the inventories of the business is valued at the fair market value thereof.

Manner of
keeping
inventory

(3) For the purpose of this section and section 82, an inventory shall show quantities and nature of the properties that should be included therein in such manner and in sufficient detail that the property may be valued in accordance with this section. *New*.

Indirect
payments

27.—(1) A payment or transfer of money, rights or things made pursuant to the direction of or with the concurrence of a corporation to some person for the benefit of the corporation or as a benefit that the corporation desired to have conferred on such person shall be included in computing the income of the corporation to the extent that it would be if the payment or transfer had been made to the corporation.

Undistrib-
uted
payments or
profits

(2) For the purposes of this Part, a payment or transfer in a fiscal year of money, rights or things made to the corporation or to some person for the benefit of the corporation and other persons jointly or a profit made by the corporation and other persons jointly in a fiscal year shall be deemed to have been received by the corporation in the fiscal year to the extent of its interest therein notwithstanding that there

was no distribution or division thereof in that fiscal year.
New.

28.—(1) Where a corporation carrying on business in Canada has purchased anything from a person with whom it was not dealing at arm's length at a price in excess of the fair market value, the fair market value thereof shall, for the purpose of computing the income of the corporation from the business, be deemed to have been paid or to be payable therefor. <sup>Inadequate
considera-
tions</sup>

(2) Where a corporation carrying on business in Canada has sold anything to a person with whom it was not dealing at arm's length at a price less than the fair market value, the fair market value thereof shall, for the purpose of computing the income of the corporation from the business, be deemed to have been received or to be receivable therefor. ^{Idem}

(3) Where a corporation carrying on business in Canada has paid or agreed to pay to a non-resident person with whom it was not dealing at arm's length as price, rental, royalty or other payment, for use or reproduction of any property, or as consideration for the carriage of goods or passengers or for other services, an amount greater than the amount, hereinafter in this subsection referred to as "the reasonable amount", that would have been reasonable in the circumstances if the non-resident person and the corporation had been dealing at arm's length, the reasonable amount shall, for the purpose of computing the income of the corporation from the business, be deemed to have been the amount that was paid or is payable therefor. ^{Idem}

(4) Where a non-resident person has paid or agreed to pay to a corporation carrying on business in Canada with which he was not dealing at arm's length as price, rental, royalty or other payment for use or reproduction of any property, or as consideration for the carriage of goods or passengers or for other services, an amount less than the amount, hereinafter in this subsection referred to as "the reasonable amount", that would have been reasonable in the circumstances if the non-resident person and the corporation had been dealing at arm's length, the reasonable amount shall, for the purpose of computing the income of the corporation from the business, be deemed to have been the amount that was paid or is payable therefor. ^{Idem}

(5) Where property of a corporation has been appropriated in any manner whatsoever to or for the benefit of a shareholder for no consideration or for a consideration below the fair market value and if the sale thereof at the fair market value would have increased the income of the corporation for the ^{Idem}

fiscal year, then for the purpose of determining the income of the corporation for the fiscal year it shall be deemed to have sold the property during the fiscal year and to have received therefor the fair market value thereof.

Idem

(6) Where property of a corporation has been appropriated in any manner whatsoever to or for the benefit of a shareholder on the winding up of the corporation and if the sale thereof at the fair market value immediately before the winding up would have increased the income of the corporation for the fiscal year, then for the purpose of determining the income of the corporation for the fiscal year it shall be deemed to have sold the property during the fiscal year and to have received therefor the fair market value thereof.

Idem

(7) Where a corporation has disposed of depreciable property as defined for the purpose of section 32 under such circumstances that subsection 3 of section 32 is applicable to determine, for the purpose of clause *a* of subsection 1 of section 23, the capital cost of the property to the person by whom the property was acquired, subsections 2, 5 and 6 of this section are not applicable in respect to the disposition.
New.

Lease-
option, hire-
purchase,
etc.

29.—(1) A lease-option agreement, a hire-purchase agreement or other contract or arrangement for the leasing or hiring of property, except immovable property used in carrying on the business of farming, by which it is agreed that the property may, on the satisfaction of a condition, vest in the lessee or other person to whom the property is leased or hired or in a person with whom the lessee or such other person does not deal at arm's length shall, for the purpose of computing the income of the lessee or other person to whom the property has been leased or hired, be deemed to be an agreement for the sale of the property to such lessee or other person and rent or other consideration paid or given thereunder shall be deemed to be on account of the price of the property and not for its use, and the lessee or other person to whom the property has been leased or hired shall, for the purpose of a deduction under clause *a* of subsection 1 of section 23, be deemed to have acquired the property at a capital cost equal to the price fixed by the contract or arrangement minus the aggregate of all amounts paid by such lessee or other person,

- (a) in the case of a contract or arrangement relating to movable property, before the commencement of the fiscal year ending in 1949; and
- (b) in the case of any other contract or arrangement, before the commencement of the fiscal year ending in 1950,

under the contract or arrangement on account of the rent or other consideration.

(2) Where a corporation is deemed under subsection 1 to have acquired property under a contract or arrangement and the contract or arrangement is subsequently rescinded or determined, the corporation shall, for the purpose of section 32, be deemed to have disposed of the property for the price fixed by the contract or arrangement minus the aggregate of all amounts paid by the corporation under the contract or arrangement on account of the rent or other consideration.

(3) Where a lease-option agreement, a hire-purchase agreement or other contract or arrangement for the leasing or hiring of property, except immovable property used in carrying on the business of farming, by which it was agreed that the property might on the satisfaction of a condition vest in a person with whom the lessee or other person to whom the property is leased or hired, hereinafter in this subsection referred to as the "lessee", was not dealing at arm's length, has been entered into and, upon satisfaction of the condition, the property has at a subsequent time vested in that person, hereinafter in this subsection referred to as the "new owner", the following rules are applicable:

- (a) for the purpose of clause *a* of subsection 1 of section 23, the lessee shall be deemed to have at the subsequent time disposed of the property for an amount equal to its undepreciated capital cost to him, as defined in section 32, at that time;
- (b) the capital cost of the property to the new owner shall be deemed to be an amount equal to the capital cost thereof to the lessee as determined under subsection 1; and
- (c) an amount equal to the capital cost of the property to the new owner as determined under clause *b* minus the amount for which the lessee is deemed by clause *a* to have disposed of the property shall be deemed to have been allowed to the new owner in respect of property of the prescribed class to which the property belongs under the regulations made pursuant to clause *a* of subsection 1 of section 23, in computing the income for any fiscal year prior to that during which the new owner acquired the property. *New.*

30.—(1) Where a corporation resident in Canada has loaned money to a non-resident person and the loan has

Lessee or hire-purchaser where contract or arrangement rescinded

Option exercised by person with whom lessee not at arm's length

Loans to non-resident persons

remained outstanding for one year or longer without interest at a reasonable rate having been included in computing the income of the lending corporation, interest thereon, computed at 5 per cent per annum for the fiscal year or part of the fiscal year during which the loan was outstanding, shall, for the purpose of computing the income of the lending corporation, be deemed to have been received by the lending corporation on the last day of each fiscal year during all or part of which the loan has been outstanding.

Exception

(2) Subsection 1 does not apply if the loan was made to a subsidiary controlled corporation and it is established that the money that was loaned was used in the business of the subsidiary corporation for the purpose of gaining or producing income. *New.*

Interest on bonds

31. Where, by virtue of an assignment or other transfer of a bond, debenture or similar security, other than an income bond or income debenture, the transferee has become entitled to interest in respect of a period commencing before the time of transfer and ending after that time that is not payable until after the time of transfer, an amount equal to that proportion of the interest that the number of days in the portion of the period that preceded the day of transfer is of the number of days in the whole period,

- (a) shall be included in computing the income of the transferor for the fiscal year in which the transfer was made; and
- (b) may be deducted in computing the income of the transferee for a fiscal year in the computation of which there has been included,
 - (i) the full amount of the interest under section 18, or
 - (ii) a portion of the interest under clause a. *New.*

Excess of proceeds over undepreciated capital costs

32.—(1) Where depreciable property of a corporation of a prescribed class has, in a fiscal year, been disposed of and the proceeds of the disposition exceed the undepreciated capital cost to the corporation of depreciable property of that class immediately before the disposition, the lesser of,

- (a) the amount of the excess; or
- (b) the amount that the excess would be if the property had been disposed of for the capital cost thereof to the corporation,

shall be included in computing the income of the corporation for the fiscal year.

(2) Where one or more amounts are by subsection 1 ^{Determination of net amount} required to be included in computing the income of a corporation for a fiscal year in respect of the disposition of depreciable property of a prescribed class and the corporation has, during the fiscal year but following the dispositions, acquired further depreciable property of that class, notwithstanding subsection 1 and clause *e* of subsection 4, the following rules are applicable:

- (a) if the aggregate of the amounts that would according to the terms of subsection 1 be included thereunder in computing the income of the corporation is equal to or exceeds the amount that would according to the terms of clause *e* of subsection 4 be the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for that fiscal year,
 - (i) the amount to be included in computing the income of the corporation for the fiscal year under subsection 1 in respect of dispositions of depreciable property of that class is that aggregate minus the amount that would be that undepreciated capital cost, and
 - (ii) the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year is nothing; and
- (b) if the aggregate of the amounts that would according to the terms of subsection 1 be included thereunder in computing the income of the corporation is less than the amount that would according to the terms of clause *e* of subsection 4 be the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for that fiscal year,
 - (i) no amounts shall be included in computing the income of the corporation for the fiscal year in respect of depreciable property of that class under subsection 1, and
 - (ii) the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for the fiscal year is the amount that it would be according to the terms of clause *e* of subsection 4 minus that aggregate.

Deprecia-
tion

(3) Where depreciable property did, at any time after the commencement of a fiscal year ending in 1949, belong to a person, hereinafter in this subsection referred to as the "original owner", and has by one or more transactions between persons not dealing at arm's length become vested in a corporation, the following rules are, notwithstanding section 28, applicable for the purposes of this section and the regulations made pursuant to clause *a* of subsection 1 of section 23:

- (a) the capital cost of the property to the corporation shall be deemed to be the amount that was the capital cost of the property to the original owner; and
- (b) where the capital cost of the property to the original owner exceeds the actual capital cost of the property to the corporation, the excess shall be deemed to have been allowed to the corporation in respect of the property under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for fiscal years before the acquisition thereof by the corporation.

Interpreta-
tion

(4) In this section and in the regulations made pursuant to clause *a* of subsection 1 of section 23,

- (a) "depreciable property of a corporation" as of any time in a fiscal year means property in respect of which the corporation has been allowed or is entitled to a deduction under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for that or a previous fiscal year;
- (b) "disposition of property" includes any transaction or event entitling a corporation to proceeds of disposition of property;
- (c) "proceeds of disposition" of property includes,
 - (i) the sale price of property that has been sold,
 - (ii) compensation for property damaged, destroyed, taken or injuriously affected, either lawfully or unlawfully, or under statutory authority or otherwise,
 - (iii) an amount payable under a policy of insurance in respect of loss or destruction of property, and

(iv) an amount payable under a policy of insurance in respect of damage to property except to the extent that the amount has within a reasonable time after the damage been expended on repairing the damage;

(d) "total depreciation allowed to a corporation" before any time for property of a prescribed class means the aggregate of all amounts allowed to the corporation in respect of property of that class under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for fiscal years before that time;

(e) "undepreciated capital cost to a corporation of depreciable property" of a prescribed class as of any time means the capital cost to the corporation of depreciable property of that class acquired before that time minus the aggregate of,

(i) the total depreciation allowed to the corporation for property of that class before that time,

(ii) for each disposition before that time of property of the corporation of that class, the least of,

(A) the proceeds of disposition thereof,

(B) the capital cost to the corporation thereof, or

(C) the undepreciated capital cost to the corporation of property of that class immediately before the disposition,

and

(iii) each amount by which the undepreciated capital cost to the corporation of depreciable property of that class as of the end of a previous fiscal year was reduced by virtue of subsection 2.

(5) Where an amount payable under a policy of insurance in respect of loss or destruction of property of a prescribed class would otherwise be included in computing the income of a corporation for a fiscal year, hereinafter in this subsection referred to as "the initial fiscal year", by virtue of this section, ^{Insurance proceeds}

(a) it shall, to the extent that it has been expended by the corporation in the fiscal year immediately following the initial fiscal year on acquiring,

(i) property of the same class, or

(ii) if the property destroyed was a building, a building of a prescribed class,

not be included in computing the income of the corporation for the initial fiscal year; and

(b) it shall, to the extent that it has not been included in computing the income of the corporation for the initial fiscal year, be deemed to be proceeds of a disposition made in the fiscal year immediately following the initial fiscal year of depreciable property of the corporation of the same class as the property so acquired.

Depreciation

(6) For the purpose of this section and the regulations made pursuant to clause *a* of subsection 1 of section 23, the following rules apply:

(a) where a corporation, having acquired property for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, has commenced at a later time to use it for some other purpose, the corporation shall be deemed to have disposed of it at that later time at its fair market value at that time;

(b) where a corporation, having acquired property for some other purpose, has commenced at a later time to use it for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, the corporation shall be deemed to have acquired it at that later time at its fair market value at that time;

(c) where a corporation has acquired property by gift, bequest or inheritance, the capital cost to the corporation shall be deemed to have been the fair market value thereof at the time the corporation so acquired it;

(d) where a corporation has given property away, the corporation shall be deemed to have disposed of it at the time of the gift at its fair market value at that time;

- (e) where a property has, since it was acquired by a corporation, been regularly used in part for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business and in part for some other purpose, the corporation shall be deemed to have acquired for the purpose of gaining or producing income the proportion of the property that the use regularly made of the property for gaining or producing income is of the whole use regularly made of the property at a capital cost to the corporation equal to the same proportion of the capital cost to the corporation of the whole property, and, if the property has in such a case been disposed of, the proceeds of disposition of the proportion of the property deemed to have been acquired for gaining or producing income shall be deemed to be the same proportion of the proceeds of disposition of the whole property;
- (f) where at any time after a corporation has acquired property there has been a change in the relation between the use regularly made by the corporation of the property for gaining or producing income and the use regularly made of the property for other purposes,
- (i) if the use regularly made by the corporation of the property for the purpose of gaining or producing income has increased, the corporation shall be deemed to have acquired at that time depreciable property of that class at a capital cost equal to the proportion of the fair market value of the property as of that time that the amount of the increase in the use regularly made by the corporation of the property for that purpose is of the whole use regularly made of the property, and
 - (ii) if the use regularly made of the property for the purpose of gaining or producing income has decreased, the corporation shall be deemed to have disposed at that time of depreciable property of that class and the proceeds of disposition shall be deemed to be an amount equal to the proportion of the fair market value of the property as of that time that the amount of the decrease in the use regularly made by the corporation of the property for that purpose is of the whole use regularly made of the property;

- (g) where an amount can reasonably be regarded as being in part the consideration for disposition of depreciable property of a corporation of a prescribed class and as being in part consideration for something else, the part of the amount that can reasonably be regarded as being the consideration for such disposition shall be deemed to be the proceeds of disposition of depreciable property of that class irrespective of the form or legal effect of the contract or agreement, and the person to whom the depreciable property was disposed of shall be deemed to have acquired the property at a capital cost to him equal to the same part of that amount; and
- (h) where a corporation has received or is entitled to receive a grant, subsidy or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, the capital cost of the property shall be deemed to be the capital cost thereof to the corporation minus the amount of the grant, subsidy or other assistance.

Interpre-
tation

(7) In clauses *a*, *b*, *e* and *f* of subsection 6, in the case of a non-resident corporation, "business" means a business wholly carried on in Canada or such part of a business as is wholly carried on in Canada.

Farming
and fishing

(8) Subsection 1 does not apply in determining the income of a corporation of a fiscal year from farming or fishing unless the corporation has elected to take a deduction for that or a previous fiscal year under the regulations made pursuant to clause *a* of subsection 1 of section 23 other than a regulation providing solely for an allowance for computing income from farming or fishing. *New.*

Deduction
in capital
cost of
vessels

33.—(1) Notwithstanding section 32, where a corporation owns a vessel that was constructed by or for the corporation in Canada and that is registered in Canada and the construction thereof was commenced after the 1st day of January, 1949, the corporation may, in lieu of a deduction under clause *a* of subsection 1 of section 23 and the regulations made pursuant to that clause and so long as the title to the vessel vests and remains in the corporation, deduct such part of the capital cost to the corporation of the vessel as the corporation may elect, not exceeding the lesser of,

- (a) $33\frac{1}{3}$ per cent of the capital cost to the corporation of the vessel; or
- (b) the undepreciated capital cost to the corporation of the vessel at the end of the fiscal year before making any deduction under this section for the fiscal year.

(2) Where a corporation owns a vessel that is registered in Canada, conversion or major alteration of which was commenced after the 1st day of January, 1949, the corporation may, in lieu of a deduction under clause *a* of subsection 1 of section 23 and the regulations made pursuant to that clause in respect of the conversion costs but in addition to a deduction of other capital costs of the vessel under that clause and so long as the title to the vessel vests and remains in the corporation, deduct such part of the conversion cost to the corporation of the vessel as the corporation may elect, not exceeding the lesser of,

- (a) $33\frac{1}{3}$ per cent of the conversion cost to the corporation; or
- (b) the undepreciated conversion cost to the corporation of the vessel as of the close of the fiscal year, before making any deduction under this section for the fiscal year.

(3) For the purposes of this Act,

Application
of sec. 32

- (a) a vessel in respect of which an allowance has been made under subsection 1 shall be deemed to be a prescribed class within the meaning of section 32;
- (b) a vessel in respect of which an allowance has been made under subsection 2 shall to the extent of the conversion cost be deemed to be a prescribed class within the meaning of section 32; and
- (c) an allowance under this section shall be deemed to have been made under clause *a* of subsection 1 of section 23. *New.*

34.—(1) Where a vessel in respect of which an allowance has been made under section 33 or in respect of which “special depreciation”, “extra depreciation” or allowances in lieu of depreciation were allowed for the purposes of the *Income War Tax Act* (Canada), the *Income Tax Act* (Canada) or this Act is disposed of, subsection 1 of section 32 does not apply in respect of the proceeds of disposition to the extent that they are used for replacement under conditions satisfactory to the Treasurer.

Sec. 32 not
applicable,
in certain
cases
R.S.C. 1927,
c. 97
R.S.C. 1952,
c. 148

(2) Where a vessel in respect of which an allowance has been made under subsection 2 of section 33 is disposed of, the portion of the proceeds of disposition that is attributable to the conversion cost shall be determined by the Treasurer.

Determina-
tion of
conversion
costs

Reserve for expenses of quadrennial surveys, etc.

(3) Notwithstanding clause *e* of subsection 1 of section 24, a corporation may in computing its income for a fiscal year deduct such amount as may be allowed by the regulations as a reserve for expenses to be incurred by reason of quadrennial or other special surveys required by the *Canada Shipping Act* (Canada), or the regulations made thereunder, or under the rules of any society or association for the classification and registry of shipping approved by the Minister of Transport of Canada for the purposes of that Act.

R.S.C. 1952, c. 29

Recapture where survey completed

(4) In any case where,

- (a) a corporation made a deduction under subsection 3 in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel; and
- (b) the quadrennial or other special survey in respect of which the deduction was made has been completed to the extent that the vessel is permitted to proceed on a voyage,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the income of the corporation under Part III shall be included in computing its income under that Part for the fiscal year in which the survey was so completed.

Recapture where survey not begun or completed

(5) In any case where,

- (a) a corporation has made a deduction under subsection 3 in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel; and
- (b) before that quadrennial or other special survey was completed, the corporation sold the vessel or the vessel was lost or destroyed or any other circumstance arose that in the opinion of the Treasurer renders it improbable that the survey will be completed,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the income of the corporation under Part III shall be included in computing its income under that Part for the fiscal year in which the vessel was sold, lost or destroyed or in which such circumstance arose. *New.*

Transfer of rights to income

35. Where a corporation has at any time before the end of a fiscal year, whether before or after the commencement of this Act, transferred or assigned to a person with whom the

corporation was not dealing at arm's length the right to an amount that would, if the right thereto had not been so transferred or assigned, be included in computing the income of the corporation for the fiscal year because the amount would have been received or receivable by the corporation in or in respect of the fiscal year, the amount shall be included in computing the income of the corporation for the fiscal year unless the income is from property and the corporation has also transferred or assigned the property. *New.*

36.—(1) Where a corporation has received security or other right or a certificate of indebtedness or other evidence of indebtedness wholly or partially as or in lieu of payment of or in satisfaction of an interest, dividend or other debt that was then payable and the amount of which would be included in computing the income of the corporation if it had been paid, the value of the security, right or indebtedness or the applicable portion thereof shall, notwithstanding the form or legal effect of the transaction, be included in computing the income of the corporation for the fiscal year in which it was received, and a payment in redemption of a security, satisfaction of the right or discharge of the indebtedness shall not be included in computing the income of the recipient. Securities in satisfaction of income debt

(2) Where a security or other right or a certificate of indebtedness or other evidence of indebtedness has been received by a corporation wholly or partially as or in lieu of payment of or in satisfaction of a debt before the debt was payable, but was not itself payable or redeemable before the day on which the debt was payable, it shall for the purpose of subsection 1 be deemed to have been received when the debt became payable by the person holding it at the time. Idem

(3) This section is enacted for greater certainty and shall not be construed as limiting the generality of the other provisions of this Part by which amounts are required to be included in computing income. *New.* Idem

DIVISION C—COMPUTATION OF TAXABLE INCOME

37. For the purpose of computing the taxable income of a corporation for a fiscal year, there may be deducted from the income for the fiscal year such of the following amounts as are applicable: Computation of taxable income

- (a) the aggregate of gifts made by the corporation in the fiscal year to charitable organizations in Canada exempt from tax by clause *d* of subsection 29 of section 4, to corporations resident in Canada and exempt from tax by clause *e* or *f* of subsection 29 of charitable donations

section 4, and to Her Majesty in right of any province of Canada other than Ontario and any Canadian municipality, not exceeding 5 per cent of the income of the corporation for the fiscal year, if payment of the amounts given is proven by the filing of receipts or photostatic reproductions thereof with the Treasurer;

gifts to Her Majesty

(b) the aggregate of gifts made by the corporation in the fiscal year to Her Majesty in right of Canada and of Ontario, if payment of the amounts given is proven by filing receipts or photostatic reproductions thereof with the Treasurer;

business losses

(c) business losses sustained in the five fiscal years immediately preceding and the fiscal year immediately following the taxation year, but,

(i) an amount in respect of a loss is only deductible to the extent that it exceeds the aggregate of amounts previously deductible in respect of that loss under this Act,

(ii) no amount is deductible in respect of the loss of any fiscal year until the deductible losses of previous fiscal years have been deducted, and

(iii) no amount is deductible in respect of losses from the income of any fiscal year except to the extent of the lesser of,

(A) the income of the corporation for the fiscal year from the business in which the loss was sustained, or

(B) the income of the corporation for the fiscal year minus all deductions permitted by the provisions of this Division other than this clause. *New.*

Dividends received by a corporation

38. Where a corporation in a fiscal year received a dividend or is deemed by section 51 to have received a dividend from a corporation that,

(a) was resident in Canada in the fiscal year and was not by virtue of a statutory provision exempt from tax under section 4 for the fiscal year;

(b) was a corporation non-resident of Canada more than 25 per cent of the issued share capital of which,

having full voting rights under all circumstances, belong to the corporation receiving the dividend; or

- (c) was a foreign business corporation more than 25 per cent of the issued share capital of which, having full voting rights under all circumstances, belong to the corporation receiving the dividend,

an amount equal to the dividend minus any amount deducted under subsection 2 of section 23 in computing the income of the corporation receiving the dividend may be deducted from the income of that corporation for the fiscal year for the purpose of determining its taxable income. *New.*

39. Notwithstanding anything in this Part, the taxable ^{Life insurance corporations} income of a life insurance corporation for a fiscal year is the aggregate of the amounts credited to shareholders' account or otherwise appropriated for or on account of shareholders during the fiscal year minus the aggregate of,

- (a) amounts charged in the fiscal year to the shareholders as their fair proportion of losses incurred upon investments or other losses of a similar character;
- (b) amounts transferred in the fiscal year from the shareholders' account to an insurance fund or an investment reserve fund;
- (c) in a case where an amount equal to dividends or portions of dividends would be deductible under section 38, if that section were applicable, such proportion of the amount credited or appropriated as aforesaid as may reasonably be regarded as having been derived from those dividends or portions of dividends; and
- (d) gifts made out of the shareholders' account by the corporation in the fiscal year to organizations in Canada operated exclusively for charitable purposes not exceeding in the aggregate for the fiscal year 5 per cent of the amount so credited or appropriated minus the amounts described by clauses *a* and *b*.
New.

DIVISION D—EXCEPTIONAL CASES AND SPECIAL RULES

Personal Corporations

40.—(1) No tax is payable under section 4 or 5 by a ^{Personal corporations} corporation for a fiscal year during which it was a personal exempt corporation.

Interpre-
tation

(2) In this Act, "personal corporation" means a corporation that, during the whole of the fiscal year in respect of which the expression is being applied,

(a) was controlled, whether through holding of the majority of the shares of the corporation or in any other manner whatsoever, by an individual resident in Ontario, by such individual and one or more members of his family who were resident in Ontario or by any other person on his or their behalf;

(b) derived at least one-quarter of its income from,

(i) ownership of or trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or interest therein,

(ii) lending money with or without securities,

(iii) rents, hire of chattels, charterparty fees or remunerations, annuities, royalties, interest or dividends, or

(iv) estates or trusts; and

(c) did not carry on an active financial, commercial or industrial business.

Idem

(3) For the purpose of clause *a* of subsection 2, the members of the family of an individual are his spouse, sons and daughters, whether or not they live together.

Distribution
of income

(4) The income of a personal corporation whether actually distributed or not shall be deemed to have been distributed to and received by the shareholders as a dividend on the last day of each fiscal year of the corporation.

Division of
income

(5) The part of the income of a personal corporation that shall be deemed under this section to have been distributed to and received by a shareholder of the corporation shall be the proportion thereof that the value of all property transferred or loaned to the corporation by the shareholder or any person by whom his share was previously owned is of the value of the property so acquired by the corporation from all its shareholders.

Valuation

(6) The value of property transferred or loaned to a personal corporation shall be deemed for the purpose of this section to be its value at the time the property was transferred or loaned to the corporation.

(7) For the purpose of this section, where the property of ^{Transfers} a personal corporation is transferred to or otherwise acquired by another personal corporation, the shareholders of the first corporation shall be deemed to have transferred to the second corporation the property that they or persons who previously owned their share transferred to the first corporation.

(8) Where a dividend has in a fiscal year actually been paid ^{Dividends declared} by a corporation that was at the time of payment and always had been a personal corporation, the portion thereof to which a shareholder is entitled and which is received by the shareholder shall not be included in computing the income of that shareholder for the fiscal year in which it was received.

(9) Where a dividend has in a fiscal year been paid by a ^{Idem} personal corporation that was in some previous fiscal year not a personal corporation, the following rules are applicable:

(a) the dividend shall not be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received if the dividend does not exceed the remainder obtained when,

(i) the aggregate of dividends paid by the corporation previous to that time and not included by virtue of this section in computing the incomes of the shareholders by whom they were received,

is subtracted from,

(ii) the aggregate of the amounts deemed under this section to have been distributed while it was a personal corporation;

(b) in a case where the dividend does not exceed the remainder referred to in clause *a*, the dividends shall only be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received to the extent that the excess does not exceed the undistributed income on hand earned by the corporation since the 1st day of January, 1917, in fiscal years when the corporation was not a personal corporation; and

(c) where the amount to be included in computing the incomes of shareholders by virtue of clause *b* is less than the dividend, the portion thereof that shall be so included in computing the income of a particular shareholder for the fiscal year is the portion thereof that his portion of the dividend is of the whole dividend.

Idem

(10) Where a dividend has in a fiscal year been paid by a corporation when it was not a personal corporation but had previously been one, it shall be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received only to the extent that the dividend exceeds the remainder obtained when,

- (a) the aggregate of dividends paid by the corporation previous to that time and not included by virtue of this section in computing the incomes of shareholders by whom they were received,

is subtracted from,

- (b) the aggregate of the amounts deemed under this section to have been distributed by it to its shareholders while it was a personal corporation,

and, where the excess is less than the dividend so paid, the amount that shall be so included in computing the income of a particular shareholder for the fiscal year is the proportion of the excess that the portion of the dividend belonging to that particular shareholder is of the whole dividend.

Dividends deemed paid or received

(11) Where a dividend is deemed by any provision other than this section to have been paid or received, it shall for the purpose of this section be regarded as having been paid.

Where chief source of income of personal corporation not farming

(12) Where it has been determined for the purpose of subsection 1 of section 25 that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, its farming business shall be deemed for the purpose of clause *c* of subsection 2 not to have been during the fiscal year an active financial, commercial or industrial business. *New.*

Mutual Insurance Corporations

Mutual insurance corporations

41. It is hereby declared that an insurance corporation other than a life insurance corporation, whether or not it is a mutual corporation, that has in a fiscal year entered into insurance contracts or other arrangements or relationships whereby it can reasonably be regarded as undertaking to insure other persons, whether or not such persons are members or shareholders of the corporation, against loss, damage or expense of any kind, shall, regardless of the form or legal effect of those contracts, arrangements or relationships, be deemed for the purpose of section 4 to have been carrying on an insurance business in the fiscal year for profit and, in any such case, for the purpose of computing the income from the business so deemed to have been carried on, the following rules are applicable:

- (a) every amount received under, in consideration of, in respect of or on account of such contract, arrangement or relationship shall be deemed to have been received by the corporation in the course of the business;
- (b) the income shall, otherwise, be computed in accordance with the rules applicable in computing the income from a business for the purpose of this Part; and
- (c) all income from property vested in the corporation shall be deemed to be income of the corporation.
New.

Non-Resident-Owned Investment Corporations

42.—(1) No tax is payable under section 4 or 5 by a corporation for a fiscal year during which it was a non-resident-owned investment corporation.

Non-resident-owned investment corporations, tax exempt

(2) In this Act, “non-resident-owned investment corporation” means a corporation incorporated in Canada that during the whole of the fiscal year in respect of which the expression is being applied complied with the following conditions:

Interpretation

- (a) at least 95 per cent of the aggregate value of its issued shares and all its bonds, debentures and other funded indebtedness were,
 - (i) beneficially owned by non-resident persons,
 - (ii) owned by trustees for the benefit of non-resident persons or their unborn issue, or
 - (iii) owned by a corporation, whether incorporated in Canada or elsewhere, at least 95 per cent of the aggregate value of the issued shares of which and all the bonds, debentures and other funded indebtedness of which were beneficially owned by non-resident persons or owned by trustees for the benefit of non-resident persons or their unborn issue or by several such corporations;
- (b) its income was derived from,
 - (i) ownership or trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or any interest therein,

- (ii) lending money with or without security,
 - (iii) rents, hire of chattels, charterparty fees or remunerations, annuities, royalties, interest or dividends, or
 - (iv) estates or trusts;
- (c) not more than 10 per cent of its gross revenue was received from rents;
- (d) its principal business was not,
- (i) the making of loans, or
 - (ii) trading or dealing in mortgages, hypothecs, bills, notes or other similar property or any interest therein;
- (e) it has, not later than ninety days after the commencement of the fiscal year, elected in the prescribed manner to be a non-resident-owned investment corporation; and
- (f) it has not, before the fiscal year, revoked in the prescribed manner the election so made by it.

Foreign Business Corporations

Foreign
business
corporations,
tax
exempt

43.—(1) No tax is payable under section 4 or 5 by a corporation for a fiscal year when it was a foreign business corporation.

Interpre-
tation

(2) In this Act, “foreign business corporation” means a corporation that during the whole of the fiscal year in respect of which the expression is being applied,

- (a) was not a personal corporation;
- (b) complied with one of the following conditions:
 - (i) its business operations were of an industrial, mining, commercial, public utility or public service nature and were carried on entirely outside Canada, except for management and the designing, purchasing and transportation of goods if the goods were not acquired for resale in the course of trading and were acquired for the operations so carried on outside Canada, either directly or through ownership of shares in or control of sub-

subsidiary or affiliated corporations and its property, except securities and bank deposits, was situate entirely outside Canada,

- (ii) it was the wholly-owned subsidiary of a corporation that complied with the conditions in subclause i and was wholly engaged in carrying on business outside Canada, or
 - (iii) its business was of an investment or financial nature and was carried on entirely outside Canada, its shares had been offered for public subscription or were listed on a recognized stock exchange in Canada or elsewhere and its property, except bank deposits and shares of other corporations that were entitled to exemption under this section, was situate entirely outside Canada; and
- (c) derived not more than 10 per cent of its gross revenue from the leasing or operation by it of a ship or aircraft,

and has,

- (d) filed a return for the fiscal year in the form and within the period of time required by section 66 and within the same time paid the tax levied by section 6; or
- (e) within 370 days from the end of the fiscal year, filed a return for the fiscal year in the form required by section 66 and paid the tax imposed by section 6 plus a penalty for late filing equal to \$10 for each day of delay after the expiration of the period of time from the end of the fiscal year within which section 66 requires the filing of a return.

(3) For the purposes of this section, shares and bonds of ^{Situs} corporations incorporated in Canada shall be deemed to be property situate in Canada notwithstanding that they have been transferred on a register outside Canada.

(4) Where a corporation would have complied during the ^{Exception} whole of a fiscal year with the condition contained in subclause i of clause b of subsection 2 were it not that its business operations during the fiscal year were carried on in part in Canada through ownership of shares in or control of one or more subsidiary or affiliated corporations, the corporation shall be deemed to have complied with that condition if, during the whole of the fiscal year,

- (a) the business operations so carried on in Canada were of a mining nature; and
- (b) its main business operations were of an industrial, mining, commercial, public utility or public service nature, and were, except for management and the designing, purchasing, and transportation of goods, carried on outside Canada. *New.*

Scientific Research

Scientific
research,
deductions
from
income

44.—(1) In computing the income for a fiscal year of a corporation that had a permanent establishment in Canada and made expenditures in respect of scientific research in the fiscal year, there may be deducted,

- (a) all expenditures of a current nature made in Canada in the fiscal year,
 - (i) on scientific research related to the business and directly undertaken by or on behalf of the corporation,
 - (ii) by payments to an approved association that undertakes scientific research related to the class of business of the corporation,
 - (iii) by payments to an approved university, college, research institute or other similar institution to be used for scientific research related to the class of business of the corporation; and
- (b) the lesser of,
 - (i) one-third of the expenditures of a capital nature made in Canada, by acquiring property other than land, in the fiscal year and the two fiscal years immediately preceding that fiscal year on scientific research related to the business and directly undertaken by or on behalf of the corporation, or
 - (ii) the undepreciated capital cost to the corporation of the property so acquired as of the end of the fiscal year, before making any deduction under this clause in computing the income of the corporation for the fiscal year.

Limitation

(2) Not more than 5 per cent of the taxable income of the corporation for the fiscal year preceding the taxation year may

be deducted under this section unless the research program in respect of which the expenditures were made has been approved.

(3) No deduction may be made under this section in respect of an expenditure made to acquire rights in or arising out of scientific research or in respect of an amount deducted under this Part from income in respect of a gift to a charitable organization.

(4) In this section,

Interpretation

- (a) "approved" means approved by the Treasurer;
- (b) "scientific research" means any activity in the field of natural or applied science for the extension of knowledge;
- (c) references to expenditures on scientific research include all expenditures incurred for the prosecution or the provision of facilities for the prosecution of the scientific research;
- (d) references to scientific research relating to a business or class of business include any scientific research that may lead to or facilitate an extension of that business or, as the case may be, business of that class.

(5) An amount deducted under clause *b* of subsection 1 shall for the purpose of section 32 be deemed to be an amount allowed to the corporation in respect of the property acquired by the expenditures under the regulations made pursuant to clause *a* of subsection 1 of section 23 and for that purpose the property acquired by the expenditures shall be deemed to be of a separate prescribed class. *New.*

Expenditures of a capital nature

Co-operatives

45.—(1) No tax is payable under section 4 for each of the first three fiscal years after commencement of its business by a co-operative corporation that commenced business on or after the 1st day of January, 1947.

Co-operative corporations, income tax exemption

(2) Where a co-operative corporation has received a grant from the government of a province that was not fixed by reference to natural products marketed, supplies, equipment or household necessities purchased or sold or services performed by it,

Provincial grant

- (a) no amount shall be included in respect of the grant in computing the income of the corporation for any fiscal year; and

- (b) clause *h* of subsection 6 of section 32 is not applicable in respect of any property in respect of or for the acquisition of which the grant was received.

Co-operative
corporation,
capital tax
exemption

(3) No tax is payable under section 5 by a corporation for any fiscal year during which it is a co-operative corporation.

Interpre-
tation

(4) In this Act, "co-operative corporation" means a corporation that was incorporated under legislation of a province respecting the establishment of co-operative corporations for the purpose of marketing, including processing incident to or connected therewith, natural products belonging to or acquired from its members or customers, of purchasing supplies, equipment or household necessities for or to be sold to its members or customers or of performing services for its members or customers, if, during the fiscal year,

- (a) the statute under which it was incorporated, its charter, articles of association or by-laws or its contracts with its members or its members and customers held forth the prospect that payments would be made to them in proportion to patronage;
- (b) none of its members had more than one vote in the conduct of the affairs of the corporation;
- (c) at least 90 per cent of its members are individuals and at least 90 per cent of its shares, if any, are held by individuals;
- (d) the rate of interest on capital subscribed by its members or the rate of its dividends on its shares did not exceed 5 per cent per annum;
- (e) the value of the product marketed for or acquired from, supplies, equipment and household necessities purchased for or sold to, and the services performed for, its customers other than members did not exceed 20 per cent of the total thereof for all its business; and
- (f) the business carried on by the corporation was not a continuation of a previous business in which a substantial number of its members had a substantial interest, either as shareholders of a corporation carrying on the previous business or otherwise. *New.*

Refund of Premiums

Deduction
in computing
income

46. In computing the income for a fiscal year of an insurance corporation other than a life insurance corporation, whether a mutual corporation or a joint stock company, there

may be deducted every amount credited in respect of business for the fiscal year to a policyholder of the corporation by way of dividend, refund of premiums or refund of premium deposits, if the amount was during the fiscal year or within twelve months thereafter,

- (a) paid to the policyholder;
- (b) applied in discharge, in whole or in part, of a liability of the policyholder to pay premiums to the corporation; or
- (c) credited to the account of the policyholder on terms that he is entitled to payments thereof on or before expiry or termination of the policy. *New.*

Patronage Dividends

47.—(1) Notwithstanding anything in this Part, there may be deducted in computing income for a fiscal year the aggregate of the payments made pursuant to allocations in proportion to patronage by a corporation, ^{Patronage dividends, deduction in computing income}

- (a) within the fiscal year or within twelve months thereafter to its customers of the fiscal year; and
- (b) within the fiscal year or within twelve months thereafter to its customers of a previous fiscal year, the deduction of which from income of a previous fiscal year was not permitted.

(2) Notwithstanding subsection 1, if the corporation has not made allocations in proportion to patronage in respect of all its customers of the fiscal year at the same rate with appropriate differences for different types or classes of goods, products or services, or classes, grades or qualities thereof, the amount that may be deducted under this section is an amount equal to the lesser of, ^{Limitation where non-member customers}

- (a) the aggregate of the payments mentioned in subsection 1; or
- (b) the aggregate of,
 - (i) the part of the income of the corporation for the fiscal year attributable to business done with members, and
 - (ii) the allocation in proportion to patronage made to non-member customers of the fiscal year.

Limitation
by reference
to capital
employed

(3) Where the deduction of an amount under subsection 1 or 2 would result in the taxable income of the corporation for the fiscal year, before deduction of any amount under section 37 in respect of business losses, being less than the amount by which,

(a) 3 per cent of the capital employed in the business at the commencement of the fiscal year,

exceeds,

(b) the interest, if any, paid on borrowed moneys, other than moneys borrowed from a bank or from a corporation or association described in clause *i* of subsection 29 of section 4, and deductible in computing the income of the corporation for the fiscal year,

the amount that may be deducted under this section is such as will leave the corporation with a taxable income, before deduction of any amount under section 37 in respect of business losses, equal to the excess.

Interpreta-
tion

(4) For the purposes of this section,

(a) "allocation in proportion to patronage" for a fiscal year means an amount credited by a corporation to a customer of that fiscal year on terms that the customer is entitled to or will receive payment thereof, computed at a rate in relation to the quantity, quality or value of the goods or products acquired, marketed, handled, dealt in or sold, or services rendered by the corporation from, on behalf of or to the customer, whether as principal or as agent of the customer or otherwise, with appropriate differences in the rate for different classes, grades or qualities thereof,

(i) if the amount was credited,

(A) within the fiscal year or within twelve months thereafter, and

(B) at the same rate in relation to quantity, quality or value aforesaid as the rate at which amounts were similarly credited to all other customers of that year who were members or to all other customers of that year, as the case may be, with appropriate differences aforesaid for different classes, grades or qualities, and

- (ii) if the prospect that amounts would be so credited was held forth by the corporation to its customers of that year who were members or non-member customers of that year, as the case may be;
- (b) "capital employed in the business" shall be computed in accordance with subsection 8, except that no deduction shall be made from capital in respect of borrowed moneys, other than moneys borrowed from a bank or from a corporation described in clause *i* of subsection 29 of section 4;
- (c) "customer" means a customer of a corporation and includes a person who sells or delivers goods or products to the corporation or for whom the corporation renders services;
- (d) "consumer goods or services" means goods or services the cost of which was not deductible by the corporation in computing the income from a business or property;
- (e) "income of the corporation attributable to business done with members" of any fiscal year means that proportion of the income of the corporation for the fiscal year, before making any deduction under this section, that the value of the goods or products acquired, marketed, handled, dealt in or sold or services rendered by the corporation from, on behalf of, or for members, is of the total value of goods or products acquired, marketed, handled, dealt in or sold or services rendered by the corporation from, on behalf of, or for all customers during the fiscal year;
- (f) "payment" includes,
 - (i) the issue of a certificate of indebtedness or shares of the corporation or of a corporation of which the corporation is a subsidiary wholly-owned corporation if the corporation or that other corporation has in the fiscal year or within twelve months thereafter disbursed an amount of money equal to the aggregate face value of all certificates or shares so issued in the course of redeeming or purchasing certificates of indebtedness or shares of the corporation or that other corporation previously issued,

- (ii) the application by the corporation of an amount to the liability of a member to the corporation, including, without restricting the generality of the foregoing, an amount applied in fulfilment of an obligation of the member to make a loan to the corporation and an amount applied on account of payment of shares issued to a member, pursuant to a by-law of the corporation, pursuant to statutory authority or at the request of the member, or
- (iii) the amount of a payment or transfer by the corporation that under subsection 1 of section 27 is required to be included in computing the income of a member;

- (g) "member" means a person who is entitled as a member or shareholder to full voting rights in the conduct of the affairs of the corporation or of another corporation of which the corporation is a subsidiary wholly-owned corporation; and
- (h) "non-member customer" means a customer who is not a member.

Holding
forth
prospect of
allocations

(5) For the purpose of this section, the corporation shall be deemed to have held forth the prospect that amounts would be credited to a customer of a fiscal year by way of allocation in proportion to patronage,

- (a) if throughout the fiscal year the statute under which the corporation was incorporated or registered, its charter, articles of association or by-laws or its contract with the customer held forth the prospect that amounts would be so credited to customers who are members or non-member customers, as the case may be; or
- (b) if prior to the commencement of the fiscal year or prior to such other day as may be prescribed for the class of business in which the corporation is engaged, the corporation has published an advertisement in the prescribed form in a newspaper or newspapers of general circulation throughout the greater part of the area in which the corporation carried on business holding forth that prospect to customers who are members or non-member customers, as the case may be, and has filed copies of the newspaper or newspapers with the Treasurer before the end of the thirtieth day of the fiscal year or within thirty days from the prescribed day, as the case may be.

(6) For the purpose of subsection 3, "3 per cent of the capital employed in the business at the commencement of the fiscal year" means in any case where the fiscal year of the corporation is less than twelve months that proportion of 3 per cent of the capital so employed at the commencement of the fiscal year that the number of days in the fiscal year is of 365. ^{Interpretation}

(7) Where a payment has been received by a corporation in respect of an allocation in proportion to patronage, other than an allocation in respect of consumer goods or services, the amount thereof shall be included in computing the income of the recipient for the fiscal year in which the payment was received and, without restricting the generality of the foregoing, where a certificate of indebtedness or a share was issued to a person in respect of an allocation in proportion to patronage, the amount thereof shall be included in computing the income of the recipient for the fiscal year in which the certificate or share was received and not in computing his income for the fiscal year in which the indebtedness was subsequently discharged or the share was redeemed. ^{Customer's income}

(8) For the purpose of this section, "capital employed in the business" means the capital at the beginning of the fiscal year and shall be computed in accordance with the following rules and is subject to the deductions or other adjustments provided in subsections 9 to 13, inclusive: ^{Interpretation}

- (a) so far as it consists of assets acquired by purchase on or after the incorporation of the corporation, the price at which those assets were acquired and, where the price of any asset has been satisfied otherwise than in cash, the value of the consideration actually given for that asset at the time it was given shall be treated as the price at which such asset was acquired;
- (b) so far as it consists of assets being debts due to the corporation, the full amount of those debts subject to any deduction that has been allowed under this Act in respect thereof on account of bad debts;
- (c) so far as it consists of any other assets that have been acquired otherwise than by purchase as aforesaid, the value of the assets when they became assets of the corporation;
- (d) the amount of money or bank deposits that is actually used by the corporation in its business.

(9) Capital employed in the business is subject to the following deductions: ^{idem}

- (a) any sum contributed directly or indirectly by Canada or by any province of Canada towards the acquisition by the corporation of any asset referred to in subsection 8;
- (b) the total amount of depreciation which has been or should have been taken into account in accordance with this Act or any predecessor thereto plus any accumulated depreciation reserves at the commencement of this Act or any predecessor thereto recognized by the Treasurer for the purposes of this section, and in addition such amount on account of depletion as is deemed by the Treasurer to be fair and reasonable;
- (c) any borrowed money and debts of the corporation, other than dividends declared but unpaid at the commencement of the fiscal year, except the amount of indebtedness represented by income bonds or income debentures, the interest on which is not allowed as a deduction under clause *f* of subsection 1 of section 24 or any provision under a former Act of like character and except the amount of indebtedness represented by a non-interest bearing advance from a corporation to its subsidiary that the Treasurer, in his sole discretion, determines to be in the nature of permanently invested capital;
- (d) any investments the income from which is exempt or would be exempt from the tax imposed by section 4; and
- (e) any moneys, bank deposits, investments or other assets which are unproductive and are not required for the purposes of the business or which were not acquired for the purposes of the business.

Idem

(10) Capital employed in the business,

- (a) shall be increased by a portion of any *bona fide* additions to the assets of the corporation or reduction in the liabilities of the corporation in the fiscal year; and
- (b) shall be decreased by a portion of any *bona fide* reduction in the assets of the corporation or addition to the liabilities of the corporation in the fiscal year,

unless the increase or decrease results from profits or losses of the corporation in the fiscal year.

(11) The increase or decrease required by subsection 10 ^{Idem} is that proportion of the addition or reduction, as the case may be, that the number of days in the fiscal year after the addition or reduction occurs bears to the number of days in the fiscal year.

(12) Capital employed in the business shall be decreased by ^{Idem} the amount of dividends paid in cash during the fiscal year to the extent of one-half of the amount by which the capital, calculated in accordance with subsections 8 and 9, at the commencement of the fiscal year is greater than the capital so calculated at the commencement of the next succeeding fiscal year.

(13) Notwithstanding anything in this section, the com- ^{Idem}putation of capital employed in the business may be revised to disregard the whole or any portion of capital values resulting from a transaction deemed not to have been arranged at arm's length. *New.*

Special Contributions by Corporations to Superannuation Funds

48.—(1) Where a corporation has made a special pay- ^{Corpora-}ment or payments on account of an employees superannuation ^{tion's} or pension fund or plan in respect of the past services of ^{payment to} employees pursuant to a recommendation of a qualified ac- ^{pension plan}tuary in whose opinion the resources of the fund or plan required to be augmented by the amount of one or more special payments to ensure that all the obligations of the fund or plan to the employees may be discharged in full and has made the payment so that it is irrevocably vested in or for the fund or plan and the payment has been approved by the Treasurer, there may be deducted in computing the income for the fiscal year the lesser of,

- (a) one-tenth of the whole amount so recommended to be paid; or
- (b) the amount by which the aggregate of the amount so paid during a period not exceeding ten years ending with the end of the fiscal year exceeds the aggregate of the amounts that were deductible under this section in respect thereof in computing the income of the corporation for the previous fiscal years.

(2) For greater certainty and without restricting the ^{Application}generality of subsection 1, it is hereby declared that subsection 1 is applicable where the resources of a fund or plan required to be augmented by reason of an increase in the superannuation or pension benefits payable out of or under the fund or plan.

Employees Profit Sharing Plan

Interpretation

49.—(1) In this Act, “employees profit sharing plan” means an arrangement under which payments computed by reference to the profits from the business of a corporation or by reference to the profits from the business of a corporation and the profits, if any, from the business of a person with whom the corporation does not deal at arm’s length are made by the corporation to a trustee in trust for the benefit of officers or employees of the corporation or of a person with whom the corporation does not deal at arm’s length, whether or not payments are also made to the trustee by the officers or employees, and under which the trustee has, since the commencement of the plan or the end of 1949, whichever is later, each year allocated either contingently or absolutely to individual officers or employees,

- (a) all amounts received by him from the corporation or from a person with whom the corporation does not deal at arm’s length; and
- (b) all profits from the trust property, computed without regard to any capital gain made by the trust or capital loss sustained by it at any time since the end of 1955,

in such manner that the aggregate of all such amounts and such profits minus such portion thereof as has been paid to beneficiaries under the trust is allocated either contingently or absolutely to officers or employees who are beneficiaries thereunder.

No tax while trust governed by a plan

(2) No tax is payable under section 4 on the taxable income of the trust for a fiscal year during which the trust was governed by an employees profit sharing plan.

Corporation's contribution to trust deductible

(3) An amount paid by a corporation to a trustee under an employees profit sharing plan during a fiscal year or within 120 days thereafter may be deducted in computing the income of the corporation for the fiscal year to the extent that it was not deductible in computing income for a previous fiscal year.

Payment out of profits

(4) Where the terms of an arrangement under which a corporation makes payments to a trustee specifically provide that the payments shall be made “out of profits”, such arrangement shall, if the corporation has so elected in the prescribed manner, be deemed for the purpose of subsection 1 to be an arrangement for payments “computed by reference to the profit of the corporation from its business”. *New.*

Supplementary Unemployment Benefit Plan

50.—(1) In this Act, “supplementary unemployment benefit plan” means an arrangement, other than an arrangement in the nature of a superannuation or pension fund or plan or an employees profit sharing plan, under which payments are made by a corporation to a trustee in trust for the payment of periodic amounts to employees or former employees of the corporation who are or may be laid off for any temporary or indefinite period. Interpretation

(2) No tax is payable under section 4 upon the taxable income of the trust for a period during which the trust was governed by a supplementary unemployment benefit plan. No tax while trust governed by plan

(3) An amount paid by a corporation to a trustee under a supplementary unemployment benefit plan during a fiscal year or within thirty days thereafter may be deducted in computing the income of the corporation for the fiscal year to the extent that it was not deductible in computing income for a previous fiscal year. *New.* Payments by corporation deductible

Undistributed Income

51.—(1) Where funds or property of a corporation have, at a time when the corporation had undistributed income on hand, been distributed or otherwise appropriated in any manner whatsoever to or for the benefit of one or more of its shareholders on the winding-up, discontinuance or reorganization of its business, a dividend shall be deemed to have been received at that time by each shareholder equal to the lesser of, Undistributed income on hand

- (a) the amount or value of the funds or property so distributed or appropriated to him; or
- (b) his portion of the undistributed income then on hand.

(2) Where a corporation has, at a time when it had undistributed income on hand, Deemed to be dividend

- (a) redeemed or acquired any of its common shares or reduced its common stock; or
- (b) converted any of its common shares into shares other than common shares or into some obligation of the corporation,

a dividend shall be deemed to have been received at that time by each of the persons who held any of the shares at that time equal to the lesser of,

- (i) the amount received or the value of that which was received by him for or in respect of the shares or the reduction or conversion, or
- (ii) his portion of the undistributed income then on hand.

Undistrib-
uted income
capitalized

(3) Where the whole or any part of the undistributed income on hand of a corporation has been capitalized, a dividend shall be deemed to have been received by each of the persons who held any of its shares immediately before the capitalization equal to the shareholder's portion of the undistributed income that was capitalized.

Undistrib-
uted income
reduced

(4) Where under this section a dividend has been deemed to have been received, the undistributed income on hand of the corporation paying it shall be deemed to have been reduced by the amount that the shareholders are so deemed to have received.

Stock
dividend

(5) Where a corporation has paid a stock dividend, the corporation shall for the purpose of subsection 3 be deemed to have capitalized immediately before the payment undistributed income on hand equal to the lesser of,

- (a) the undistributed income then on hand; or
- (b) the amount of the stock dividend.

Non-resident
corporation

(6) Except where the corporation is a non-resident corporation more than 50 per cent of the share capital of which having full voting rights under all circumstances belongs to non-residents, this section is applicable in computing the income of the shareholder for the purpose of this Part, whether or not the corporation had a permanent establishment in Canada.

Where
paid-up
capital
increased

(7) Where a corporation has at any time increased its paid-up capital otherwise than by,

- (a) payment of a stock dividend; or
- (b) a transaction that has increased the assets of the corporation by an amount not less than the amount by which its paid-up capital has been increased,

the corporation shall, for the purpose of subsection 3, be deemed to have capitalized at that time undistributed income on hand equal to the lesser of,

- (c) the undistributed income then on hand; or
- (d) the amount by which the paid-up capital of the corporation was so increased, minus the amount if any by which the assets of the corporation have been so increased. *New.*

52.—(1) In this Act, “undistributed income on hand” of ^{Undistrib-} a corporation at the end of or at any time in a specified fiscal ^{uted income} year means the aggregate of the incomes of the corporation ^{on hand} for the fiscal years beginning with the fiscal year that ended in 1917 and ending with the specified fiscal year minus the aggregate of the following amounts for each of those years:

- (a) each loss sustained by the corporation for a fiscal year;
- (b) each expense incurred or disbursement made by the corporation during one of those years that was not allowed as a deduction in computing income for one of those years under this Part, except,
 - (i) an expense incurred or a disbursement made in respect of the acquisition of property, including goodwill, or the repayment of loans or capital,
 - (ii) an outlay or expense the deduction of which was not allowed by reason of subsection 3 of section 24, or
 - (iii) unless the undistributed income on hand is being determined for the purpose of subsection 1 of section 51, any part of the payment referred to in section 48 that has not been allowed as a deduction in computing income of one of those years;
- (c) the amount by which all capital losses sustained by the corporation in those fiscal years exceeds all capital profits or gains made by the corporation in those fiscal years;
- (d) all amounts by which under other provisions of this Act the undistributed income on hand of the corporation has been deemed to have been reduced previous to the specified fiscal year;

R.S.C. 1927,
c. 97

- (e) dividends paid by the corporation in those fiscal years except a dividend that was paid exclusively out of a surplus or accumulated profits on hand before the 1st day of January, 1917, and that was not taxable under the *Income War Tax Act* (Canada) as income of the recipient other than a dividend or any part of a dividend that is established to have been paid out of income for the fiscal year ending in 1917 that was earned before the 1st day of January, 1917, minus the aggregate of amounts if any that were deductible by the shareholders in respect of the dividends under the regulations made under subsection 2 of section 23 or that would have been so deductible if the shareholders had been taxable under section 4 for the fiscal year in which the dividends were received; and
- (f) premiums determined in the manner provided by subsection 3 paid by the corporation on redemption or acquisition of any of its shares other than common shares.

Share-
holder's
portion

(2) A shareholder's portion of undistributed income on hand of a corporation at any time, or any portion thereof, means the amount that would have been payable to him on the winding-up of the corporation at that time if the subscribed capital had been repaid and what remained to be distributed on the winding-up were an amount equal to the undistributed income on hand at that time, or the portion of it, as the case may be.

Premiums
on
redemption
or
acquisition
of capital
stock

(3) For the purpose of this section, a share has been redeemed or acquired at a premium if the amount payable by the corporation in respect of the redemption or acquisition exceeds,

- (a) the par value of the share, if it had a par value; or
- (b) if the share had no par value, the proportion of the paid-up capital of the corporation, immediately before the redemption or acquisition of the share, with respect to the class of shares to which the share belongs that 1 is of the number of issued shares of the class immediately before the redemption or acquisition of the share,

and the premium is the amount of the excess.

(4) Notwithstanding anything contained in subsection 1, ^{Life insurance corporation} the undistributed income of a life insurance corporation on ^{corporation} hand at any time means the amount that is at the credit of its shareholders' account at that time.

(5) For the purpose of clause *a* of subsection 1, "loss" ^{Interpretation} for a fiscal year means a loss computed by applying *mutatis mutandis* the provisions of this Part respecting the computation of the income of the corporation.

(6) Where subsection 1 is being applied to determine the ^{Determination} undistributed income on hand of a corporation at a specified time in a fiscal year after a dividend has been deemed by section 51 to have been received from the corporation in the fiscal year, the undistributed income on hand at the specified time is the undistributed income on hand of the corporation determined in accordance with the terms of subsection 1 minus the amount of the dividends that have been so deemed to have been received from the corporation at a previous time in the fiscal year.

(7) Where in the case of a corporation referred to in sub-^{Idem} section 8 of section 54 as a "predecessor corporation" subsection 1 is being applied to determine the undistributed income of the corporation on hand at any specified time after such time after 1954 as all or substantially all of the property of the corporation described in subsection 8 of section 54 has been acquired as described in that subsection, there shall not be included in the amount or amounts deductible under any clause of subsection 1 any amount in respect of expenses incurred by the corporation included in the aggregate determined under clause *e* of subsection 8 of section 54.

(8) For the purpose of clause *c* of subsection 1, ^{Interpretation}

(a) where depreciable property of a corporation as defined by subsection 4 of section 32 has been disposed of in 1949 or a subsequent fiscal year, the capital loss arising from the disposition shall be deemed not to be more than the actual capital cost of the property to the corporation minus the capital cost thereof as determined for the purpose of section 32; and

(b) where depreciable property of a corporation as defined by subsection 4 of section 32 has been disposed of in 1949 or a subsequent fiscal year, the capital profit or gain arising from the disposition shall be deemed not to be more than the proceeds

of the disposition as defined in the said subsection 4 minus the capital cost of the property to the corporation as determined for the purpose of section 32.

Idem

(9) Where in the calculation of the undistributed income on hand of a corporation at any time there have been included in,

(a) computing the amount determined by clause *e* of subsection 1; or

(b) computing the amount by which the undistributed income on hand is deemed to be reduced by virtue of subsection 4 of section 51,

amounts that were not included in computing the income of the shareholders but that would have been so included if it were not for section 40, and the aggregate of those amounts exceeds the aggregate of the incomes of the corporation that were by section 40 deemed to have been distributed to its shareholders, the undistributed income of the corporation on hand at that time shall be deemed to be the amount that it would be if the aggregate of the deductions permitted by clauses *a* to *f* of subsection 1 were reduced by an amount equal to the excess.

Farming loss

(10) In the computation of a loss for the purpose of clause *a* of subsection 1, there shall not be included a loss sustained by a corporation in its farming business for a fiscal year in respect of which the Treasurer has determined under section 25 that the chief source of income of the corporation is neither farming nor a combination of farming and some other source of income except to the extent that the loss has been deducted in computing taxable income for a fiscal year under clause *c* of section 37.

Idem

(11) Where the Treasurer has determined under section 25 that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, no expense or disbursement shall be included in the amount deductible under clause *b* of subsection 1 if the amount thereof is included in the computation of a loss sustained by the corporation for the fiscal year in its farming business.

Mining income

(12) For the purpose of computing the undistributed income on hand of a corporation under subsection 1, the income of the corporation for a fiscal year shall, if subsection 4 of section 53 was applicable in the computation thereof, be deemed to be the amount that it would have been if subsection 4 of section 53 had not been applicable.

(13) Where more than 50 per cent of the issued share capital of a corporation has, between a time when the corporation ceased to carry on active business and a time when it commenced to carry on active business again, been acquired by a person or persons who did not own any of the shares in the corporation at the time when it so ceased to carry on active business, if the corporation had no undistributed income on hand at the latter time, the reference in subsection 1 to "the fiscal year that ended in 1917" shall be deemed to be a reference to the fiscal year in which the corporation so commenced to carry on active business again.

Control
acquired of
inactive
business

(14) A person who has a right under a contract, in equity or otherwise, either immediately or in the future and either absolutely or contingently, to, or to acquire, shares in a corporation shall be deemed for the purpose of subsection 13 to have acquired the shares at the time he acquired the right.

Acquisition
of shares

(15) Where all of the assets and liabilities of an insurance corporation incorporated under or pursuant to the laws of a province, hereinafter in this subsection referred to as the "old corporation", have at a time when the corporation had undistributed income on hand been acquired by an insurance corporation incorporated under or pursuant to an Act of the Parliament of Canada, hereinafter in this subsection referred to as the "new corporation", under an arrangement whereby it is contemplated that the new corporation will carry on the business formerly carried on by the old corporation, and the paid-up capital of the new corporation was not, at the time of the acquisition of such assets and liabilities, less than the paid-up capital of the old corporation at that time,

Insurance
corporations

- (a) the amount of the dividend deemed by section 51 to have been received at that time by each of the persons who held any of the shares of the old corporation at that time shall be deemed to be the amount otherwise so deemed to have been received at that time by each such person minus the amount paid up on the shares of the old corporation so held by him; and
- (b) the undistributed income of the new corporation on hand immediately after that time as determined under subsection 1 shall be deemed to be the amount otherwise determined thereunder plus the amount of the undistributed income of the old corporation on hand immediately before that time. *New.*

*Mining***Interpreta-
tion****53.**—(1) In this section,

- (a) “minerals” does not include petroleum or natural gas;
- (b) “mining property” means a right to prospect, explore or mine for minerals or a property the principal value of which depends upon its mineral content;
- (c) “prospector” means an individual who prospects or explores for minerals or develops a property for minerals on behalf of himself, on behalf of himself and others, or as an employee.

**Amount not
included in
income**

(2) An amount that would otherwise be included in computing the income for a fiscal year of a corporation which has, either under an arrangement with a prospector made before the prospecting, exploration or development work or as employer of the prospector, advanced money for or paid part or all of the expenses of prospecting or exploring for minerals or of developing a property for minerals shall not be included in computing the income of the corporation for the year if it is the consideration for,

- (a) an interest in the mining property acquired under the arrangement under which the corporation made the advance or paid the expenses or, if the prospector was the employee of the corporation, acquired by the corporation through the prospector’s efforts; or
- (b) shares of the capital stock of another corporation received by the corporation in consideration for property described in clause *a* that the corporation disposed of to the corporation issuing the shares.

**Non-
application**(3) Clause *b* of subsection 2 does not apply,

- (a) in the case of a corporation that disposes of the shares while or after carrying on a campaign to sell the shares of the issuing corporation to the public; or
- (b) to shares acquired by the exercise of an option to purchase shares received as consideration for property described in clause *a* of subsection 2.

**Exemption
for three
years**

(4) Subject to the prescribed conditions, there shall not be included in computing the income of a corporation income derived from the operation of a mine during the period of

thirty-six months commencing with the day on which the mine came into production.

(5) In subsection 4,

Interpreta-
tion

- (a) "mine" does not include an oil well, gas well, brine well, sand pit, gravel pit, clay pit, shale pit or stone quarry, other than the deposit of oil shale or bituminous sand; and
- (b) "production" means production in reasonable commercial quantities. *New.*

Exploration, Prospecting and Development Expenses

54.—(1) A corporation the principal business of which is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas may deduct in computing its income under this Part for a fiscal year the lesser of,

Deduction
from income
of
petroleum
or natural
gas
corporations

- (a) the aggregate of such of the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada as were incurred during the calendar years 1949 to 1952, to the extent that they were not deductible in computing income for a previous fiscal year; or
- (b) of that aggregate, an amount equal to the income of the corporation for the fiscal year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this section, minus the deductions allowed for the fiscal year by subsection 8 of this section and by section 38.

(2) A corporation the principal business of which is mining or exploring for minerals may deduct in computing its income under this Part for a fiscal year the lesser of,

Deduction
from income
of mining
corporation

- (a) the aggregate of such of the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada as were incurred during the calendar year 1952, to the extent that they were not deductible in computing income of a previous fiscal year; or

(b) of that aggregate an amount equal to its income for the fiscal year,

(i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and

(ii) if no deduction were allowed under this section,

minus the deductions allowed for the year by subsection 8 of this section and by section 38,

if the corporation has filed certified statements of such expenses and has satisfied the Treasurer that it has been actively engaged in prospecting and exploring for minerals in Canada by means of qualified persons and has incurred these expenses for such purposes.

Deduction
from income
of
petroleum
or natural
gas
corporation
or a mining
corporation

(3) A corporation the principal business of which is,

(a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas; or

(b) mining or exploring for minerals,

may deduct in computing its income under this Part for a fiscal year the lesser of,

(c) the aggregate of such of,

(i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada, and

(ii) the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada,

as were incurred after the calendar year 1952 and before the end of the fiscal year, to the extent that they were not deductible in computing income for a previous fiscal year; or

(d) of that aggregate, an amount equal to its income for the fiscal year,

(i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and

(ii) if no deduction were allowed under this section,

minus the deductions allowed for the fiscal year by subsections 1, 2 and 8 of this section and by section 38.

(4) In computing a deduction under subsection 1 or 3, no amount shall be included in respect of a payment for or in respect of a right, licence or privilege to explore for, drill for or take petroleum or natural gas other than an annual payment not exceeding \$1 per acre. Limitation for payments for exploration and drilling rights

(5) Notwithstanding subsection 4, where a corporation the principal business of which is of the class described in clause *a* or *b* of subsection 3 has after 1952 paid an amount, other than a rental or royalty, to the government of Canada or of a province for a legal lease of the right to take or remove petroleum or natural gas from a specified parcel of land in Canada, which expression is for greater certainty declared not to include a right of the type commonly referred to as a "Reservation", and the corporation has before a well came into production on that land surrendered all its rights under the lease so acquired without receiving any consideration therefor or repayment of any part of the amount so paid, the amount so paid shall for the purpose of subsection 3 be deemed to have been an expense incurred by the corporation as a drilling or exploration expense on or in respect of exploring or drilling for petroleum or natural gas in Canada during the fiscal year in which its rights were so surrendered. Bonus payments

(6) For the purpose of this section, it is hereby declared that expenses incurred by a corporation on or in respect of exploring or drilling for petroleum or natural gas in Canada or in searching for minerals in Canada do not and never did include expenses so incurred by that corporation pursuant to an agreement under which it undertook to incur those expenses in consideration for, Expenses incurred for specified considerations not deductible

- (a) shares of the capital stock of a corporation that owned or controlled the mineral rights;
- (b) an option to purchase shares of the capital stock of a corporation that owned or controlled the mineral rights; or
- (c) a right to purchase shares of the capital stock of a corporation that was to be formed for the purpose of acquiring or controlling the mineral rights.

(7) Notwithstanding subsection 6, a corporation the principal business of which is, Exception

- (a) production, refining or marketing of petroleum, petroleum products or natural gas and exploring or drilling for petroleum or natural gas; or
- (b) mining or exploring for minerals,

may deduct in computing its income under this Part for a fiscal year the lesser of,

- (c) the aggregate of such of,
 - (i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada, and
 - (ii) the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada,

as were incurred after the calendar year 1953 and before the end of the fiscal year,

- (iii) pursuant to an agreement under which it undertook to incur those expenses for a consideration mentioned in clause *a*, *b* or *c* of subsection 6, and
- (iv) to the extent that they were not deductible in computing income for a previous fiscal year; or
- (d) of that aggregate, an amount equal to its income for the fiscal year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this subsection,

minus any deduction allowed for the fiscal year by section 38,

but where a corporation has incurred expenses the deduction of which from income for a fiscal year is authorized by this subsection, no deduction in respect of those expenses may be made under this section in computing the income of any other corporation for that or any other fiscal year.

Property
acquired by
successor
corporation

(8) Notwithstanding subsection 7, where a corporation, hereinafter in this subsection referred to as the "successor corporation", the principal business of which is,

- (a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas; or
- (b) mining or exploring for minerals,

has at any time after 1954 acquired from a corporation, hereinafter in this subsection referred to as the "predecessor corporation", the principal business of which was production, refining or marketing of petroleum, petroleum products or natural gas, exploring or drilling for petroleum or natural gas, or mining or exploring for minerals, all or substantially all of the property of the predecessor corporation used by it in carrying on the business,

- (c) pursuant to the purchase of such property by the successor corporation in consideration of shares of the capital stock of the successor corporation; or
- (d) as a result of the distribution of such property to the successor corporation upon the winding-up of the predecessor corporation subsequently to the purchase of all or substantially all of the shares of the capital stock of the predecessor corporation by the successor corporation in consideration of the shares of the capital stock of the successor corporation,

there may be deducted by the successor corporation in computing its income under this Part for a fiscal year the lesser of,

- (e) the aggregate of,
 - (i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by the predecessor corporation on or in respect of exploring or drilling for petroleum or natural gas in Canada, and
 - (ii) the prospecting, exploration and development expenses incurred by the predecessor corporation in searching for minerals in Canada,

to the extent that such expenses,

- (iii) were not deductible by the successor corporation in computing its income for a previous fiscal year and were not deductible by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the succes-

sor corporation or its income for a previous fiscal year, and

- (iv) would, but for the provisions of clause *b* of subsection 1, clause *b* of subsection 2, clause *d* of subsection 3 and clause *d* of subsection 7 or any of those clauses or this subsection, have been deductible by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the successor corporation; or
- (f) of that aggregate, an amount equal to such part of its income for the year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this section,

minus any deduction allowed for the fiscal year by section 38, as may reasonably be regarded as attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property from which the predecessor corporation had, immediately before the acquisition by the successor corporation of the property so acquired, a right to take or remove petroleum or natural gas or a right to take or remove minerals,

and, in respect of such expenses included in the aggregate determined under clause *e*, no deduction may be made under this section by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the successor corporation or its income for any subsequent fiscal year.

**General
limitation**

(9) Where a corporation has incurred expenses that may be deducted from income under more than one provision of this section, it is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction.

**Expenses
deductible
under
certain
enactments
deemed not
otherwise
deductible
R.S.C. 1952,
c. 148**

(10) Where expenses are or have been under this section or corresponding sections of Acts referred to in subsection 12 of section 83A of the *Income Tax Act* (Canada) deductible from or in computing the income of the corporation, or where any amount is or has been deductible in respect of the expenses under any of those provisions from taxes otherwise payable, it is hereby declared that no amount in respect of

the same expenses is or has been deductible under any other authority in computing the income or from the income of that corporation or any other corporation for that fiscal year or any other fiscal year. *New.*

Crown Corporations

55.—(1) Sections 4, 5 and 6 apply to each corporation prescribed in the regulations as though the income from, the paid-up capital invested in, and the permanent establishment occupied by, Application of Act to Crown corporations

(a) any business carried on by such corporation as agent of Her Majesty; and

(b) any property of Her Majesty administered by the corporation,

were income, paid-up capital, or a permanent establishment of the corporation, and the exemption provided by subsection 29 of section 4, subsection 8 of section 5 and the specially reduced tax provided by subsection 7 of section 6 does not apply to any such corporation.

(2) Where a corporation prescribed in the regulations has acquired depreciable property before the commencement of the first fiscal year commencing after 1951, for the purpose of section 32 and the regulations made under clause *a* of subsection 1 of section 23, that property shall be deemed to have been acquired at a capital cost equal to the amount that according to the books of the corporation was its value at the commencement of that fiscal year. Idem

(3) For the purpose of computing a deduction under clause *c* of section 37, a corporation prescribed in the regulations shall be deemed not to have had income or a loss for a fiscal year before the first fiscal year commencing after 1951. Previous income and losses

(4) Where land of Her Majesty has been transferred to a corporation prescribed in the regulations for the purpose of disposition, the acquisition of the property by the corporation and any disposition thereof shall be deemed not to have been in the course of the business carried on by the corporation. Interpretation
New.

Railway Companies

56.—(1) Notwithstanding subsection 2 of section 55, where property of the following description, namely, Capital cost of certain property

- (a) railway track or railway track grading; or
- (b) a crossing,

has before 1956 been acquired by a corporation, that property shall for the purposes of section 32 and the regulations made under clause *a* of subsection 1 of section 23 be deemed to have been acquired at a capital cost equal to the amount that according to the books of the corporation was its value at the close of its fiscal year ending in 1955.

Idem

(2) For the purpose of this section, in determining the amount that according to the books of the corporation was the value of any property at the close of its fiscal year ending in 1955, no amount shall be included in respect of property that at that time was leased from any other person.

Repairs,
replace-
ments, etc.

(3) Where any amount in respect of an expenditure incurred by a corporation on or in respect of the repair, replacement, alteration or renovation of depreciable property of the corporation of a class prescribed by the regulations made for the purpose of this section is, under any uniform classification and system of accounts and returns prescribed by the Board of Transport Commissioners for Canada pursuant to the *Railway Act* (Canada), required to be entered in the books of the corporation otherwise than as an expense,

R.S.C. 1952,
c. 234

- (a) no deduction may be made in respect of that expenditure in computing the income of the corporation for a fiscal year; and
- (b) for the purpose of section 32 and the regulations made under clause *a* of subsection 1 of section 23, the corporation shall be deemed to have acquired at the time the expenditure was incurred depreciable property of that class at a capital cost equal to that amount.

Interpre-
tation

(4) In this section, "crossing" means any railway crossing of a highway, or any highway crossing of a railway, and every manner of construction of the railway or of the highway by the elevation or depression of the one above or below the other, or by the diversion of one or the other, and any work ordered or authorized by the Board of Transport Commissioners for Canada to be provided as one work for the protection, safety and convenience of the public in respect of one or more railways of as many tracks crossing or so crossed as the Board of Transport Commissioners for Canada in its discretion determines. *New.*

Special Reserves

57.—(1) In computing the income of a corporation for a ^{Special} fiscal year, _{reserves}

- (a) every amount received in the fiscal year in the course of a business,
 - (i) that is on account of services not rendered or goods not delivered before the end of the fiscal year or that for any other reason may be regarded as not having been earned in the fiscal year or a previous fiscal year, or
 - (ii) under an arrangement or understanding that it is repayable in whole or in part on the return or resale to the corporation of articles in or by means of which goods were delivered to a customer,

shall be included;

- (b) every amount receivable in respect of property sold or services rendered in the course of the business in the fiscal year shall be included notwithstanding that the amount is not receivable until a subsequent fiscal year unless the method adopted by the corporation for computing income from the business and accepted for the purpose of this Part does not require the corporation to include any amount receivable in computing its income for a fiscal year unless it has been received in that fiscal year;
- (c) subject to subsection 3, where amounts of a class described in subclause i or ii of clause a have been included in computing the income of a corporation from a business for the fiscal year or a previous fiscal year, there may be deducted a reasonable amount as a reserve in respect of,
 - (i) goods that it is reasonably anticipated will have to be delivered after the end of the fiscal year,
 - (ii) services that it is reasonably anticipated will have to be rendered after the end of the fiscal year,
 - (iii) periods for which rent or other amounts for the possession or the use of land or a ship have been paid in advance,
 - (iv) periods for which rent or other amounts for the possession or the use of chattels other than

a ship have been paid in advance, if the payment in respect thereof was made for a period of more than two years, or

(v) repayments under arrangements or understandings of the class described in subclause ii of clause *a* that it is reasonably anticipated will have to be made after the end of the fiscal year on the return or resale to the corporation of articles other than bottles;

(d) where an amount has been included in computing the income of a corporation from its business for the fiscal year or a previous fiscal year in respect of property sold in the course of the business and that amount is not receivable until a day,

(i) more than two years after the day on which the property was sold, and

(ii) after the end of the fiscal year,

there may be deducted a reasonable amount as a reserve in respect of that part of the amount so included in computing the income that can reasonably be regarded as a portion of the profit from the sale; and

(e) there shall be included the amounts deducted under clauses *c* and *d* in computing the income from a business for the immediately preceding fiscal year.

Interpretation

(2) Clauses *a* and *b* of subsection 1 are enacted for greater certainty and shall not be construed as implying that any amount not referred to therein is not to be included in computing the income from a business for a fiscal year whether or not it is received or receivable in the fiscal year.

Special reserves

(3) Where an amount is deductible in computing income for a fiscal year under clause *c* of subsection 1 as a reserve in respect of,

(a) articles of food or drink that it is reasonably anticipated will have to be delivered after the end of the fiscal year; or

(b) transportation that it is reasonably anticipated will have to be provided after the end of the fiscal year,

there shall be substituted for the amount determined thereunder an amount not exceeding the aggregate of the amounts

included in computing the income of the corporation from the business for the fiscal year that were received or receivable, depending upon the method regularly followed by the corporation in computing its profit, in the fiscal year in respect of,

- (c) articles of food or drink not delivered before the end of the fiscal year; or
- (d) transportation not provided before the end of the fiscal year,

as the case may be.

(4) Clause *c* of subsection 1 does not apply to allow a ^{Exception} deduction as a reserve in respect of guarantees, indemnities or warranties.

(5) Clause *c* of subsection 1 does not apply to allow a ^{Policy reserves} deduction as a reserve in respect of insurance, but an insurance corporation, other than a life insurance corporation, may in computing its income from its insurance business for a fiscal year deduct as policy reserves such amounts as have been approved for the purpose of this subsection by the Treasurer.

(6) Clause *c* of subsection 1 does not apply to allow a ^{Unearned commission} deduction to an insurance agent or broker in respect of unearned commissions, but a corporation may in computing its income from a business as an insurance agent or a broker for a fiscal year deduct as a reserve in respect of unearned commissions an amount equal to the proportion of an amount that has been included in computing its income for the fiscal year or a previous fiscal year as a commission in respect of an insurance contract, other than a life insurance contract, that,

- (a) the number of days in that portion of the period provided for in the insurance contract that is after the end of the fiscal year,

is of,

- (b) the whole of that period.

(7) For the purpose of clause *e* of subsection 1, an amount ^{Interpretation} determined under subsection 3 or an amount deducted under subsection 5 or 6 shall be deemed to have been deducted under clause *c* of subsection 1.

Accounts Receivable

58.—(1) Where a person who has been carrying on a ^{Sale of accounts receivable} business has in a fiscal year sold all or substantially all the

property used in carrying on the business, including the debts that had been or will be included in computing his income for that fiscal year or a previous fiscal year and that are still outstanding, to a purchaser who proposes to continue the business which the vendor has been carrying on, if the vendor and the purchaser have executed jointly an election in the prescribed form to have this section apply, the following rules are applicable:

- (a) there may be deducted in computing the income of the vendor for the fiscal year an amount equal to the difference between the face value of the debts so sold, other than debts in respect of which the vendor has made deductions under clause *h* of subsection 1 of section 23 and the consideration paid by the purchaser to the vendor for the debts so sold;
- (b) an amount equal to the difference described in clause *a* shall be included in computing the income of the purchaser for the fiscal year;
- (c) the debts so sold shall be deemed for the purpose of clauses *g* and *h* of subsection 1 of section 23 to have been included in computing the income of the purchaser for the fiscal year or a previous fiscal year, but no deduction may be made by the purchaser under clause *h* of subsection 1 of section 23 in respect of a debt in respect of which the vendor has previously made a deduction; and
- (d) each amount deducted by the vendor in computing income for a previous fiscal year under clause *h* of subsection 1 of section 23 in respect of any of the debts so sold shall be deemed for the purpose of clause *f* of section 18 to have been so deducted by the purchaser.

Statement
by vendor
and
purchaser

(2) An election executed for the purpose of subsection 1 shall contain a statement by the vendor and the purchaser jointly as to the consideration paid for the debts sold by the vendor to the purchaser and that statement is, as against the Treasurer, binding upon the vendor and the purchaser in so far as it may be relevant in respect of any matter arising under this Act. *New.*

Sale of Inventory

Sale of
inventory

59.—(1) Where upon or after disposing of or ceasing to carry on a business or a part of a business a corporation has sold all or any part of the property that was included in the inventory of the business, the property so sold shall for the

purposes of this Part be deemed to have been sold by the corporation,

- (a) during the last fiscal year in which the corporation carried on the business or part of the business; and
- (b) in the course of carrying on the business.

(2) Where a person who has been carrying on a business has sold all or part of the property that was included in the inventory of the business, whether or not he has disposed of or ceased to carry on that business or a part of that business, to a person who has used all or part of the property so sold as inventory of a business carried on or to be carried on by the purchaser, and the amount of the consideration paid by the purchaser is, in part, consideration for the property so sold and, in part, consideration for something else, the following rules are applicable:

- (a) such part of the consideration as the vendor and the purchaser have in writing agreed to be the price paid for the property so sold shall be deemed, both for the purpose of computing income from the business of the vendor and for the purpose of computing income from the business of the purchaser, to be the price so paid; and
- (b) where an agreement as contemplated by clause *a* has not been filed with the Treasurer within sixty days after notice in writing by the Treasurer has been forwarded to the vendor and the purchaser that such an agreement is required for the purpose of any assessment of tax under this Act, such part of the consideration paid as is fixed by the Treasurer shall be deemed to be the price agreed upon by them as the price paid for the properties so sold.

(3) A reference in this section to property that was included in the inventory of a business shall be deemed to include a reference to property that would have been so included if the income from the business had not been computed in accordance with the method authorized by subsection 1 of section 60.

(4) Where an amount is included in computing the income of a corporation for a fiscal year by virtue of this section, the corporation may elect to pay as tax for the fiscal year under section 4, in lieu of the amount that would otherwise be payable, an amount equal to the aggregate of,

- (a) the tax that would be payable by the corporation for the fiscal year under section 4 if no amount were

included in computing its income for the fiscal year by virtue of this section; and

- (b) the aggregate of the amounts by which the tax payable under section 4 would have been increased if one-third of the amount so included by virtue of this section had been included in computing the income of the corporation for each of the three fiscal years ending with the last fiscal year in which it carried on the business or the part of the business referred to in subsection 1,

and in any such case the election is not valid unless the corporation was during each of those three years carrying on that business. *New.*

*Special Method of Computing Income:
Sale of Accounts Receivable*

Special
method of
computing
income

60.—(1) For the purpose of computing the income of a corporation for a fiscal year from the business of farming, the income from the business for that fiscal year may, if the corporation so elects, be computed in accordance with a method hereinafter in this section referred to as the "cash" method, whereby the income therefrom for that fiscal year shall be deemed to be an amount equal to,

- (a) the aggregate of all amounts that,
 - (i) were received in the fiscal year, or are deemed by this Act to have been received in that fiscal year, in the course of carrying on the business, and
 - (ii) were in payment of or on account of an amount that would, if the income from the business were not computed in accordance with the cash method, be included in computing income therefrom for that or any other fiscal year,

minus,

- (b) the aggregate of all amounts that
 - (i) were paid in the fiscal year, or are deemed by this Act to have been paid in the fiscal year, in the course of carrying on the business, and
 - (ii) were in payment of or on account of an amount that would, if the income from the business

were not computed in accordance with the cash method, be deductible in computing income therefrom for that or any other fiscal year,

and minus any deduction for the fiscal year permitted by clause *a* of subsection 1 of section 23.

(2) Subsection 1 does not apply for the purpose of computing ^{Exception} the income of a corporation for a fiscal year from a business carried on by it jointly with one or more other persons, unless each of the other persons by whom the business is jointly carried on has elected to have his income from the business for that fiscal year computed in accordance with the method authorized by subsection 1 of section 85F of the ^{R.S.C. 1952,} *Income Tax Act* (Canada). ^{c. 148}

(3) Where a corporation has filed a return under this Act ^{Concurrence of the Treasurer} for a fiscal year wherein its income for that fiscal year from the business of farming has been computed in accordance with the method authorized by subsection 1, income from the business for a subsequent fiscal year shall subject to other provisions of this Part be computed in accordance with that method unless the corporation, with the concurrence of the Treasurer and upon such terms and conditions as are specified by the Treasurer, adopts some other method.

(4) There shall be included in computing the income of a ^{Accounts receivable} corporation for a fiscal year such part of an amount received by it in the fiscal year, upon or after disposing of or ceasing to carry on a business or part of a business, for, on account or in lieu of payment of, or in satisfaction of debts owing to the corporation that arose in the course of carrying on the business as would have been included in computing the income of the corporation for the fiscal year had the amount so received been received by it in the course of carrying on the business.

(5) Subsection 4 of section 59 applies *mutatis mutandis* ^{Election} where any amount is included in computing the income of a corporation for a fiscal year by virtue of subsection 4. *New.*

Mortgage Reserves

61. In computing the income for a fiscal year of a cor- ^{Special mortgage reserves} poration the business of which includes the lending of money on the security of a mortgage, hypothec or agreement of sale of real property,

- (a) there may be deducted as a reserve, in lieu of any deduction under clause *g* of subsection 1 of section 23, the lesser of,

- (i) 3 per cent of the aggregate of,
- (A) each amount outstanding at the end of the fiscal year as or on account of the principal amount of loans made by the corporation on the security of a mortgage, hypothec or agreement of sale of real property,
 - (B) each amount due and unpaid at the end of the fiscal year or on account of interest payable to the corporation under a mortgage, hypothec or agreement of sale of real property, and
 - (C) each amount that has been taken into account in computing the income of the corporation for the fiscal year as or on account of the value of real property of the corporation that was included in the inventory of the corporation at the end of the fiscal year and that was acquired by foreclosure or otherwise after default made under a mortgage, hypothec, agreement of sale of real property, otherwise than as or on account of the value of real property in respect of which any amount for the fiscal year has been included under paragraph A or B,

or

- (ii) the amount if any deducted under this clause as a reserve in computing the income of the corporation for the immediately preceding fiscal year, plus one-twelfth of the amount determined under subclause i,

but no deduction may be made under this clause as a reserve in respect of loans made on the security of a mortgage or hypothec under the *National Housing Act, 1954* (Canada) or any of the Housing Acts as defined in clause *e* of section 2 of the *Central Mortgage and Housing Corporation Act* (Canada); and

- (b) there shall be included the amount deducted under clause *a* as a reserve in computing the income of the corporation for the immediately preceding fiscal year. *New.*

1953-4,
c. 23 (Can.)

R.S.C. 1952,
c. 46

PART IV

COMPUTATION OF PAID-UP CAPITAL

DIVISION A—TAXABLE PAID-UP CAPITAL

62. The taxable paid-up capital of a corporation shall be measured as at the close of the fiscal year for which the tax imposed by section 5 is levied and is its paid-up capital minus the deductions permitted by Division C. ^{Taxable paid-up capital}

DIVISION B—COMPUTATION OF PAID-UP CAPITAL

63. The paid-up capital of a corporation for a fiscal year is its paid-up capital as it stood at the close of the fiscal year and includes the paid-up capital stock of the corporation, its earned, capital and any other surplus, all its reserves, whether created from income or otherwise, except any reserve the creation of which is allowed as a charge against income under Part III, all sums or credits advanced or loaned to the corporation by any other corporation, excluding a bank, and all its indebtedness, whether assumed or undertaken by it, represented by bonds, bond mortgages, debentures, income bonds, income debentures, mortgages, lien notes and any other securities to which the property of the corporation or any of it is subject. R.S.O. 1950, c. 72, s. 10 (2), *amended*. ^{World paid-up capital}

DIVISION C—COMPUTATION OF TAXABLE
PAID-UP CAPITAL

64.—(1) For the purpose of computing the taxable paid-up capital of a corporation for a fiscal year, there may be deducted from its paid-up capital as at the close of the fiscal year such of the following amounts as are applicable: ^{Deductions from paid-up capital}

- (a) the amount of the goodwill or other intangible thing included as an asset to the extent that such goodwill or other intangible thing in the opinion of the Treasurer has no value, but this deduction applies to no more than 50 per cent of the book value of such goodwill or other intangible thing; ^{Goodwill}
- (b) the amount of the discount allowed on the sale of the shares of a corporation to which Part IV of *The Corporations Act, 1953* applies; ^{Discount on shares} 1953, c. 19
- (c) the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a* and *b*, which the cost of the investments made by the corporation in the shares and bonds of other corporations, in loans ^{Investments}

and advances to other corporations and in the bonds, debentures and other securities of any government, municipal or school corporation bears to the total assets of the corporation remaining after the deductions of the amounts provided by clauses *a* and *b*, but cash on deposit with any corporation doing the business of a savings bank and amounts due by a corporation with its head office outside Canada to a subsidiary controlled corporation or a subsidiary wholly-owned corporation taxable under section 5 shall be deemed not to be loans and advances to other corporations;

Capital
held in
mining

(*d*) in the case of a corporation engaged in mining, the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a*, *b* and *c* which the total of,

(i) the amount held or used in the survey for exploration and development of minerals,

R.S.O. 1950,
c. 237

(ii) the amount invested in the mine as defined by *The Mining Tax Act*,

(iii) the amount invested in the plant and works necessary to and forming part of such mine, and

(iv) the amount invested in the plant and works necessary for the refinement of the ore taken from the mine,

bears to the total assets remaining after the deduction of the amounts provided by clauses *a*, *b* and *c*. R.S.O. 1950, c. 72, s. 10 (4), *amended*.

Interpre-
tation

(2) For the purpose of this Part, "total assets" includes any amount,

(*a*) by which any asset of a corporation is carried in its books of account or on its balance sheet in excess of the cost thereof;

(*b*) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is not deductible under Part III,

and excludes any amount,

- (c) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is deductible under Part III. *New.*

65.—(1) Unless otherwise provided in this Act, any tax imposed by this Act shall be determined on the amount of ^{How tax to be determined} the paid-up capital stock, mileage or other subject in respect of which the amount of the tax is to be ascertained as such stock, mileage or other subject stood at the close of the fiscal year of the corporation for which the tax is imposed.

(2) Any tax imposed by this Act that is to be calculated ^{Idem} in respect of,

- (a) the taxable income of a corporation;
- (b) the numbers of places of business of a corporation; or
- (c) the gross premiums that become payable to insurance corporations,

shall be calculated with reference to the taxable income earned, the maximum number of places of business open, the gross premiums that become payable, as the case may be, during the fiscal year of the corporation for which the respective tax is imposed. R.S.O. 1950, c. 72, s. 16, *amended.*

PART V

RETURNS, PAYMENTS, ASSESSMENTS AND APPEALS

DIVISION A—RETURNS

66.—(1) Every corporation on which a tax is imposed ^{Annual return} by this Act shall, on or before the last day of the month that ends six months following the close of its fiscal year, without notice or demand, and every corporation on which a tax is or is not imposed by this Act shall, upon receipt of a notice or demand in writing from the Treasurer or from any officer of the Treasury Department authorized by the Treasurer to make such demand, deliver to the Treasurer such return as is required for the purpose of carrying out the provisions of this Act.

(2) The return shall contain an estimate of the respective ^{Verification of returns} taxes payable and shall be verified by a certificate certifying that the financial statements included in the return or attached thereto are in agreement with the books of the corporation, and such certificate shall be signed by the president or some other officer having personal knowledge of the affairs of the

corporation and, in the case of an extra-provincial corporation, by the manager or chief agent of the corporation in Ontario or by such other person or persons connected with the corporation as the Treasurer may require. R.S.O. 1950, c. 72, s. 17, *amended*.

Penalty
for default

67.—(1) Every corporation that fails to deliver a return as and when required by subsection 1 of section 66 shall pay a penalty of,

- (a) an amount equal to 5 per cent of the tax that was unpaid when the return was required to be delivered, if the tax payable by the corporation for the fiscal year that was unpaid at that time was less than \$10,000; and
- (b) \$500, if at the time the return was required to be delivered tax payable by the corporation equal to \$10,000 or more was unpaid.

Failure to
complete
return

(2) Every corporation that fails to complete the information required on the return to be delivered under subsection 1 of section 66 is liable to a penalty of 1 per cent of the taxes payable by it under this Act, but such penalty shall not in any case be less than \$20 or more than \$100.

False
statements

(3) Every person who has,

- (a) made, or participated in, assented to or acquiesced in the making of, false or deceptive statements in a return, certificate, statement or answer delivered or made as required by or under this Act or the regulations;
- (b) to evade payment of a tax imposed by this Act, destroyed, altered, mutilated, secreted or otherwise disposed of the records or books of account of a corporation;
- (c) made, or assented to or acquiesced in the making of, false or deceptive entries, or omitted, or assented to or acquiesced in the omission, to enter a material particular, in records or books of account of a corporation;
- (d) wilfully in any manner evaded or attempted to evade compliance with this Act or payment of taxes imposed by this Act; or
- (e) conspired with any person to commit an offence described by clauses *a* to *d*,

is guilty of an offence and, in addition to any penalty otherwise provided by this Act, is liable on summary conviction to a fine of not less than \$25 and not more than \$10,000 plus, in an appropriate case, an amount of not more than double the amount of the tax that should have been shown to be payable or that was sought to be evaded, or to imprisonment for a term of not more than two years, or to both fine and imprisonment. R.S.O. 1950, c. 72, s. 18, *amended*.

68. The Treasurer may enlarge the time for making any return before or after the time for making it. R.S.O. 1950, c. 72, s. 19. Extended time for making returns

DIVISION B—PAYMENTS

69.—(1) The taxes imposed by this Act shall be deemed to accrue proportionately as the days of each fiscal year for which such taxes are imposed pass. Taxes, when to accrue

(2) Every corporation on which a tax is imposed by this Act shall pay the tax, as estimated by the corporation on its taxable income or other subject for the last preceding fiscal year or for the fiscal year in respect of which the tax is payable, at the rates applicable for the last-mentioned fiscal year, in four equal instalments, Dates of payment

(a) on or before the fifteenth day of the fifth, eighth and eleventh months of the fiscal year in respect of which the tax is payable; and

(b) on or before the fifteenth day of the second month of the fiscal year following that in respect of which the tax is payable.

(3) Notwithstanding subsection 2 and subject to subsection 4 of section 70, where for the purposes of this section any corporation estimates the amount of tax payable for a fiscal year to be less than \$81, the corporation may, instead of paying the instalments required by subsection 2, pay such tax on or before the fifteenth day of the second month of the fiscal year following that in respect of which the tax is payable. Special cases

(4) Every corporation shall pay the amount if any by which any tax payable as estimated by the corporation to be payable in the return required to be delivered by subsection 1 of section 66 exceeds the amounts paid under subsection 2 or 3, as the case may be, at the time of making such return. R.S.O. 1950, c. 72, s. 20 (1, 2), *amended*. Balance of tax, when payable

70.—(1) Where the amount paid on account of tax payable by a corporation for a fiscal year before the expiration of the time allowed for delivering of the return of the corporation Interest on unpaid tax

under section 66 is less than the amount of tax payable for the fiscal year, the corporation liable to pay the tax shall pay interest on the difference between those two amounts from the expiration of the time for delivering the return to the date of payment at the rate of 6 per cent per annum.

Idem

(2) Where a corporation is required by subsection 2 of section 69 to pay a part or instalment of tax and it has failed to pay all or any part thereof as required, the corporation, in addition to the interest payable under subsection 1, shall pay interest on the amount it failed to pay at 6 per cent per annum from the day on or before which it was required to make the payment to the day of payment or the beginning of the period in respect of which it becomes liable to pay interest thereon under subsection 1, whichever is earlier. R.S.O. 1950, c. 72, s. 20 (3, 4), *amended*.

Special cases

(3) In addition to the interest payable under subsection 1, where a corporation paid tax for a fiscal year under subsection 3 of section 69 and the tax payable for the fiscal year is \$81 or more, it shall forthwith after assessment pay an amount equal to 3 per cent of the tax payable by the corporation for the fiscal year. *New*.

Interest on unpaid tax

(4) The interest payable under subsection 2 and the penalty interest payable under subsection 6 shall be computed by reference to the tax payable by a corporation for,

(a) the last preceding fiscal year; or

(b) the fiscal year in respect of which the tax is payable,

whichever is less, and where a corporation has paid tax for a fiscal year under subsection 3 of section 69 and where the tax payable by the corporation,

(c) for the last preceding fiscal year; and

(d) for the fiscal year in respect of which the tax is payable,

are both \$81 or more, the corporation shall be deemed to have been in default of payment of tax as required by subsection 2 of section 69 and shall pay interest and penalty interest in respect thereof as required by subsections 2 and 6 and in such case subsection 3 does not apply. R.S.O. 1950, c. 72, s. 20 (5), *amended*.

Effect of carry-back of loss

(5) Where a corporation is entitled to deduct under section 37 in computing its taxable income for a taxation year an

amount in respect of a loss sustained in the fiscal year immediately following the taxation year, hereinafter in this subsection referred to as "the loss year", for the purpose of computing interest and penalty interest under this section on tax or a part or instalment of tax for the taxation year for any portion of the period in respect of which the interest is payable on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct any amount under section 37 in respect of that loss.

(6) In addition to the interest payable under subsections 1 and 2, every corporation required by section 69 to pay a part or instalment or the whole of the tax for a fiscal year on or before the day on or before which a return under subsection 1 of section 66 is required to be delivered for that fiscal year shall pay penalty interest on any part or instalment or the whole of such tax that remains unpaid more than one month after the day such part or instalment or such whole was required to be paid by section 69 at the rate of one-half of 1 per cent per month or part thereof calculated with respect to each part or instalment or the whole of such tax, as the case may be, from one month following the date on or before which each part or instalment or the whole of such tax, as the case may be, is required to be paid by section 69 until the date of payment. *New.*

DIVISION C—ASSESSMENTS

71.—(1) The Treasurer shall with all due despatch examine each return delivered under section 66 and assess the tax for the fiscal year and the interest and penalties if any payable. R.S.O. 1950, c. 72, s. 21 (1), *amended*.

(2) After examination of a return, the Treasurer shall send by registered mail a notice of assessment to the corporation which delivered the return. R.S.O. 1950, c. 72, s. 21 (10), *part, amended*.

(3) Liability for tax imposed by this Act is not affected by an incorrect or incomplete assessment or by the fact that no assessment has been made.

(4) The Treasurer may at any time assess tax, interest or penalties and may at any time re-assess or make additional assessments. R.S.O. 1950, c. 72, s. 21 (12), *amended*.

(5) Where a corporation has delivered the return required by section 66 for a fiscal year and, within one year from the day on or before it was required by section 66 to deliver a

return for that fiscal year, has filed an amended return for the fiscal year claiming a deduction from income under clause *c* of section 37 in respect of a business loss sustained in the fiscal year immediately following that fiscal year, the Treasurer shall re-assess the tax payable by the corporation for that fiscal year. *New.*

Treasurer
not bound
by returns

(6) The Treasurer is not bound by a return or information delivered by or on behalf of a corporation and may, notwithstanding a return or information so delivered or if no return or information has been delivered, assess the tax payable under this Act. R.S.O. 1950, c. 72, s. 21 (9), *amended.*

Assessment
valid and
binding

(7) An assessment, subject to being varied or vacated on an objection or appeal and subject to a re-assessment, shall be deemed to be valid and binding notwithstanding any error, defect or omission therein or in any proceeding under this Act relating thereto. R.S.O. 1950, c. 72, s. 33, *amended.*

Payment
of
assessment

72. Every corporation shall within thirty days from the day of mailing of the notice of assessment pay any part of the assessed tax, interest and penalties then remaining unpaid, whether or not an objection to or appeal from the assessment is outstanding. R.S.O. 1950, c. 72, s. 21 (10), *part, amended.*

DIVISION D—REFUNDS OF OVERPAYMENTS

Refunds

73.—(1) If the return required to be delivered by a corporation under section 66 for a fiscal year has been delivered within two years from the end of that fiscal year, the Treasurer,

(a) may, upon mailing the notice of assessment for the fiscal year, refund without application therefor any overpayment made on account of the tax payable for the fiscal year; and

(b) shall make such a refund after mailing the notice of assessment if application therefor has been made in writing by the corporation within two years from the day on which the overpayment was made or the day on which the notice of assessment was mailed. R.S.O. 1950, c. 72, s. 21 (11), *part, amended.*

Application
to other
taxes

(2) Instead of making a refund that might otherwise be made under this section, the Treasurer may, where the corporation is liable or about to become liable to make another payment under this Act, apply the amount of the overpayment to that other liability and notify the corporation of such action. *New.*

(3) Where an amount in respect of an overpayment is refunded or applied under this section on other liability, interest at the rate of 3 per cent per annum shall be paid or applied thereon for the period commencing with the latest of,

- (a) the day on which the overpayment arose;
- (b) the day on or before which the return of the corporation in respect of which the overpayment arose was required by section 66 to be delivered; or
- (c) the day on which the return of the corporation in respect of which the overpayment arose was delivered,

and ending with the day of refunding or application aforesaid, unless the amount of the interest so calculated is less than \$1, in which event no interest shall be paid or applied under this subsection. R.S.O. 1950, c. 72, s. 21 (11), *part, amended*.

(4) Where by a decision of the Treasurer under section 74 or by a decision of a court it is finally determined that the tax payable under this Act by a corporation for a fiscal year is less than the amount assessed by the assessment under section 71 to which objection was made or from which the appeal was taken and the decision makes it appear that there has been an overpayment for the fiscal year, the interest payable under subsection 3 on that overpayment shall be computed at 6 per cent instead of at 3 per cent.

(5) For the purpose of this section, "overpayment" means the aggregate of all amounts paid on account of tax payable for a fiscal year minus all amounts payable under this Act or an amount so paid where no amount is so payable.

(6) Where a corporation is entitled to deduct under section 37 in computing its taxable income for a taxation year an amount in respect of a loss sustained in the fiscal year immediately following the taxation year, hereinafter in this subsection referred to as "the loss year", and the amount of the tax payable for the taxation year is relevant in determining an overpayment for the purpose of computing interest under subsection 3 for any portion of a period ending on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct any amount under section 37 in respect of that loss. *New.*

DIVISION E—OBJECTIONS TO ASSESSMENT

74.—(1) A corporation that objects to an assessment under this Act may within sixty days from the day of mailing of

the notice of assessment serve on the Treasurer a notice of objection in duplicate in the prescribed form setting out the reasons for the objection and all relevant facts.

Service

(2) A notice of objection under this section shall be served by being sent by registered mail to the Comptroller.

Recon-
sideration

(3) Upon receipt of the notice of objection, the Treasurer shall with all due despatch reconsider the assessment and vacate, confirm or vary the assessment or re-assess and he shall thereupon notify the corporation of his action by registered letter: *New.*

DIVISION F—APPEALS

Appeal

75.—(1) Where a corporation has served notice of objection to an assessment under section 74, the corporation may appeal to the Supreme Court to have the assessment vacated or varied after the Treasurer has confirmed or re-assessed, but no appeal under this section may be instituted after the expiration of ninety days from the day notice has been mailed to the corporation under section 74 that the Treasurer has confirmed the assessment or re-assessed. R.S.O. 1950, c. 72, s. 24, *amended.*

Appeals,
how
instituted

(2) An appeal to the Supreme Court shall be instituted by serving on the Treasurer a notice of appeal in duplicate in the prescribed form and by filing a copy thereof with the Registrar of the Supreme Court or the local registrar of the Supreme Court for the county or district in which the corporation appealing has its head office or other permanent establishment.

Notice of
appeal

(3) A notice of appeal shall be served upon the Treasurer by being sent by registered mail to the Comptroller.

Statement
of
allegations

(4) The corporation appealing shall set out in the notice of appeal a statement of the allegations of fact, the statutory provisions and reasons which it intends to submit in supporting its appeal. *New.*

Security
for
costs

(5) An appeal by a corporation and all proceedings thereunder are, upon the expiration of sixty days from the day the appeal is instituted, null and void unless security for the costs of the appeal has been, within the said period, paid into court in the sum of \$400 or such other sum as the Treasurer may require and, upon an appeal becoming null and void by virtue of this subsection, no other appeal or proceedings shall be instituted in respect of the same decision.

Idem

(6) When security has been given under subsection 5, notice thereof shall be served on the Treasurer specifying

the fact and the purpose of the payment. R.S.O. 1950, c. 72, s. 25, *amended*.

76.—(1) The Treasurer shall with all due despatch serve ^{Reply to notice of appeal} on the corporation appealing and file in the court a reply to the notice of appeal admitting or denying the facts alleged and containing a statement of such further allegations of fact and of such statutory provisions and reasons as the Treasurer intends to rely on.

(2) The court or a judge may in its or his discretion strike ^{Amendment of notice of appeal} out a notice of appeal or any part thereof for failure to comply with subsection 4 of section 75 and may permit an amendment to be made to a notice of appeal or a new notice of appeal to be substituted for the one struck out.

(3) The court or a judge may in its or his discretion, ^{Amendment to reply}

(a) strike out any part of a reply for failure to comply with subsection 1 or permit the amendment of a reply; or

(b) strike out a reply for failure to comply with this section and order a new reply to be filed within a time to be fixed by the order.

(4) Where a notice of appeal is struck out for failure to ^{Failure to comply} comply with subsection 4 of section 75 and a new notice of appeal is not filed as and when permitted by the court or a judge, the court or a judge thereof may, in its or his discretion, dispose of the appeal by dismissing it.

(5) Where a reply is not filed as required by this section ^{Idem} or is struck out under this section and a new reply is not filed as ordered by the court or a judge within the time ordered, the court may dispose of the appeal *ex parte* or after a hearing on the basis that the allegations of fact contained in the notice of appeal are true. *New.*

77.—(1) Upon the filing of the material referred to with ^{Matter deemed action} the Registrar of the Supreme Court or the local registrar of the Supreme Court for the county or district in which the corporation appealing has its head office or permanent establishment of the material referred to in sections 75 and 76, the matter shall be deemed to be an action in the court and, unless the court otherwise orders, ready for hearing.

(2) Any fact or statutory provision not set out in the notice ^{Facts not set out may be pleaded} of appeal or reply may be pleaded or referred to in such manner and upon such terms as the court may direct.

Disposal
of appeal

(3) The court may dispose of the appeal by,

(a) dismissing it;

(b) allowing it; or

(c) allowing it, and

(i) vacating the assessment,

(ii) varying the assessment,

(iii) restoring the assessment, or

(iv) referring the assessment back to the Treasurer for reconsideration and re-assessment.

Court may
order
payment of
tax, etc.

(4) The Court may in delivering judgment disposing of an appeal order payment or refund of tax, interest, penalties or costs by the taxpayer or the Treasurer, as the case may be. *New.*

Proceedings
in camera

78. Proceedings under this Division shall be held in camera upon request made to the court by the corporation appealing or by the Treasurer. R.S.O. 1950, c. 72, s. 32, *amended.*

Supreme
Court
practice
to govern

79. The practice and procedure of the Supreme Court, including the right of appeal and the practice and procedure relating to appeals, apply to every matter deemed to be an action under section 77 and every judgment and order given or made in every such action may be enforced in the same manner and by the like process as a judgment or order given or made in an action commenced in the court. R.S.O. 1950, c. 72, s. 27 (3), *amended.*

Irregularities

80. An assessment shall not be vacated or varied on appeal by reason only of any irregularity, informality, omission or error on the part of any person in the observation of any directory provision of this Act. R.S.O. 1950, c. 72, s. 31, *amended.*

PART VI

ADMINISTRATION AND ENFORCEMENT

Investi-
gations

81.—(1) Any person thereunto authorized by the Treasurer for any purpose related to the administration or enforcement of this Act may at all reasonable times enter into any premises or place where any business is carried on or any property is kept or anything is done in connection with any business or any books or records are or should be kept pursuant to this Act, and,

- (a) audit or examine the books and records and any account, voucher, letter, telegram or other document which relates or may relate to the information that is or should be in the books or records or the amount of tax payable under this Act;
- (b) examine property described by an inventory or any property, process or matter an examination of which may, in his opinion, assist him in determining the accuracy of an inventory or in ascertaining the information that is or should be in the books or records or the amount of any tax payable under this Act;
- (c) require the president, manager, secretary or any director, agent or representative of the corporation liable to pay or considered possibly liable to pay tax under this Act and any other person on the premises of such corporation to give him all reasonable assistance with his audit or examination and to answer all questions relating to the audit or examination either orally or, if he so requires, in writing, on oath or by statutory declaration and, for that purpose, require such person to attend at the premises or place with him; and
- (d) if during the course of an audit or examination it appears to him that there has been a violation of this Act or the regulations, seize and take away any of the records, books, accounts, vouchers, letters, telegrams and other documents and retain them until they are produced in any court proceedings. *New.*

(2) The Treasurer may, for any purpose relating to the *Idem* administration or enforcement of this Act, by registered letter or by a demand served personally, require from any corporation or from the president, manager, secretary, or any director, agent or representative thereof,

- (a) any information or additional information or a return as required by section 66 or a supplementary return; or
- (b) production, or production on oath, of any books, letters, accounts, invoices, statements, financial or otherwise, or other documents,

within such reasonable time as may be stipulated therein.

(3) The Treasurer may, for any purpose related to the *Idem* administration or enforcement of this Act, by registered

letter or by a demand served personally, require from any person, partnership, syndicate, trust or corporation holding or paying or liable to pay any portion of the income of the corporation, or from any partner, agent or official of any such person, partnership, syndicate, trust or corporation, production, or production on oath, of any books, letters, accounts, invoices, statements, financial or otherwise, or other documents, within such reasonable time as may be stipulated therein. R.S.O. 1950, c. 72, s. 21 (2, 3), *amended*.

Idem

(4) The Treasurer may, for any purpose related to the administration or enforcement of this Act, with the approval of a judge of the Supreme Court, which approval the judge is hereby empowered to give upon *ex parte* application, authorize in writing any officer of the Office of the Comptroller of Revenue, together with such members of the provincial police or other peace officers as he calls on to assist him and such other persons as may be named therein, to enter and search, if necessary by force, any building, receptacle or place for documents, books, records, papers or things which may afford evidence as to the violation of any provision of this Act or the regulations and to seize and take away any such documents, books, records, papers or things and retain them until they are produced in any court proceedings.

Inquiry

(5) The Treasurer may, for any purpose related to the administration or enforcement of this Act, authorize any person, whether or not he is an officer of the Office of Comptroller of Revenue, to make such inquiry as he may deem necessary with reference to anything relating to the administration or enforcement of this Act.

Copies

(6) Where any book, record or other document has been seized, examined or produced under this section, the person by whom it is seized or examined or to whom it is produced or any officer of the Office of Comptroller of Revenue may make, or cause to be made, one or more copies thereof and a document purporting to be certified by the Treasurer or a person thereunto authorized by the Treasurer to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have if it had been proven in the ordinary way.

Compliance

(7) No person shall hinder or molest or interfere with any person doing anything that he is authorized by this section to do or prevent or attempt to prevent any person doing any such thing and, notwithstanding any other law to the contrary, every person shall, unless he is unable to do so, do everything he is required by this section to do. *New.*

(8) Declarations or affidavits in connection with returns <sup>Adminis-
tration
of oaths</sup> delivered under this Act or statements of information submitted pursuant to this section may be taken before any person having authority to administer an oath, or before any person specially authorized for that purpose by the Lieutenant-Governor in Council, but any person so specially authorized shall not charge any fee therefor. R.S.O. 1950, c. 72, s. 44, *amended*.

(9) For the purpose of an inquiry authorized under sub-<sup>Powers
of inquiry</sup> section 5, the person authorized to make the inquiry has all the powers and authority that may be conferred upon a commissioner appointed under *The Public Inquiries Act*. <sup>R.S.O. 1950,
c. 308</sup> R.S.O. 1950, c. 72, s. 21 (8), *amended*.

82.—(1) Every corporation that is required by this Act <sup>Books and
records</sup> to pay taxes shall keep records and books of account, including an annual inventory kept in the prescribed manner, at its permanent establishment in Ontario or at such other place as may be designated by the Treasurer, in such form and containing such information as will enable the taxes payable under this Act to be determined.

(2) Where a corporation has failed to keep adequate ^{Idem} records and books of account for the purpose of this Act, the Treasurer may require the corporation to keep such records and books of account as he may specify and the corporation shall thereafter keep records and books of account as so required.

(3) Every corporation required by this section to keep ^{Idem} records and books of account shall, until written permission for their disposal is obtained from the Treasurer, retain every such record or book of account and every account or voucher necessary to verify the information in any such records or books of account. R.S.O. 1950, c. 72, s. 21 (5), *amended*.

83.—(1) Every corporation that has failed to deliver a ^{Offences} return as and when required by this Act or the regulations is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of not less than \$25 for each day of default.

(2) Every corporation that has failed to comply with or ^{Idem} contravened section 81 or 82 is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of \$25 for each day during which the default continues. R.S.O. 1950, c. 72, s. 21 (2, 3, 6), *amended*.

Officers,
etc., of
corporations

84. Where a corporation is guilty of an offence under this Act, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in, or participated in, the commission of the offence is a party to and guilty of the offence and is liable on summary conviction to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted. *New.*

Communi-
cation of
information

85.—(1) No person employed in the service of Her Majesty shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under this Act or allow any such person to inspect or have access to any written statement furnished under this Act.

Offence
and
penalty

(2) Every person who violates any provision of this section is guilty of an offence and on summary conviction is liable to a penalty of not more than \$200. R.S.O. 1950, c. 72, s. 45, *amended.*

Collection

Priority
of tax

86.—(1) All taxes, interest, penalties, costs and other amounts payable under this Act are debts due to Her Majesty and are a first lien and charge upon the property in Ontario of the corporation liable to pay such taxes, interest, penalties, costs and other amounts, but such lien and charge does not apply to any mine as defined in *The Mining Tax Act* until the corporation owning the mine has become liable for the payment of a tax on mining profits under *The Mining Tax Act*.

R.S.O. 1950,
c. 237

Tax and
penalty to
be lien on
property

(2) All taxes, interest, penalties, costs and other amounts payable under this Act by a corporation that owns, operates or uses a railway are a special lien on any property, real or personal, in which the corporation has any interest, legal or equitable (other than as lessee or under any agreement for running rights or operating rights) in priority to every claim, privilege, lien or encumbrance, whenever created, of every person, and the lien and its priority shall not be lost or impaired by any neglect, omission or error of any minister, officer, servant or agent of the Crown, or by want of registration. R.S.O. 1950, c. 72, s. 36, *amended.*

Garnishment

87.—(1) When the Treasurer has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a corporation liable to make a payment under this Act, he may, by registered letter or by a letter served personally, require him to pay the moneys otherwise payable to that corporation in whole or in part to the Treasurer on account of the liability under this Act.

Idem

(2) The receipt of the Treasurer for moneys paid as required under this section is a good and sufficient discharge of the original liability to the extent of the payment.

(3) Every person who has discharged any liability to a corporation liable to make a payment under this Act without complying with a requirement under this section is liable to pay to Her Majesty in right of Ontario an amount equal to the liability discharged or the amount that he was required under this section to pay to the Treasurer, whichever is the lesser. R.S.O. 1950, c. 72, c. 35, *amended*.

Liability
of debtor

(4) Where a person who is or is about to become indebted or liable to make a payment to a corporation liable to make a payment under this Act carries on business under a name or style other than his own name, the registered or other letter under subsection 1 may be addressed to the name or style under which he carries on business and, in the case of personal service, shall be deemed to have been validly served if it has been left with an adult person employed at the place of business of the addressee.

Service of
garnishee

(5) Where the persons who are or are about to become indebted or liable to make any payment to a corporation liable to make a payment under this Act carry on business in partnership, the registered or other letter under subsection 1 may be addressed to the partnership name and, in the case of personal service, shall be deemed to have been validly served if it has been served on one of the partners or left with an adult person employed at the place of business of the partnership. *New*.

idem

88.—(1) Upon default of payment by a corporation of any tax, interest or penalty or any of them imposed upon a corporation by this Act,

Recovery
of tax,
interest and
penalties

- (a) the Treasurer may bring an action for the recovery thereof in any court in which a debt or money demand of a similar amount may be collected, and every such action shall be brought and executed in and by the name of the Treasurer or his name of office and may be continued by his successor in office as if no change had occurred, and shall be tried without a jury;
- (b) the Treasurer may issue a warrant, directed to the sheriff of any county or district in which any property of the corporation is located or situate, for the amount of the tax, interest and penalty or any of them owing by the corporation, together with interest thereon from the date of the issue of the warrant and the costs, expenses and poundage of the sheriff, and such warrant has the same force and effect as a writ of execution issued out of the Supreme Court. R.S.O. 1950, c. 72, s. 34 (1), *amended*.

Com-
pliance
of Treasurer
to be
proved by
affidavit

(2) For the purpose of any proceeding taken under this Act, the facts necessary to establish compliance on the part of the Treasurer with this Part as well as the failure of any person, partnership, syndicate, trust or corporation to comply with the requirements of this Part shall, unless evidence to the contrary satisfactory to the court is adduced, be sufficiently proven in any court of law by affidavit of the Treasurer or of any officer of the Treasury Department. R.S.O. 1950, c. 72, s. 21 (7), *amended*.

Remedies
for
recovery
of tax
and
penalty

89. The use of any of the remedies provided by sections 87 and 88 does not bar or affect any of the other remedies therein provided, and the remedies provided by this Act for the recovery or enforcement of the payment of any tax, interest and penalty or any of them imposed by this Act are in addition to any other remedies existing by law, and no action or other proceeding taken in any way prejudices, limits or affects any lien, charge or priority existing under this Act or otherwise. R.S.O. 1950, c. 72, s. 34 (3), *amended*.

Notice to
be given
Treasurer
of sale of
company's
capital
assets

90.—(1) Where a corporation has failed to pay taxes, interest and penalties or any of them imposed by this Act for a period of more than three years from the date of mailing of the notice of assessment provided by subsection 2 of section 71, no person shall sell any capital assets of the corporation unless he has given written notice by registered letter to the Treasurer not less than ten days before the date of the sale.

Penalty

(2) Every person who violates the provisions of subsection 1 is liable to a penalty of not less than an amount equal to the amount of such taxes, interest and penalties in default and such penalty is recoverable by action in any court in which a debt or money demand of a similar amount may be collected. R.S.O. 1950, c. 72, s. 37, *amended*.

Compromis-
ing
disputes as
to liability
for taxes

91. If any doubt or dispute arises as to the liability of a corporation to pay a tax or any portion of a tax demanded under the authority of this Act, or if owing to special circumstances it is deemed inequitable to demand payment of the whole amount imposed by this Act, the Treasurer may accept such amount as he deems proper. R.S.O. 1950, c. 72, s. 38, *amended*.

General
penalty

92. Every person who, and every corporation that, contravenes or fails to comply with any of the provisions of this Act or the regulations for which no other penalty is provided is guilty of an offence and on summary conviction is liable to a fine of not less than \$50 and not more than \$500. R.S.O. 1950, c. 72, s. 39, *amended*.

93. The fines imposed for offences under this Act are payable to the Treasurer. R.S.O. 1950, c. 72, s. 34 (2), *amended.* Fines payable to the Treasurer

94. The Lieutenant-Governor in Council may make regulations,

- (a) authorizing or requiring the Deputy Treasurer or any officer of the Treasury Department to exercise any power or perform any duty conferred or imposed upon the Treasurer by this Act;
- (b) providing for the issuance of certificates as to the amount of taxes, interest and penalties or any of them owing by any corporation under this Act and prescribing the fee payable therefor;
- (c) prescribing anything that by this Act is to be prescribed or is to be determined or regulated by the regulations;
- (d) prescribing amendments to the provisions of Part III and to the provisions of Part II that relate to the allocation of taxable income and taxable paid-up capital between Ontario and any other jurisdiction, such amendments to remain effective only if enacted by the Legislature at the first regular session after such amendments have been prescribed;
- (e) respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act. *New.*

PART VII

TRANSITIONAL PROVISIONS

95.—(1) Notwithstanding section 4, the tax as calculated thereunder shall be reduced in the case of any corporation the fiscal year of which does not coincide with the calendar year but ends in the calendar year 1957 in the proportion of the total tax which the number of days of such fiscal year that are in the calendar year 1956 bears to the total number of days of such fiscal year. Income tax reduced in 1957

(2) Where the amount of the tax imposed by section 4 on a corporation is reduced under subsection 1, the amount of the tax as so reduced is, notwithstanding section 12, the amount of the deduction allowed by section 12. *New.* Effect of reduced income tax on sec. 12

Extension
of
payment

96.—(1) Notwithstanding subsections 2 and 3 of section 69, every corporation that would but for this section have been liable to pay an instalment or part or the whole of the taxes imposed under this Act before the 15th day of May, 1957, shall pay such parts, instalments or the whole of such taxes on or before the 15th day of May, 1957.

Idem

(2) Interest, penalty interest, and any other penalties that would otherwise apply as from an earlier date under any section of this Act but for the provisions of subsection 1 apply as from the 15th day of May, 1957.

Effect in
transition
of ss. 69
and 70

(3) Where in any case the last preceding fiscal year of a corporation is a fiscal year ending during 1956, the amount of the tax payable for that fiscal year, for the purposes of sections 69 and 70, is the amount that would have been payable by that corporation for that fiscal year had the provisions of this Act been effective in respect of the fiscal years of corporations ending during 1956. *New.*

Effect of
R.S.C. 1952,
c. 148 on
this Act

97. Notwithstanding any provision of this Act and in order that corporations that become taxable under this Act may be dealt with under this Act on the same basis and in the same manner as they will be dealt with under the *Income Tax Act* (Canada) with respect to fiscal years of such corporations ending in 1957 and later fiscal years, the provisions of the *Income Tax Act* (Canada) and every predecessor thereof affecting the determination of taxable income as they have been in force from time to time shall be deemed, for the purposes of this Act, to have been applied in determining the taxable incomes of such corporations for fiscal years thereof ending in calendar years before 1957, at the same time and to the same extent as they were applicable under those Acts. *New.*

PART VIII

MISCELLANEOUS

Application
of R.S.O.
1950, c. 72
and this
Act

98.—(1) *The Corporations Tax Act* applies to corporations in respect of all fiscal years ending before or during 1956 and this Act applies thereafter, provided that the provisions of this Act relating to the collection of taxes apply to the collection of taxes under *The Corporations Tax Act*.

R.S.O. 1950,
c. 72;
1952, c. 13;
1953, c. 22,
repealed

(2) Subject to subsection 1, *The Corporations Tax Act*, *The Corporations Tax Amendment Act, 1952* and *The Corporations Tax Amendment Act, 1953* are repealed.

Commence-
ment

99. This Act comes into force on the day it receives Royal Assent.

Short title

100. This Act may be cited as *The Corporations Tax Act, 1957*.

BILL

The Corporations Tax Act, 1957

1st Reading

February 26th, 1957

2nd Reading

March 19th, 1957

3rd Reading

MR. PORTER

*(Reprinted as amended by the
Committee of the Whole House)*

No. 111

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

The Corporations Tax Act, 1957

MR. PORTER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

The Corporations Tax Act, 1957

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

PART I

INTERPRETATION

1.—(1) In this Act,

Interpreta-
tion

1. "amount" means money, rights or things expressed in terms of the amount of money or the value in terms of money of the right or thing;
2. "assessment" includes a re-assessment;
3. "bank" means a corporation or joint stock company wherever incorporated for the purpose of doing a banking business or the business of a savings bank that transacts such business in Ontario, whether the head office is situate in Ontario or elsewhere;
4. "business" includes a profession, calling, trade, manufacture or undertaking of any kind whatsoever and includes an adventure or concern in the nature of trade but does not include office or employment;
5. "common share" is a share the holder of which is not precluded upon the reduction or redemption of the capital stock from participating in the assets of the corporation beyond the amount paid up thereon plus a fixed premium and a defined rate of dividend;
6. "Comptroller" means Comptroller of Revenue;
7. "corporation" means any corporation however or wherever incorporated and, where any corporation or the whole or any part of the property thereof is placed in the hands or under the control of an agent,

- assignee, trustee, liquidator, receiver or other official, includes such agent, assignee, trustee, liquidator, receiver or other official, but does not include a corporation incorporated without share capital;
8. "dividend" does not include a stock dividend;
 9. "employed" means performing the duties of an office or employment;
 10. "employee" includes officer;
 11. "employer", in relation to an officer, means the person from whom the officer receives his remuneration;
 12. "employment" means the position of an individual in the service of some other person, including Her Majesty or a foreign state or sovereign, and "servant" or "employee" means a person holding such a position;
 13. "exempt income" means money, rights or things received or acquired by a corporation in such circumstances that they are, by reason of any provision in Part III, not included in computing its income and includes any amount that is deductible under section 38;
 14. "farming" includes tillage of the soil, live stock raising or exhibiting, maintaining of horses for racing, raising of poultry, fur farming, dairy farming, fruit growing and the keeping of bees, but does not include an office or employment under a person engaged in the business of farming;
 15. "fishing" includes fishing for or catching shell fish, crustaceans and marine animals, but does not include an office or employment under a person engaged in the business of fishing;
 16. "fiscal year" means the period for which the accounts of the business of a corporation are ordinarily made up and accepted for purposes of assessment under this Act and, in the absence of an established practice, the fiscal year is that adopted by a corporation, but no fiscal year may exceed fifty-three weeks and any change in a usual and accepted fiscal year shall be made for the purposes of this Act only with the concurrence of or in accordance with the direction of the Treasurer;

17. "foreign business corporation" means a corporation defined by section 43 to be a foreign business corporation;
18. "gross revenue" means the aggregate of all amounts received or, depending upon the method regularly followed by the corporation in computing its profit, receivable in the fiscal year otherwise than as or on account of capital;
19. "income bond" or "income debenture" means respectively a bond or debenture in respect of which interest or dividends are payable only when the debtor corporation has made a profit before taking into account the interest or dividend obligation on such bond or debenture;
20. "insurance corporation" includes life, fire, ocean or inland marine, inland transportation, accident, plate-glass, automobile, steam-boiler and burglary insurance companies, guaranty, surety and casualty companies and underwriters and syndicates of underwriters operating on the plan known as Lloyds, that transact business or undertake risks on lives or property in Ontario or that are licensed under *The Insurance Act*, but does not include mutual insurance companies insuring agricultural and other non-hazardous risks on the premium note plan the sole business of which is carried on in Ontario, fraternal societies and mutual benefit societies as defined in *The Insurance Act*, and pension fund and employees' mutual benefit societies incorporated under or subject to *The Corporations Act, 1953*; R.S.O. 1950, c. 183 1953, c. 19
21. "inventory" means a description of property the cost or value of which is relevant in computing the income of a corporation from a business for a fiscal year;
22. "jurisdiction" means a province or territory of Canada or a state outside Canada having sovereign power;
23. "loss" means a loss computed by applying the provisions of this Act respecting the computation of income from a business *mutatis mutandis*, but not including in the computation a dividend or part of a dividend the amount of which would be deductible under section 38 in computing taxable income, minus any amount by which a loss operated to reduce the

- income of a corporation from other sources for purpose of tax on income for the fiscal year in which it was sustained;
24. "non-resident" means not resident in Canada;
 25. "non-resident owned investment corporation" means a corporation defined by section 42 to be a non-resident owned investment corporation;
 26. "permanent establishment" has the meaning given to that expression by section 2;
 27. "personal corporation" means a corporation defined by section 40 to be a personal corporation;
 28. "prescribed", in the case of a form or the information to be given on a form, means prescribed by order of the Treasurer and, in any other case, means prescribed by the regulations;
 29. "property" means property of any kind whatsoever whether real or personal or corporeal or incorporeal and includes every interest or profit, legal or equitable, present or future, vested or contingent in, arising out of or incident to property;
 30. "railway" includes a railway and part of a railway operated in whole or in part by steam, electricity or other motive power, constructed and operated on highways or on land owned by the corporation that owns or operates it, or partly on highways and partly on such land, but does not include a street railway constructed or operated in whole or in part upon or along a highway under or by virtue of an agreement with or a by-law of a city or town;
 31. "registered pension fund or plan" means an employees' superannuation or pension fund or plan accepted by the Treasurer for registration for the purposes of this Act in respect of its constitution and operations for the fiscal year under consideration;
 32. "regulations" means regulations made under this Act;
 33. "share" means a share of capital stock of a corporation;
 34. "shareholder" includes a member or other person entitled to receive payment of a dividend;

35. "a shareholder's portion of undistributed income of a corporation" has the meaning given to that expression by subsection 2 of section 52;
36. "subsidiary controlled corporation" means a corporation more than 50 per cent of the issued share capital of which, having full voting rights under all circumstances, belongs to the corporation to which it is subsidiary;
37. "subsidiary wholly-owned corporation" means a corporation all the issued share capital of which, except directors' qualifying shares, belong to the corporation to which it is subsidiary;
38. "taxable income" has the meaning given that expression by section 15;
39. "taxation year" means that fiscal year in relation to which the amount of a tax under this Act is being calculated when the expression is used to distinguish it from another fiscal year;
40. "Treasurer" means Treasurer of Ontario;
41. "tax payable" by a corporation under sections 3 to 14 means the tax payable by the corporation as fixed by assessment or re-assessment subject to variation on objection or appeal, if any, in accordance with sections 74 to 80, as the case may be;
42. "undistributed income on hand" has the meaning given to that expression by section 52. R.S.O. 1950, c. 72, s. 1, *amended*.

(2) For the purposes of this Act,

Arm's length

- (a) related persons shall be deemed not to deal with each other at arm's length; and
- (b) it is a question of fact whether persons not related to each other were at a particular time dealing with each other at arm's length.

(3) For the purposes of subsections 2 and 4 and this sub-^{Related persons}section, "related persons", or persons related to each other, are,

- (a) individuals connected by blood relationship, marriage or adoption;

- (b) a corporation, and,
- (i) a person who controls the corporation, if it is controlled by one person,
 - (ii) a person who is a member of a related group that controls the corporation, or
 - (iii) any person related to a person described by subclause i or ii;
- (c) any two corporations,
- (i) if they are controlled by the same person or group of persons,
 - (ii) if each of the corporations is controlled by one person and the person who controls one of the corporations is related to the person who controls the other corporation,
 - (iii) if one of the corporations is controlled by one person and that person is related to any member of a related group that controls the other corporation,
 - (iv) if one of the corporations is controlled by one person and that person is related to each member of an unrelated group that controls the other corporation,
 - (v) if any member of a related group that controls one of the corporations is related to each member of an unrelated group that controls the other corporation,
 - (vi) if each member of an unrelated group that controls one of the corporations is related to at least one member of an unrelated group that controls the other corporation.

Corporations
related to
each other

(4) Where two corporations are related to the same corporation within the meaning of subsection 3, they shall, for the purposes of subsections 2 and 3, be deemed to be related to each other.

Interpreta-
tion

(5) In subsections 3 and 6 and this subsection,

Related
group

(a) "related group" means a group of persons each member of which is related to every other member of the group; and

(b) "unrelated group" means a group of persons that ^{Unrelated group} is not a related group.

(6) For the purpose of subsection 3, ^{Controlled by related group, options, etc.}

(a) where a related group is in a position to control a corporation, it shall be deemed to be a related group that controls the corporation whether or not it is part of a larger group by whom the corporation is in fact controlled; and

(b) a person who has a right under a contract, in equity or otherwise, either immediately or in the future or either absolutely or contingently, to, or to acquire, shares in a corporation, or to control the voting rights of shares in a corporation, shall be deemed to have had the same position in relation to the control of the corporation as if he owned the shares.

(7) For the purpose of clause *a* of subsection 3, ^{Persons related by blood relationship, etc.}

(a) persons are connected by blood relationship if one is the child or other descendant of the other or one is the brother or sister of the other;

(b) persons are connected by marriage if one is married to the other or to a person who is so connected by blood relationship to the other; and

(c) persons are connected by adoption if one has been adopted, either legally or in fact, as the child of the other or as the child of a person who is so connected by blood relationship, other than as a brother or sister, to the other. *New.*

2.—(1) In this Act, "permanent establishment" includes ^{Permanent establishment} branches, mines, oil wells, farms, timberlands, factories, workshops, warehouses, offices, agencies, and other fixed places of business, and land.

(2) Where a corporation carries on business through an ^{Idem} employee or agent who has general authority to contract for his employer or principal or has a stock of merchandise from which he regularly fills orders which he receives, such employee or agent shall be deemed to operate a permanent establishment of the corporation.

(3) The fact that a corporation has business dealings ^{Idem} through a commission agent, broker or other independent agent shall not of itself be deemed to mean that the corporation has a permanent establishment.

- Idem** (4) The fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in a trade or business in a place shall not of itself be deemed to mean that the first-mentioned corporation is operating a permanent establishment in that place.
- Idem** (5) Notwithstanding subsection 3, an insurance corporation is deemed to have a permanent establishment in each jurisdiction in which the corporation is registered to do business.
- Idem** (6) The fact that a corporation maintains an office solely for the purchase of merchandise shall of itself be deemed to mean that the corporation has a permanent establishment in that office.
- Idem** (7) The fact that a corporation has assets in a jurisdiction in a fiscal year shall of itself be deemed to mean that the corporation has a permanent establishment in that jurisdiction for the fiscal year.
- Idem** (8) The fact that a non-resident corporation in a fiscal year produced, grew, mined, created, manufactured, fabricated, improved, packed, preserved or constructed in whole or in part anything in Canada whether or not the corporation exported that thing without selling it prior to exportation, shall of itself, for the purposes of this Act, be deemed to mean that the corporation maintained a permanent establishment at any place where the corporation did any of those things in the fiscal year.
- Idem** (9) The use of substantial machinery or equipment in a particular place at any time in a fiscal year of a corporation constitutes a permanent establishment of such corporation in that place for the fiscal year.
- Idem** (10) The fact that a corporation has only a charter or other instrument of incorporation shall of itself, for the purposes of this Act, be deemed to mean that the corporation has a permanent establishment in the place designated in its charter or other instrument of incorporation as its head office.
New.

PART II

LIABILITY FOR TAXES

Taxes payable

3.—(1) Every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay to Her Majesty for the uses of Ontario the taxes imposed by this Act at the time and in the manner provided in this Act.

(2) For the purposes of this Act, where a fiscal year is referred to by a reference to a calendar year, the reference is to the fiscal year or years coinciding with, or ending in, that year. Fiscal year

(3) Where a corporation ceases to have a permanent establishment in Ontario during a fiscal year or the existence of a corporation is terminated during a fiscal year, it shall, in respect of such incomplete fiscal year, pay the taxes imposed by this Act in the same manner as though such fiscal year ended on the date on which it ceased to have a permanent establishment in Ontario or upon which its existence was terminated, as the case may be. R.S.O. 1950, c. 72, s.2, *amended*. Incomplete fiscal year

4.—(1) Except as provided otherwise in this Act, every corporation that has a permanent establishment in Ontario shall, for every fiscal year of the corporation, pay a tax of 11 per cent calculated on its taxable income. Income tax

(2) There may be deducted from the tax otherwise payable by a corporation under this section for a fiscal year an amount equal to 11 per cent of that portion of its taxable income which is earned in the fiscal year in each jurisdiction other than Ontario. Deductions from tax on income—allocation of taxable income

(3) Where in a fiscal year a corporation has no permanent establishment outside Ontario, all of its taxable income for the year shall be deemed to have been earned in Ontario. Allocation of taxable income

(4) Where in a fiscal year a corporation had no permanent establishment in Ontario, all of its taxable income for the fiscal year shall be deemed to have been earned in jurisdictions outside Ontario. Idem

(5) Except as otherwise provided, where in a fiscal year a corporation had a permanent establishment in Ontario and a permanent establishment in any other jurisdiction, the amount of its taxable income that shall be deemed to have been earned in the fiscal year in that jurisdiction is one-half the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the gross revenue for the fiscal year attributable to the permanent establishment in that jurisdiction is of its total gross revenue for the fiscal year; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to the

employees of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

Gross
revenue
attributable
to a
permanent
establish-
ment

(6) For the purpose of subsection 5 of this section and subsection 5 of section 5,

- (a) where a corporation ships to a customer goods or merchandise from a permanent establishment, the gross revenue from the sale of such goods or merchandise shall be attributable to that permanent establishment and not to any other permanent establishment of the corporation;
- (b) where a corporation sells standing timber, the gross revenue from such sale shall be attributable to the permanent establishment that includes the timber limit from which the standing timber was taken and not to any other permanent establishment of the corporation; and
- (c) where the supplier of a corporation ships goods or merchandise belonging to the corporation to a customer thereof and such goods or merchandise do not pass through a permanent establishment of the corporation, the gross revenue from the sale shall be attributable to the permanent establishment to which the person negotiating the sale may reasonably be regarded as being attached.

Allocation of
investment
income

(7) For the purpose of subsection 5 of this section and subsection 5 of section 5, interest on bonds, debentures and mortgages, dividends on shares of capital stock and rentals and royalties for property that is not used in the regular business operations of a corporation shall be excluded when calculating the gross revenue of the corporation or any part thereof.

Insurance
corporations,
allocation of
taxable
income

(8) Notwithstanding subsection 5, the proportion of the taxable income of an insurance corporation that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is that proportion of its taxable income for the fiscal year that the aggregate of,

- (a) its net premiums for the year in respect of insurance on properties situated in that jurisdiction; and
- (b) its net premiums for the year in respect of insurance, other than on property, from contracts from persons resident in that jurisdiction,

is of the total net premiums for the fiscal year of the corporation.

(9) In subsection 8, "net premiums" of a corporation for a fiscal year means the aggregate of the gross premiums received by the corporation in the fiscal year, other than consideration received for annuities, minus the aggregate for the fiscal year of,

- (a) premiums paid for re-insurance;
- (b) dividends or rebates paid or credited to policy-holders; and
- (c) rebates or returned premiums paid in respect of the cancellation of policies,

by the corporation.

(10) In subsection 8, "total net premiums" of a corporation for a fiscal year means the aggregate of,

- (a) its net premium income in respect of insurance on property situate in each province or territory of Canada and each country other than Canada in which the corporation has a permanent establishment; and
- (b) its net premium income in respect of insurance other than on property, from contracts with persons resident in each province or territory of Canada and each country other than Canada in which the corporation has a permanent establishment.

(11) Notwithstanding subsection 5, the amount of taxable income of a bank that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-third of the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the year by the bank to the personnel of its permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the bank; and
- (b) twice that proportion of its taxable income for the fiscal year that the aggregate amount of loans and deposits of its permanent establishments in that jurisdiction for the fiscal year is of the aggregate of all loans and deposits of the bank for the fiscal year.

Idem (12) For the purpose of subsection 11, the amount of loans for a fiscal year is one-twelfth of the aggregate of the amounts outstanding on the loans made by the bank at the close of business on the last day of each month in the fiscal year.

Idem (13) For the purpose of subsection 11, the amount of deposits for a fiscal year is one-twelfth of the aggregate of the amounts on deposit with the bank at the close of business on the last day of each month in the fiscal year.

Idem (14) For the purpose of subsections 12 and 13, loans and deposits do not include bonds, stocks, debentures, items in transit and deposits in favour of Her Majesty in right of Canada.

Trust and loan corporations, allocation of taxable income (15) Notwithstanding subsection 5, the amount of taxable income of a trust and loan corporation or a trust corporation or a loan corporation that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is that proportion of its taxable income for the fiscal year that the gross revenue of its permanent establishments in that jurisdiction for the fiscal year is of the total gross revenue for the fiscal year of the corporation.

Interpretation (16) For the purpose of subsection 15, the "gross revenue of its permanent establishments in that jurisdiction" for a fiscal year means the aggregate of the gross revenue of the corporation for the fiscal year arising from,

- (a) loans secured by real property situated in that jurisdiction;
- (b) loans not secured by real property to persons residing in that jurisdiction;
- (c) loans administered by the permanent establishments of the corporation in that jurisdiction made to persons residing in another jurisdiction in which the corporation has no permanent establishment but not including loans secured by real property situated in another jurisdiction in which the corporation has a permanent establishment; and
- (d) business conducted at the permanent establishments of the corporation in that jurisdiction, other than revenue in respect of loans.

Railway corporations, allocation of taxable income (17) Notwithstanding subsection 5, the amount of taxable income of a railway corporation that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario, unless subsection 28 applies, is one-half of the aggregate of,

- (a) that proportion of the amount determined under subsection 18 that the equated track miles of the corporation in that province or territory of Canada is of the equated track miles of the corporation in Canada; and
- (b) that proportion of the amount determined under subsection 18 that the gross ton-miles of the corporation for the fiscal year in that province or territory of Canada is of the gross ton-miles of the corporation for the fiscal year in Canada.

(18) For the purpose of clauses *a* and *b* of subsection 17, ^{Idem} the amount to be determined is an amount equal to the taxable income of the corporation for the fiscal year minus that part of such taxable income that may reasonably be considered to have been earned by the operation of ships or airlines.

(19) For the purpose of subsection 17, "the equated track ^{Interpre-}miles" in a specified place means the aggregate of,

- (a) the number of miles of first main track;
- (b) 80 per cent of the number of miles of other main tracks; and
- (c) 50 per cent of the number of miles of yard tracks and sidings,

in that place.

(20) Notwithstanding subsection 5, the amount of taxable ^{Airline}income of an airline corporation that shall be deemed to have ^{corporations,} been earned in a fiscal year in a province or territory of ^{allocation of} Canada outside Ontario is an amount that is equal to one-quarter of the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the capital cost of all fixed assets of the corporation, except aircraft, in that province or territory of Canada at the end of the fiscal year is of the capital cost of all its fixed assets, except aircraft, in Canada at the end of the fiscal year; and
- (b) that proportion of its taxable income that three times the number of revenue plane miles flown by its aircraft in that province or territory of Canada during the fiscal year is of the total number of revenue plane miles flown by its aircraft in Canada during the fiscal year.

Interpre-
tation

(21) For the purpose of subsection 20, "revenue plane miles flown" shall be weighted according to payload capacity of the aircraft operated.

Idem

(22) For the purpose of subsection 21, "payload capacity" of an aircraft means,

- (a) for a type of aircraft listed in the regulations, the number of pounds shown therein for that aircraft; and
- (b) for a type of aircraft not listed in the regulations, the average maximum commercial load expressed in pounds of the aircraft with fuel and oil tanks half full as determined by the Treasurer.

Grain
elevator
operators,
allocation of
taxable
income

(23) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the operation of grain elevators that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-half the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the number of bushels of grain received in the fiscal year in the elevators operated by the corporation in that jurisdiction is of the total number of bushels of grain received in the fiscal year in all the elevators operated by the corporation; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

Bus and
truck
operators,
allocation
of taxable
income

(24) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the transportation of goods and passengers, other than by the operation of a railway, steamship or airline service, that shall be deemed to have been earned in a fiscal year in a jurisdiction outside Ontario is one-half of the aggregate of,

- (a) that proportion of its taxable income for the fiscal year that the number of miles travelled by its vehicles in that jurisdiction in the fiscal year is of the total number of miles travelled by its vehicles in the fiscal year; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that jurisdiction is

of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

(25) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is the operation of a pipeline for oil, gas or water that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is one-half of the aggregate of,

Pipeline operators, allocation of taxable income

- (a) that proportion of its taxable income for the fiscal year that the number of miles of pipe of the corporation in that province or territory of Canada is of the number of miles of pipe of the corporation in Canada; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to personnel of the permanent establishments in that province or territory of Canada is of the aggregate of all salaries and wages paid in all its permanent establishments in Canada in the fiscal year by the corporation.

(26) Notwithstanding subsection 5, the amount of taxable income of a corporation the chief business of which is owning and operating ships that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is one-half the aggregate of,

Navigation companies, allocation of taxable income

- (a) that proportion of its taxable income for the fiscal year that the ton-hours spent by the ships owned by the corporation in the ports of that province or territory of Canada is of the total ton-hours of all the ships owned by the corporation spent in Canadian ports; and
- (b) that proportion of its taxable income for the fiscal year that the aggregate of the salaries and wages paid in the fiscal year by the corporation to personnel of the corporation in its shore establishments in that province or territory of Canada is of the aggregate of the salaries and wages paid in the fiscal year by the corporation in all the shore establishments in Canada of the corporation,

but, in the case of a corporation the ships of which spend no ton-hours in any Canadian port during the fiscal year, the amount of taxable income of the corporation that shall be deemed to have been earned in the fiscal year in a province or territory of Canada outside Ontario is the proportion of its taxable income that would apply if only the proportion referred to in clause *b* were applicable.

Divided
businesses,
allocation
of taxable
income

(27) Where part of the business of a corporation for a fiscal year, other than a corporation described in subsections 8, 11, 15, 17, 20, 23, 24, 25 or 26, consisted of operations normally conducted by a corporation described in one of those subsections, the corporation and the Treasurer may agree to determine the amount of taxable income deemed to have been earned in the fiscal year in a jurisdiction outside Ontario as the aggregate of the amounts computed,

- (a) by applying the provisions of such of those subsections as would have been applicable if it had been a corporation described therein to the portion of its taxable income for the fiscal year that might reasonably be considered to have arisen from that part of the business; and
- (b) by applying the provisions of subsection 5 to the remaining portion of its taxable income for the fiscal year.

Idem

(28) Where a corporation to which subsection 17 would otherwise apply operates an airline or navigation service or both, the amount of its taxable income that shall be deemed to have been earned in a fiscal year in a province or territory of Canada outside Ontario is the aggregate of the amounts computed,

- (a) by applying the provisions of subsection 20 to that part of its taxable income for the fiscal year that might reasonably be considered to have arisen from the operation of the airline service;
- (b) by applying the provisions of subsection 26 to that part of its taxable income for the fiscal year that might reasonably be considered to have arisen from the operation of ships; and
- (c) by applying the provisions of subsection 17 to the remaining portion of its taxable income for the fiscal year.

Exemptions:

(29) No tax is payable under this section by a corporation for a fiscal year when that corporation was,

Municipal
authorities

- (a) a municipality, or a municipal or public body performing a function of government;

Municipal
or provincial
corporations

- (b) a corporation, commission or association not less than 90 per cent of the shares or capital of which was owned by Her Majesty in right of Canada or a province or by a Canadian municipality, or a wholly-

owned corporation subsidiary to such a corporation, commission or association, except as provided by section 55;

- (c) an agricultural organization, a board of trade or a chamber of commerce, no part of the income of which is payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof; Certain organizations
- (d) a charitable organization, all the resources of which were devoted to charitable activities carried on by the organization itself and no part of the income of which was payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof; Charitable organizations
- (e) a corporation that was constituted exclusively for charitable purposes, no part of the income of which was payable to or was otherwise available for the personal benefit of any proprietor, member or shareholder thereof, that has not since the 1st day of June, 1950, acquired control of any other corporation and that during the fiscal year, Non-profit corporation
 - (i) did not carry on any business,
 - (ii) had no debts incurred since the 1st day of June, 1950, other than obligations arising in respect of salaries, rents and other current operating expenses, and
 - (iii) except in the case of a corporation that was constituted exclusively for charitable purposes before the 1st day of January, 1940, expended amounts each of which is,
 - (A) an expenditure in respect of charitable activities carried on by the corporation itself,
 - (B) a gift to an organization in Canada the income of which for the period is exempt from tax under this section by virtue of clause *d*, or
 - (C) a gift to a corporation resident in Canada the income of which for the period is exempt from tax under this section by virtue of this clause,

and the aggregate of which is not less than 90 per cent of the income of the corporation for the fiscal year;

Labour
organiza-
tions

- (f) a labour organization or society or a benevolent or fraternal benefit society or order;

Non-profit
organiza-
tions

- (g) a club, society or association organized and operated exclusively for social welfare, civic improvement, pleasure or recreation or for any other purpose except profit, no part of the income of which was payable to or otherwise available for the personal benefit of any proprietor, member or shareholder thereof;

Mutual
insurance
corporations

- (h) a mutual insurance corporation that received its premiums wholly from the insurance of churches, schools or other charitable organizations;

Credit
unions

- (i) a corporation incorporated or organized as a credit union or co-operative credit society if,

- (i) it was restricted to carrying on business in Ontario and it derived its revenues primarily from,

(A) loans made to or cashing cheques for members residing within Ontario,

(B) bonds of or guaranteed by the Government of Canada or Ontario, or

(C) loans made to a co-operative credit society of which it is a member, or

- (ii) the members thereof were corporations or associations,

(A) incorporated or organized as credit unions substantially all of which derived their revenues primarily from loans made to members or from bonds of or guaranteed by the Government of Canada or Ontario,

(B) incorporated, organized or registered under co-operative legislation of Ontario and governed thereby, or

(C) incorporated or organized for charitable purposes,

or were corporations or associations no part of the income of which was payable to or otherwise benefited personally any shareholder or member thereof;

- (j) an institutional housing corporation, an institutional holding company or a limited dividend housing corporation within the meaning of those expressions as defined by the *National Housing Act* (Canada); Housing corporations
R.S.C. 1952, c. 188
- (k) a corporation exempt by section 40 as a personal corporation; Personal corporations
- (l) a corporation exempt by section 43 as a foreign business corporation; Foreign business corporations
- (m) a corporation exempt by subsection 1 of section 45 as a co-operative corporation; Co-operatives
- (n) a corporation incorporated solely in connection with or for the administration of a registered pension fund or plan; Pension trusts or corporations
- (o) an insurer who was engaged during the fiscal year in no business other than insurance if, in the opinion of the Treasurer, 50 per cent of the gross premium income for the fiscal year was in respect of the insurance of farm property, property used in fishing, or residences of farmers and fishermen. Farmers' and fishermen's insurers

(30) Where it is necessary for the purpose of this section to ascertain the taxable income of a corporation for a period that is part of a fiscal year, the taxable income for the period shall be deemed to be the proportion of the taxable income for the fiscal year that the number of days in the period is of the number of days in the fiscal year. Apportionment rule

- (31) For the purpose of clause *e* of subsection 29, When deemed not to have acquired control of another corporation
- (a) a corporation is controlled by another corporation if more than 50 per cent of its issued share capital, having full voting rights under all circumstances, belongs to,
- (i) the other corporation, or
- (ii) the other corporation and persons with whom the other corporation does not deal at arm's length,

but a corporation shall be deemed not to have acquired control of another corporation if it has not purchased or otherwise acquired for a consideration any of the shares in the capital stock of that other corporation;

Gifts

- (b) there shall be included in computing the income of a corporation all gifts received by the corporation other than,
- (i) a gift received subject to a trust or direction that the property given, or property substituted therefor, is to be held permanently by the corporation for the purpose of gaining or producing income therefrom, or
 - (ii) a gift or portion of a gift in respect of which it is established that the donor has not been allowed a deduction under clause *a* of section 37 or a gift made by a person who was not taxable under section 4 for the fiscal year in which the gift was made.

Rules

(32) In computing the income of a corporation for the purpose of determining whether it is described by clause *e* of subsection 29 for a fiscal year,

- (a) there may be deducted an amount not exceeding its income for the fiscal year preceding the taxation year computed without including or deducting any amount under this subsection; and
- (b) there shall be included any amount that has been deducted under this subsection for the immediately preceding fiscal year.

Election by
new
charitable
corporation

(33) For the purpose of determining whether a corporation has complied with subclause iii of clause *e* of subsection 29 for its first fiscal year after its incorporation, the whole or any part of amounts expended by it in the immediately subsequent fiscal year shall, if it so elects, be deemed to have been expended by it in the first fiscal year and not in the subsequent fiscal year. *New.*

Rate of
general
capital tax

5.—(1) Except as provided in sections 7, 8, 9, 10, 11, 13 and 14, every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay a tax of one-twentieth of 1 per cent calculated on its taxable paid-up capital.

(2) There may be deducted from the tax otherwise payable by a corporation under this section for a fiscal year an amount equal to one-twentieth of 1 per cent of that portion of the taxable paid-up capital which is deemed to be used by the corporation in the fiscal year in each jurisdiction outside Ontario.

Deductions
from tax on
paid-up
capital,
allocation of
taxable
paid-up
capital

(3) Where in a fiscal year a corporation has no permanent establishment outside Ontario, all of its taxable paid-up capital for the fiscal year shall be deemed to have been used in Ontario.

Allocation
of taxable
paid-up
capital

(4) Where in a fiscal year a corporation has no permanent establishment in Ontario, all of its taxable paid-up capital shall be deemed to have been used in jurisdictions outside Ontario.

Idem

(5) Except as otherwise provided, where in a fiscal year a corporation has a permanent establishment in Ontario and a permanent establishment in any other jurisdiction, the amount of its taxable paid-up capital that shall be deemed to have been used in the fiscal year in that other jurisdiction is one-half the aggregate of,

Idem

(a) that proportion of the taxable paid-up capital that the gross revenue for the fiscal year reasonably attributable to the permanent establishments in that jurisdiction is of its total gross revenue for the fiscal year; and

(b) that proportion of its taxable paid-up capital that the aggregate of the salaries and wages paid in the fiscal year by the corporation to the employees of the permanent establishments in that jurisdiction is of the aggregate of all salaries and wages paid in the fiscal year by the corporation.

(6) Notwithstanding subsection 5, the amount of taxable paid-up capital of an airline corporation that shall be deemed to have been used in the fiscal year in a province or territory of Canada outside Ontario is an amount that is equal to one-quarter of the aggregate of,

Idem,
airline
companies

(a) that proportion of its taxable paid-up capital for the fiscal year that the capital cost of all fixed assets of the corporation, except aircraft, in that province or territory of Canada at the end of the fiscal year is of the capital cost of all its fixed assets, except aircraft, in Canada at the end of the fiscal year; and

(b) that proportion of its taxable paid-up capital that three times the number of revenue plane miles flown by its aircraft in that province or territory of Canada during the fiscal year is of the total number of revenue plane miles flown by its aircraft in Canada during the fiscal year.

Idem: (7) For the purposes of subsection 6, the provisions of subsections 21 and 22 of section 4 apply *mutatis mutandis*.

Exemptions (8) Except as provided by section 55, no tax is payable under this section by a corporation for a fiscal year when that corporation was any of the corporations referred to in clauses *a* to *o* of subsection 29 of section 4. R.S.O. 1950, c. 72, s. 10, *amended*.

General place of business taxes **6.**—(1) Except as in this section otherwise provided, every corporation that has a permanent establishment in Ontario shall for every fiscal year of the corporation pay a tax of \$50 for each such establishment in Ontario.

Exceptions (2) The tax imposed by this section is not payable by any corporation that would be liable to a tax under section 7, 8, 9, 10, 11 or 13 if it were not for the provisions of section 12.

Idem (3) For the purpose of this section, permanent establishments shall be deemed to be separate permanent establishments only in such cases where each of them is located apart from the other and apart from the head office or executive office of the corporation and, where a corporation closes one permanent establishment and subsequently opens another, the two permanent establishments shall be counted as one for the fiscal year.

Agent's office (4) For the purpose of this section, where a corporation, firm, broker, agent or other person is acting as the agent of more than one corporation, each of such corporations shall be deemed to have a permanent establishment in the office or place of business of such corporation, firm, broker, agent or other person.

Reduction in tax (5) Every corporation the paid-up capital of which is less than \$100,000 shall for every fiscal year of the corporation, in lieu of the tax imposed under subsection 1, pay a tax of one-twentieth of 1 per cent calculated on its paid-up capital for each permanent establishment in Ontario, but in no case shall the tax imposed by this subsection be less than the amount which, when added to the amount of the tax imposed by section 5, totals \$20.

(6) Every corporation,

Tax payable
by certain
companies

- (a) that is engaged in mining, the profits of which during the fiscal year are insufficient to be assessed for a tax under *The Mining Tax Act* and that does not hold as assets investments in the shares, bonds and obligations of other corporations and governments, municipal and school corporations having an original cost value of more than \$40,000;

R.S.O. 1950,
c. 327

- (b) the charter of which has not been surrendered and the nominal head office of which is designated as being in Ontario and that, in the opinion of the Treasurer, has not commenced to do business or has ceased to do business and is entirely without assets,

shall for every fiscal year of the corporation, in lieu of the tax imposed by subsection 1, pay a tax of \$20.

(7) Except as provided in section 55, every corporation referred to in clauses *b, c, d, e, f, g, i, j, m* and *n* of subsection 29 of section 4 shall, in lieu of the tax imposed by subsection 1, 5 or 6, pay a tax of \$5. R.S.O. 1950, c. 72, s. 12, *amended*.

Idem -

7.—(1) Every bank shall for every fiscal year thereof pay,

Banks,
taxes on
paid-up
capital

- (a) a tax of one-fifth of 1 per cent of the paid-up capital stock thereof and one-tenth of 1 per cent on the reserve fund and undivided profits thereof;
- (b) an additional tax of \$3,000 for the principal office in Ontario and \$200 for each additional office, branch or agency in Ontario, but in the case of such additional offices, branches and agencies that were open during the fiscal year fewer than 250 days, one tax of \$200 shall apply for each 250 days or fraction thereof that such offices, branches and agencies were open.

(2) Where the head office of a bank is outside Ontario and where it has not more than five offices, branches and agencies in Ontario, the Treasurer, having regard to the amount of business transacted in Ontario, may reduce the amount of tax imposed by clause *a* of subsection 1, but such tax shall in no case be less than one-tenth of 1 per cent calculated on one-half of the paid-up capital stock. R.S.O. 1950, c. 72, s. 3, *amended*.

Reduction
in certain
cases

8.—(1) Every corporation that owns, operates or uses a railway shall for every fiscal year thereof pay a tax of \$60 per mile for one track, and, where the line consists of two or more tracks, of \$40 per mile for each additional track, owned, operated or used in any municipality in Ontario, and of \$40 per mile for one track, and, where the line consists of two

Railways,
mileage tax

or more tracks, of \$20 per mile for each additional track, in territory without municipal organization in Ontario, but a corporation that owns, operates or uses a railway that, either by itself or in conjunction with any other railway leased by it or to which it is leased or with which it is amalgamated or together with which it forms one system, does not exceed 150 miles in length from terminal to terminal, whether or not one or both of such terminals are outside Ontario, shall, in lieu of such tax, pay a tax of \$15 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$5 per mile for each additional track in Ontario, and, where the railway or system does not exceed 30 miles in length between such terminals, a tax of \$10 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$5 per mile for each additional track in Ontario.

Additional
tax

(2) In addition to the tax imposed by subsection 1, every corporation that owns, operates or uses a railway that, either by itself or in conjunction with any other railway leased by it or to which it is leased or with which it is amalgamated or together with which it forms one system, exceeds 150 miles in length from terminal to terminal, whether or not one or both of such terminals are outside Ontario, shall for every fiscal year of the corporation pay a tax of \$25 per mile for one track in Ontario and, where the line consists of two or more tracks, of \$20 per mile for each additional track in Ontario.

Corporation
owning and
corporation
operating
liable

(3) Both the corporation that owns the railway and the corporation that operates or uses it are liable jointly and severally for the payment to the Treasurer of the amount of taxes imposed by this section, but the total amount payable in respect of any railway shall not exceed the amount that would be payable under this section if the railway were owned, operated or used by one corporation.

Switches,
etc., not to
be included

(4) Switches, spurs and sidings shall not be included in the measurement of track for the purpose of this section.

Subsidiary
corporation

(5) Where a corporation that owns, operates or uses a railway owns or controls other corporations that are not taxable under this section, such other corporations are taxable under such other sections under this Act as are applicable without regard to the taxes payable by the owning or controlling corporation under this section. R.S.O. 1950, c. 72, s. 5, *amended*.

Telegraph
companies,
special tax

9. Every corporation that owns, operates or uses a line or a part of a line of telegraph in Ontario for gain, including every corporation that owns, operates or uses a railway, shall for every fiscal year of the corporation pay a tax of 1 per cent upon the total amount of money invested by the

corporation in such line or part thereof and the plant and works connected therewith; provided that a corporation that owns and a corporation that operates and uses any such line or part thereof are liable jointly and severally for the payment of such tax, but the total amount payable in respect of such line or part thereof and the works and plant connected therewith shall not exceed the total amount of tax imposed under this section, notwithstanding that the line or part thereof is owned, operated or used by more than one corporation. R.S.O. 1950, c. 72, s. 6, *amended*.

10. Every corporation that carries on the business of an express company over a railway in Ontario, including a corporation that owns, operates or uses a railway, shall for every fiscal year of the corporation pay a tax of \$800 for each 100 miles or fraction thereof up to but not exceeding a tax of \$10,000. R.S.O. 1950, c. 72, s. 7, *amended*. Express companies, special tax

11. Every corporation, except a corporation that owns, operates or uses a railway, that transacts in Ontario the business of operating, leasing or hiring sleeping or parlour or dining cars run upon or used upon any railway in Ontario, shall, for every fiscal year of the corporation, pay a tax of 1 per cent calculated upon the money invested in such cars in use in Ontario. R.S.O. 1950, c. 72, s. 8, *amended*. Car companies, special tax

12. There may be deducted from the total of the taxes payable by a corporation under sections 5, 6, 7, 8, 9, 10 and 11 the tax payable by that corporation under section 4. *New*. Deduction from special taxes

13.—(1) Every insurance corporation shall pay a tax of 2 per cent calculated on the gross premiums that become payable to the corporation or its agent or agents during the fiscal year in respect of business transacted in Ontario, other than considerations for annuities, after deducting from such premiums, Insurance companies

- (a) cash value of dividends credited to policyholders;
- (b) premiums returned;
- (c) premiums paid in respect of re-insurance ceded to insurance corporations licensed to transact business in Ontario.

(2) In determining the amount of tax payable under subsection 1, Premiums in respect of business transacted in Ontario

- (a) every life insurance premium that becomes payable at the time the person insured is a resident of Ontario; and

(b) every other premium that by the terms of the policy or renewal thereof becomes payable in respect of insurance of a person resident or property situate in Ontario at the time such premium becomes payable whether or not,

(i) such premium is earned wholly or partly in Ontario,

(ii) the business in respect of the policy is transacted wholly or partly in Ontario, or

(iii) the payment of such premium is made wholly or partly in Ontario,

shall be deemed to be a premium payable in respect of business transacted in Ontario.

Exception

(3) The tax imposed by subsection 1 is not payable in respect of premiums payable under a contract of marine insurance.

Marine insurance

(4) In this section, "marine insurance" means insurance against marine losses, that is to say, the losses incident to marine adventure, and may by the express terms of a contract or by usage of trade extend so as to protect the insured against losses on inland waters or by land or air which are incidental to any sea voyage.

Unfair discrimination

(5) Where it is established to the satisfaction of the Lieutenant-Governor in Council that any jurisdiction discriminates unfairly by imposing taxes, fees and other monetary obligations on any insurance corporation or any particular class of insurance corporations organized under the laws of Canada or of Ontario and having their principal offices in Ontario that in the aggregate are in excess of comparable taxes, fees and monetary obligations imposed on any similar corporation or class of corporations organized under the laws of such jurisdiction, the Lieutenant-Governor in Council may direct that any corporation or any class of corporations organized under the laws of such jurisdiction and that transact business in Ontario shall pay, in addition to the tax otherwise imposed by this section, a tax not exceeding the equivalent of such excess, and such additional tax is recoverable in the same manner as any other tax imposed by this Act.

Fiscal year

(6) For the purposes of this Act, the fiscal year of every insurance corporation shall be deemed to end on the 31st day of December. R.S.O. 1950, c. 72, s. 4, *amended*.

Tax on hotels

14. Every corporation that operates one or more hotels in Ontario in addition to carrying on the business pursuant to

which it is taxable under sections 7, 8, 9, 10, 11 and 13, or any of them, shall pay the taxes imposed by sections 4, 5 and 6, calculated with respect to the taxable income of such hotel or hotels, the taxable paid-up capital of such hotel or hotels and the permanent establishment that is each such hotel, respectively, in addition to any of the taxes imposed by any of the sections 4 to 13 with respect to any business other than that of operating one or more hotels, and section 12 applies *mutatis mutandis* to the taxes so payable under sections 5 and 6. R.S.O. 1950, c. 72, ss. 11, 13, 15, *amended*.

PART III

COMPUTATION OF TAXABLE INCOME

DIVISION A—TAXABLE INCOME

15. The taxable income of a corporation for a fiscal year is its income for that year minus the deductions permitted by Division C. *New*. ^{Taxable income}

DIVISION B—COMPUTATION OF INCOME

General Rules

16. The income of a corporation for a fiscal year for the purposes of this Part is its income for the fiscal year from all sources inside or outside Ontario and, without restricting the generality of the foregoing, includes income for the fiscal year from all businesses and property. *New*. ^{World income}

17. Subject to the other provisions of this Part, income for a fiscal year from the business or property of a corporation is the profit therefrom for the fiscal year. *New*. ^{Income from business or property}

Amounts Included in Computing Income

18. Without restricting the generality of section 16, there shall be included in computing the income of a corporation for a fiscal year, ^{Amounts included in computing income,}

- (a) amounts received in the fiscal year as, on account or in lieu of payment of, or in satisfaction of, dividends or annuity payments; ^{dividends}
- (b) amounts received in the fiscal year or receivable in the fiscal year, depending upon the method regularly followed by the corporation in computing its profit, as interest or on account of or in lieu of payment of, or in satisfaction of, interest; ^{interest}

income from
partnership
or syndicate

(c) the income of a corporation from a partnership or syndicate for the fiscal year, whether or not it has withdrawn such income during the fiscal year;

previous
reserve for
bad debts

(d) the amount deducted as a reserve for doubtful debts in computing the income of a corporation for the immediately preceding fiscal year;

insurance
proceeds
expended

(e) such part of an amount payable to the corporation under a policy of insurance in respect of damage to property that is depreciable property of the corporation within the meaning of section 32 as has been expended by the corporation,

(i) within the fiscal year, and

(ii) within a reasonable time after the damage,

on repairing the damage;

bad debts
recovered

(f) amounts received in the fiscal year on account of debts in respect of which a deduction for bad debts had been made in computing the income of the corporation for a previous fiscal year, whether or not the corporation was carrying on the same business in the fiscal year during which such deduction was made;

payments
based on
production
or use

(g) amounts received by the corporation in the fiscal year that were dependent upon use of or production from property, whether or not they were instalments of the sale price of the property, but instalments of the sale price of agricultural land shall not be included by virtue of this clause; and

employees
profit
sharing plan

(h) amounts received by the corporation in the fiscal year under an employees profit sharing plan established for the benefit of the employees of the corporation or of a corporation with which the first-mentioned corporation does not deal at arm's length.
New.

Income and
capital
combined

19. Where a payment under a contract or other arrangement can reasonably be regarded as being in part a payment of interest or other payment in the nature of income and in part a payment in the nature of capital, the part of the payment that can reasonably be regarded as a payment of interest or other payment in the nature of income shall, irrespective of when the contract or arrangement was made or the form or legal effect thereof, be included in computing the income of the corporation receiving it. *New.*

20.—(1) Where, in a fiscal year,

Appropriation of property to shareholders

- (a) a payment has been made by a corporation to a corporation that is a shareholder therein otherwise than pursuant to a *bona fide* business transaction;
- (b) funds or property of a corporation have been appropriated in any manner whatsoever to or for the benefit of a corporation that is a shareholder therein; or
- (c) a benefit or advantage has been conferred by a corporation to a corporation that is a shareholder therein,

otherwise than,

- (i) on the reduction of its capital, the redemption of its shares or the winding up, discontinuance or reorganization of its business,
- (ii) by payment of a stock dividend, or
- (iii) by conferring on all holders of common shares in the capital of the corporation a right to buy additional common shares therein,

the amount or value thereof shall be included in computing the income of the corporation that is a shareholder therein for the fiscal year.

(2) Where a corporation has in a fiscal year made a loan to a corporation that is a shareholder therein, the amount thereof shall be deemed to have been received by the corporation that is a shareholder therein as a dividend in the fiscal year unless,

Loan to shareholder

- (a) the loan was made in the ordinary course of its business and the lending of money was part of its ordinary business and *bona fide* arrangements were made at the time the loan was made for repayment thereof within a reasonable time; or
- (b) the loan was repaid within one year from the end of the fiscal year of the lending corporation in which it was made and it is established by subsequent events or otherwise that the repayment was not made as a part of a series of loans and repayments.

(3) An annual or other periodic amount paid by a corporation to another corporation in respect of an income bond or income debenture shall be deemed to have been received by

Interest on income bonds

the receiving corporation as a dividend unless the corporation paying it is entitled to deduct the amount so paid in computing its income.

Application (4) This section is applicable in computing the income of a corporation that is a shareholder of the paying corporation for the purposes of this Part, whether or not the paying corporation had a permanent establishment in Ontario. *New.*

Certain reserves included in computing income

21. In computing the income for a fiscal year of a bank, there shall be included the amount by which the aggregate of the amounts, that at the end of the fiscal year are set aside or reserved by way of write-down of the value of assets or appropriation to contingency reserves or contingent accounts for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises, or other contingencies, is, in the opinion of the Treasurer, having regard to all of the circumstances, in excess of the reasonable requirements of the bank. *New.*

Amounts Not Included in Computing Income

Amounts not included in computing income:

22. In computing the income of a corporation for a fiscal year, there shall not be included,

War Savings Certificates

(a) an amount received under a War Savings Certificate issued by His Majesty in right of Canada or under a similar savings certificate issued by His Majesty in right of Newfoundland before April 1, 1949;

ship or aircraft of non-resident corporation

(b) the income for the fiscal year of a non-resident corporation earned in Canada from the operation of a ship or aircraft owned or operated by such corporation, if the country where that corporation resides or maintains its chief place of business grants substantially similar relief for the fiscal year to a corporation that resides or has its chief place of business in Canada. *New.*

Deductions Allowed in Computing Income

Deductions allowed in computing income:

23.—(1) Notwithstanding clauses *a* and *b* of subsection 1 of section 24, there may be deducted in computing the income of a corporation for a fiscal year,

capital cost of property

(a) such part of the capital cost to the corporation of property, or such amount in respect of the capital cost to the corporation of property, if any, as is allowed by the regulations;

allowance for oil or gas well, mine or timber limit

(b) such amount as an allowance in respect of an oil or gas well, mine or timber limit, if any, as is allowed to the corporation by the regulations;

(c) an amount paid in the fiscal year or payable in ^{interest} respect of the fiscal year, depending upon the method regularly followed by the corporation in computing its income, pursuant to a legal obligation to ^{pay} pay interest on,

(i) borrowed money used for the purpose of earning income from a business or property, other than borrowed money used to acquire property the income from which would be exempt, or

(ii) an amount payable for property acquired for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, other than property the income from which would be exempt,

or a reasonable amount in respect thereof, whichever is the lesser;

(d) an amount paid in the fiscal year pursuant to a legal ^{compound} obligation to pay interest on an amount that would ^{interest} be deductible under clause c if it were paid in the fiscal year or payable in respect of the fiscal year;

(e) an expense incurred in the fiscal year, ^{expense of}

(i) in the course of issuing or selling shares of ^{issuing} the capital stock of the corporation, or ^{shares or}

(ii) in the course of borrowing money used by the corporation for the purpose of earning income from a business or property, other than money used by the corporation for the purpose of acquiring property the income from which would be exempt, ^{borrowing} ^{money}

but not including any amount in respect of,

(iii) a commission or bonus paid or payable to a person to whom the shares would be issued or sold or from whom the money was borrowed or for or on account of services rendered by a person as a salesman, agent or dealer in securities in the course of issuing or selling the shares or borrowing the money, or

(iv) an amount paid or payable as or on account of the principal amount of the indebtedness

incurred in the course of borrowing the money,
or as or on account of interest;

idem

- (f) such part of a payment,
- (i) repaying borrowed money used for the purpose of earning income from a business or property, other than borrowed money used to acquire property the income from which would be exempt, or
 - (ii) for property acquired for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, other than property the income from which would be exempt,

made by the corporation in the fiscal year as is by section 18 required to be included in computing the income of the corporation receiving it;

reserve for
doubtful
debts

- (g) a reasonable amount as a reserve for,
- (i) doubtful debts that have been included in computing the income of the corporation for that fiscal year or a previous fiscal year, and
 - (ii) doubtful debts arising from loans made in the ordinary course of business by a corporation part of the ordinary business of which was the lending of money;

bad debts

- (h) the aggregate of debts owing to the corporation,
- (i) that it has established to have become bad debts in the fiscal year, and
 - (ii) that it has included, except in the case of debts arising from loans made in the ordinary course of business by a corporation part of the ordinary business of which was the lending of money, in computing its income for that fiscal year or a previous fiscal year;

employer's
contribution
to pension
funds

- (i) an amount paid by the corporation in the fiscal year or within sixty days from the end of the fiscal year to or under a registered pension fund or plan in respect of services rendered by employees of the corporation in the fiscal year, subject, however, as follows:

- (i) in any case where the amount so paid is the aggregate of amounts, each of which is identifiable as a specified amount in respect of an individual employee of the corporation, the amount deductible under this clause in respect of any one such individual employee is the lesser of the amount so specified in respect of that employee or \$1,500, and
- (ii) in any other case, the amount deductible under this clause is the lesser of the amount so paid or an amount determined in the prescribed manner, not exceeding \$1,500 multiplied by the number of employees of the corporation in respect of whom the amount so paid by the corporation was paid by it,

plus such amount as may be deducted as a special contribution under section 48;

- (j) where a registered pension fund or plan contains a ^{idem} provision under which the corporation may provide superannuation or pension benefit for an employee or former employee of the corporation by making a lump sum payment to or under the fund or plan in the fiscal year in which the employee or former employee,

- (i) becomes eligible to retire,
- (ii) retires or otherwise ceases to be employed by the corporation,
- (iii) reaches an age at which the superannuation or pension benefits so provided for become payable or commence to be payable to him,

an amount paid by the corporation in the fiscal year or within sixty days from the end of the fiscal year pursuant thereto as the lump sum in respect of an employee or former employee who, in the fiscal year, became eligible to retire, retired or otherwise ceased to be employed by the corporation or reached the age referred to in subclause iii, except to the extent that it is deductible under clause *i*;

- (k) such amount in respect of expenditures on scientific ^{scientific} research as is permitted by section 44;
- (l) where a corporation is an insurance corporation, ^{refund of} other than a life insurance corporation, such amounts ^{premiums}

in respect of payments made or credits allowed by the corporation to its policyholders as are permitted by section 46;

patronage dividend

- (m) such amounts in respect of payments made by a corporation pursuant to allocation in proportion to patronage as are permitted by section 47;

mining or logging taxes

- (n) such amount in respect of taxes on income for the fiscal year from mining or logging operations as is permitted by the regulations;

contributions of corporations under profit sharing plan

- (o) an amount paid by a corporation to a trustee in trust for employees of such corporation or of a corporation with which such corporation does not deal at arm's length under an employees profit sharing plan as permitted by section 49;

contributions of corporations under supplementary unemployment benefit plan

- (p) an amount paid by a corporation to a trustee under a supplementary unemployment benefit plan as permitted by section 50.

Shareholder's allowance from corporation operating oil or gas wells

(2) In computing the income of a corporation from shares it holds in another corporation the income of which is from the operation of an oil or gas well or a mine, there may be deducted such amount, if any, as is allowed by the regulations.

Allowance in respect of oil or gas wells, etc.

(3) For greater certainty it is hereby declared that, in the case of a regulation made under clause *b* of subsection 1 allowing to a corporation an amount in respect of an oil or gas well or a mine,

- (a) there may be allowed to the corporation by such regulation an amount in respect of any or all oil or gas wells or mines in which the corporation has any interest; and

- (b) notwithstanding any other provision contained in this Act, the Lieutenant-Governor in Council may prescribe the formula by which the amount that may be allowed to the corporation by such regulation shall be determined.

Lessee's share of allowance

(4) Where a deduction is allowed under clause *b* of subsection 1 in respect of a coal mine operated by a lessee, the lessor and the lessee may agree as to what portion of the allowance each may deduct and, in the event that they cannot agree, the Treasurer may fix the proportions.

Borrowed money

(5) For the purpose of clause *c* of subsection 1, where a corporation has borrowed money in consideration of its promise to pay a larger amount and to pay interest on the larger amount,

- (a) the larger amount shall be deemed to be the amount borrowed; and
- (b) where the amount actually borrowed has been used in whole or in part for the purpose of earning income from a business or property, the proportion of the larger amount that the amount actually so used is of the amount actually borrowed shall be deemed to be the amount so used.

(6) For greater certainty it is hereby declared that, where ^{Idem} a corporation has used borrowed money to repay money borrowed previously, the borrowed money shall, for the purpose of clause *c* or *d* of subsection 1, be deemed to have been used for the purpose for which the money borrowed previously was used or was deemed by this subsection to have been used.

(7) Notwithstanding clauses *a* and *b* of subsection 1 of ^{Banks} section 24, there may be deducted, in computing the income for a fiscal year of a bank, such amount as is set aside or reserved for the fiscal year either by way of write-down of the value of assets or appropriation to any contingency reserve or contingent account for the purpose of meeting losses on loans, bad or doubtful debts, depreciation in the value of assets other than bank premises, or other contingencies, and is, in the opinion of the Treasurer, having regard to all the circumstances, not in excess of the reasonable requirements of the bank. *New.*

Deductions Not Allowed in Computing Income

24.—(1) In computing income, no deduction shall be ^{Deductions not allowed in computing income:} made in respect of,

- (a) an outlay or expense except to the extent that it ^{general limitations} was made or incurred by the corporation for the purpose of gaining or producing income from property or a business of the corporation;
- (b) an outlay, loss or replacement of capital, a payment ^{capital outlay} on account of capital or an allowance in respect of depreciation, obsolescence or depletion except as expressly permitted by this Part;
- (c) an outlay or an expense to the extent that it may ^{limitation re exempt income} reasonably be regarded as having been made or incurred for the purpose of gaining or producing exempt income or in connection with property the income from which would be exempt;

annual
value of
property

(d) the annual value of property except rent for property leased by the corporation for use in its business;

reserves, etc.

(e) an amount transferred or credited to a reserve, contingent account or sinking fund except as expressly permitted by this Part;

payments on
bonds

(f) an amount paid by a corporation other than a personal corporation as interest or otherwise to holders of its income bonds or income debentures unless the bonds or debentures have been issued or the income provisions thereof have been adopted since 1930,

(i) to afford relief to the debtor from financial difficulties, and

(ii) ⁷in place of or as an amendment to bonds or debentures that at the end of 1930 provided unconditionally for a fixed rate of interest.

Unreason-
able
income
expenses

(2) In computing income, no deduction shall be made in respect of an outlay or expense otherwise deductible except to the extent that the outlay or expense was reasonable in the circumstances.

Unpaid
amounts

(3) In computing the income of a corporation for a fiscal year, no deduction shall be made in respect of an otherwise deductible outlay or expense payable by the corporation to a person with whom it was not dealing at arm's length if the amount thereof has not been paid before the day one year after the end of the fiscal year; but, if an amount that was not deductible in computing the income of one fiscal year by virtue of this subsection was subsequently paid, it may be deducted in computing the income of the corporation for the fiscal year during which it was paid.

Special
corporation
taxes

(4) In computing the income of a corporation for a fiscal year, no deduction shall be made in respect of corporation taxes paid or payable to a government of a province or to a municipality in the province except to the extent that,

(a) the aggregate of all corporation taxes payable by the corporation in the fiscal year and all corporation income taxes payable by the corporation in respect of the fiscal year to the government of the province or to a municipality in the province,

exceeds the greater of,

- (b) 9 per cent of the taxable income of the corporation earned in the fiscal year in the province; or
- (c) the amount that any tax payable on the taxable income of the corporation earned in the fiscal year in the province would be if that tax were payable at such rate as is determined in accordance with the regulations to be the standard rate of tax applied for the purpose of any corporation income tax imposed by the Legislature of the province in respect of the fiscal year.

(5) In subsection 4 and this subsection,

Interpre-
tation

(a) "corporation tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax on corporations, but does not include,

corporation
tax

(i) a corporation income tax, or

(ii) any other tax declared by the regulations not to be a corporation tax;

(b) "corporation income tax" means a tax imposed by the Legislature of a province or by a municipality in the province that is declared by the regulations to be a tax of general application on the profits of corporations;

corporation
income tax

(c) "taxable income of the corporation earned in the fiscal year in the province" means the amount determined under the provisions of section 4 that determine the amount of the taxable income of the corporation earned in a particular province in a fiscal year. *New.*

taxable
income, etc.

25.—(1) Where the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, its income for the fiscal year shall be deemed to be not less than its income from all sources other than farming minus the lesser of,

Chief source
of income

(a) one-half its loss from farming for the fiscal year; or

(b) \$5,000.

(2) For the purpose of this section, the Treasurer may determine that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income.

Treasurer
may
determine

Interpretation

(3) For the purpose of this section, a "loss from farming" is a loss from farming computed by applying the provisions of this Part respecting the computation of income from a business *mutatis mutandis* except that no deduction shall be made under clause *a* of subsection 1 of section 23. *New.*

Method of computing income

26.—(1) Where a corporation has adopted a method of computing income from a business or a property for a fiscal year and that method has been accepted for the purposes of this Part, income from the business or property for a subsequent fiscal year shall, subject to the other provisions of this Part, be computed according to that method, unless the corporation has with the concurrence of the Treasurer adopted a different method.

Inventories

(2) For the purpose of computing the income of a corporation from a business or a property, the property described in each inventory of the business shall be valued at its cost to the corporation or its fair market value, whichever is lower, unless,

(a) all of the property described in all of the inventories of the business is valued at the cost thereof to the corporation; or

(b) all of the property described in all of the inventories of the business is valued at the fair market value thereof.

Manner of keeping inventory

(3) For the purpose of this section and section 82, an inventory shall show quantities and nature of the properties that should be included therein in such manner and in sufficient detail that the property may be valued in accordance with this section. *New.*

Indirect payments

27.—(1) A payment or transfer of money, rights or things made pursuant to the direction of or with the concurrence of a corporation to some person for the benefit of the corporation or as a benefit that the corporation desired to have conferred on such person shall be included in computing the income of the corporation to the extent that it would be if the payment or transfer had been made to the corporation.

Undistributed payments or profits

(2) For the purposes of this Part, a payment or transfer in a fiscal year of money, rights or things made to the corporation or to some person for the benefit of the corporation and other persons jointly or a profit made by the corporation and other persons jointly in a fiscal year shall be deemed to have been received by the corporation in the fiscal year to the extent of its interest therein notwithstanding that there

was no distribution or division thereof in that fiscal year.
New.

28.—(1) Where a corporation carrying on business in Canada has purchased anything from a person with whom it was not dealing at arm's length at a price in excess of the fair market value, the fair market value thereof shall, for the purpose of computing the income of the corporation from the business, be deemed to have been paid or to be payable therefor. <sup>Inadequate
considera-
tions</sup>

(2) Where a corporation carrying on business in Canada has sold anything to a person with whom it was not dealing at arm's length at a price less than the fair market value, the fair market value thereof shall, for the purpose of computing the income of the corporation from the business, be deemed to have been received or to be receivable therefor. ^{Idem}

(3) Where a corporation carrying on business in Canada has paid or agreed to pay to a non-resident person with whom it was not dealing at arm's length as price, rental, royalty or other payment, for use or reproduction of any property, or as consideration for the carriage of goods or passengers or for other services, an amount greater than the amount, hereinafter in this subsection referred to as "the reasonable amount", that would have been reasonable in the circumstances if the non-resident person and the corporation had been dealing at arm's length, the reasonable amount shall, for the purpose of computing the income of the corporation from the business, be deemed to have been the amount that was paid or is payable therefor. ^{Idem}

(4) Where a non-resident person has paid or agreed to pay to a corporation carrying on business in Canada with which he was not dealing at arm's length as price, rental, royalty or other payment for use or reproduction of any property, or as consideration for the carriage of goods or passengers or for other services, an amount less than the amount, hereinafter in this subsection referred to as "the reasonable amount", that would have been reasonable in the circumstances if the non-resident person and the corporation had been dealing at arm's length, the reasonable amount shall, for the purpose of computing the income of the corporation from the business, be deemed to have been the amount that was paid or is payable therefor. ^{Idem}

(5) Where property of a corporation has been appropriated in any manner whatsoever to or for the benefit of a shareholder for no consideration or for a consideration below the fair market value and if the sale thereof at the fair market value would have increased the income of the corporation for the ^{Idem}

fiscal year, then for the purpose of determining the income of the corporation for the fiscal year it shall be deemed to have sold the property during the fiscal year and to have received therefor the fair market value thereof.

Idem

(6) Where property of a corporation has been appropriated in any manner whatsoever to or for the benefit of a shareholder on the winding up of the corporation and if the sale thereof at the fair market value immediately before the winding up would have increased the income of the corporation for the fiscal year, then for the purpose of determining the income of the corporation for the fiscal year it shall be deemed to have sold the property during the fiscal year and to have received therefor the fair market value thereof.

Idem

(7) Where a corporation has disposed of depreciable property as defined for the purpose of section 32 under such circumstances that subsection 3 of section 32 is applicable to determine, for the purpose of clause *a* of subsection 1 of section 23, the capital cost of the property to the person by whom the property was acquired, subsections 2, 5 and 6 of this section are not applicable in respect to the disposition. *New.*

Lease-option, hire-purchase, etc.

29.—(1) A lease-option agreement, a hire-purchase agreement or other contract or arrangement for the leasing or hiring of property, except immovable property used in carrying on the business of farming, by which it is agreed that the property may, on the satisfaction of a condition, vest in the lessee or other person to whom the property is leased or hired or in a person with whom the lessee or such other person does not deal at arm's length shall, for the purpose of computing the income of the lessee or other person to whom the property has been leased or hired, be deemed to be an agreement for the sale of the property to such lessee or other person and rent or other consideration paid or given thereunder shall be deemed to be on account of the price of the property and not for its use, and the lessee or other person to whom the property has been leased or hired shall, for the purpose of a deduction under clause *a* of subsection 1 of section 23, be deemed to have acquired the property at a capital cost equal to the price fixed by the contract or arrangement minus the aggregate of all amounts paid by such lessee or other person,

(a) in the case of a contract or arrangement relating to movable property, before the commencement of the fiscal year ending in 1949; and

(b) in the case of any other contract or arrangement, before the commencement of the fiscal year ending in 1950,

under the contract or arrangement on account of the rent or other consideration.

(2) Where a corporation is deemed under subsection 1 to have acquired property under a contract or arrangement and the contract or arrangement is subsequently rescinded or determined, the corporation shall, for the purpose of section 32, be deemed to have disposed of the property for the price fixed by the contract or arrangement minus the aggregate of all amounts paid by the corporation under the contract or arrangement on account of the rent or other consideration.

(3) Where a lease-option agreement, a hire-purchase agreement or other contract or arrangement for the leasing or hiring of property, except immovable property used in carrying on the business of farming, by which it was agreed that the property might on the satisfaction of a condition vest in a person with whom the lessee or other person to whom the property is leased or hired, hereinafter in this subsection referred to as the "lessee", was not dealing at arm's length, has been entered into and, upon satisfaction of the condition, the property has at a subsequent time vested in that person, hereinafter in this subsection referred to as the "new owner", the following rules are applicable:

- (a) for the purpose of clause *a* of subsection 1 of section 23, the lessee shall be deemed to have at the subsequent time disposed of the property for an amount equal to its undepreciated capital cost to him, as defined in section 32, at that time;
- (b) the capital cost of the property to the new owner shall be deemed to be an amount equal to the capital cost thereof to the lessee as determined under subsection 1; and
- (c) an amount equal to the capital cost of the property to the new owner as determined under clause *b* minus the amount for which the lessee is deemed by clause *a* to have disposed of the property shall be deemed to have been allowed to the new owner in respect of property of the prescribed class to which the property belongs under the regulations made pursuant to clause *a* of subsection 1 of section 23, in computing the income for any fiscal year prior to that during which the new owner acquired the property. *New.*

30.—(1) Where a corporation resident in Canada has loaned money to a non-resident person and the loan has



remained outstanding for one year or longer without interest at a reasonable rate having been included in computing the income of the lending corporation, interest thereon, computed at 5 per cent per annum for the fiscal year or part of the fiscal year during which the loan was outstanding, shall, for the purpose of computing the income of the lending corporation, be deemed to have been received by the lending corporation on the last day of each fiscal year during all or part of which the loan has been outstanding.

Exception

(2) Subsection 1 does not apply if the loan was made to a subsidiary controlled corporation and it is established that the money that was loaned was used in the business of the subsidiary corporation for the purpose of gaining or producing income. *New.*

Interest on bonds

31. Where, by virtue of an assignment or other transfer of a bond, debenture or similar security, other than an income bond or income debenture, the transferee has become entitled to interest in respect of a period commencing before the time of transfer and ending after that time that is not payable until after the time of transfer, an amount equal to that proportion of the interest that the number of days in the portion of the period that preceded the day of transfer is of the number of days in the whole period,

- (a) shall be included in computing the income of the transferor for the fiscal year in which the transfer was made; and
- (b) may be deducted in computing the income of the transferee for a fiscal year in the computation of which there has been included,
 - (i) the full amount of the interest under section 18, or
 - (ii) a portion of the interest under clause a. *New.*

Excess of proceeds over undepreciated capital costs

32.—(1) Where depreciable property of a corporation of a prescribed class has, in a fiscal year, been disposed of and the proceeds of the disposition exceed the undepreciated capital cost to the corporation of depreciable property of that class immediately before the disposition, the lesser of,

- (a) the amount of the excess; or
- (b) the amount that the excess would be if the property had been disposed of for the capital cost thereof to the corporation,

shall be included in computing the income of the corporation for the fiscal year.

(2) Where one or more amounts are by subsection 1 required to be included in computing the income of a corporation for a fiscal year in respect of the disposition of depreciable property of a prescribed class and the corporation has, during the fiscal year but following the dispositions, acquired further depreciable property of that class, notwithstanding subsection 1 and clause *e* of subsection 4, the following rules are applicable:

- Determina-
tion of net
amount
- (a) if the aggregate of the amounts that would according to the terms of subsection 1 be included thereunder in computing the income of the corporation is equal to or exceeds the amount that would according to the terms of clause *e* of subsection 4 be the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for that fiscal year,
 - (i) the amount to be included in computing the income of the corporation for the fiscal year under subsection 1 in respect of dispositions of depreciable property of that class is that aggregate minus the amount that would be that undepreciated capital cost, and
 - (ii) the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year is nothing; and
 - (b) if the aggregate of the amounts that would according to the terms of subsection 1 be included thereunder in computing the income of the corporation is less than the amount that would according to the terms of clause *e* of subsection 4 be the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for that fiscal year,
 - (i) no amounts shall be included in computing the income of the corporation for the fiscal year in respect of depreciable property of that class under subsection 1, and
 - (ii) the undepreciated capital cost to the corporation of depreciable property of that class at the end of the fiscal year before any deduction is made under clause *a* of subsection 1 of section 23 for the fiscal year is the amount that it would be according to the terms of clause *e* of subsection 4 minus that aggregate.

Depreciation

(3) Where depreciable property did, at any time after the commencement of a fiscal year ending in 1949, belong to a person, hereinafter in this subsection referred to as the "original owner", and has by one or more transactions between persons not dealing at arm's length become vested in a corporation, the following rules are, notwithstanding section 28, applicable for the purposes of this section and the regulations made pursuant to clause *a* of subsection 1 of section 23:

- (a) the capital cost of the property to the corporation shall be deemed to be the amount that was the capital cost of the property to the original owner; and
- (b) where the capital cost of the property to the original owner exceeds the actual capital cost of the property to the corporation, the excess shall be deemed to have been allowed to the corporation in respect of the property under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for fiscal years before the acquisition thereof by the corporation.

Interpretation

(4) In this section and in the regulations made pursuant to clause *a* of subsection 1 of section 23,

- (a) "depreciable property of a corporation" as of any time in a fiscal year means property in respect of which the corporation has been allowed or is entitled to a deduction under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for that or a previous fiscal year;
- (b) "disposition of property" includes any transaction or event entitling a corporation to proceeds of disposition of property;
- (c) "proceeds of disposition" of property includes,
 - (i) the sale price of property that has been sold,
 - (ii) compensation for property damaged, destroyed, taken or injuriously affected, either lawfully or unlawfully, or under statutory authority or otherwise,
 - (iii) an amount payable under a policy of insurance in respect of loss or destruction of property, and

(iv) an amount payable under a policy of insurance in respect of damage to property except to the extent that the amount has within a reasonable time after the damage been expended on repairing the damage;

(d) "total depreciation allowed to a corporation" before any time for property of a prescribed class means the aggregate of all amounts allowed to the corporation in respect of property of that class under the regulations made pursuant to clause *a* of subsection 1 of section 23 in computing income for fiscal years before that time;

(e) "undepreciated capital cost to a corporation of depreciable property" of a prescribed class as of any time means the capital cost to the corporation of depreciable property of that class acquired before that time minus the aggregate of,

(i) the total depreciation allowed to the corporation for property of that class before that time,

(ii) for each disposition before that time of property of the corporation of that class, the least of,

(A) the proceeds of disposition thereof,

(B) the capital cost to the corporation thereof, or

(C) the undepreciated capital cost to the corporation of property of that class immediately before the disposition,

and

(iii) each amount by which the undepreciated capital cost to the corporation of depreciable property of that class as of the end of a previous fiscal year was reduced by virtue of subsection 2.

(5) Where an amount payable under a policy of insurance in respect of loss or destruction of property of a prescribed class would otherwise be included in computing the income of a corporation for a fiscal year, hereinafter in this subsection referred to as "the initial fiscal year", by virtue of this section, ^{Insurance proceeds}

- (a) it shall, to the extent that it has been expended by the corporation in the fiscal year immediately following the initial fiscal year on acquiring,
 - (i) property of the same class, or
 - (ii) if the property destroyed was a building, a building of a prescribed class,
 not be included in computing the income of the corporation for the initial fiscal year; and
- (b) it shall, to the extent that it has not been included in computing the income of the corporation for the initial fiscal year, be deemed to be proceeds of a disposition made in the fiscal year immediately following the initial fiscal year of depreciable property of the corporation of the same class as the property so acquired.

Depreciation

(6) For the purpose of this section and the regulations made pursuant to clause *a* of subsection 1 of section 23, the following rules apply:

- (a) where a corporation, having acquired property for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, has commenced at a later time to use it for some other purpose, the corporation shall be deemed to have disposed of it at that later time at its fair market value at that time;
- (b) where a corporation, having acquired property for some other purpose, has commenced at a later time to use it for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business, the corporation shall be deemed to have acquired it at that later time at its fair market value at that time;
- (c) where a corporation has acquired property by gift, bequest or inheritance, the capital cost to the corporation shall be deemed to have been the fair market value thereof at the time the corporation so acquired it;
- (d) where a corporation has given property away, the corporation shall be deemed to have disposed of it at the time of the gift at its fair market value at that time;

- (e) where a property has, since it was acquired by a corporation, been regularly used in part for the purpose of gaining or producing income therefrom or for the purpose of gaining or producing income from a business and in part for some other purpose, the corporation shall be deemed to have acquired for the purpose of gaining or producing income the proportion of the property that the use regularly made of the property for gaining or producing income is of the whole use regularly made of the property at a capital cost to the corporation equal to the same proportion of the capital cost to the corporation of the whole property, and, if the property has in such a case been disposed of, the proceeds of disposition of the proportion of the property deemed to have been acquired for gaining or producing income shall be deemed to be the same proportion of the proceeds of disposition of the whole property;
- (f) where at any time after a corporation has acquired property there has been a change in the relation between the use regularly made by the corporation of the property for gaining or producing income and the use regularly made of the property for other purposes,
 - (i) if the use regularly made by the corporation of the property for the purpose of gaining or producing income has increased, the corporation shall be deemed to have acquired at that time depreciable property of that class at a capital cost equal to the proportion of the fair market value of the property as of that time that the amount of the increase in the use regularly made by the corporation of the property for that purpose is of the whole use regularly made of the property, and
 - (ii) if the use regularly made of the property for the purpose of gaining or producing income has decreased, the corporation shall be deemed to have disposed at that time of depreciable property of that class and the proceeds of disposition shall be deemed to be an amount equal to the proportion of the fair market value of the property as of that time that the amount of the decrease in the use regularly made by the corporation of the property for that purpose is of the whole use regularly made of the property;

- (g) where an amount can reasonably be regarded as being in part the consideration for disposition of depreciable property of a corporation of a prescribed class and as being in part consideration for something else, the part of the amount that can reasonably be regarded as being the consideration for such disposition shall be deemed to be the proceeds of disposition of depreciable property of that class irrespective of the form or legal effect of the contract or agreement, and the person to whom the depreciable property was disposed of shall be deemed to have acquired the property at a capital cost to him equal to the same part of that amount; and
- (h) where a corporation has received or is entitled to receive a grant, subsidy or other assistance from a government, municipality or other public authority in respect of or for the acquisition of property, the capital cost of the property shall be deemed to be the capital cost thereof to the corporation minus the amount of the grant, subsidy or other assistance.

**Interpre-
tation**

(7) In clauses *a*, *b*, *e* and *f* of subsection 6, in the case of a non-resident corporation, "business" means a business wholly carried on in Canada or such part of a business as is wholly carried on in Canada.

**Farming
and fishing**

(8) Subsection 1 does not apply in determining the income of a corporation of a fiscal year from farming or fishing unless the corporation has elected to take a deduction for that or a previous fiscal year under the regulations made pursuant to clause *a* of subsection 1 of section 23 other than a regulation providing solely for an allowance for computing income from farming or fishing. *New.*

**Deduction
in capital
cost of
vessels**

33.—(1) Notwithstanding section 32, where a corporation owns a vessel that was constructed by or for the corporation in Canada and that is registered in Canada and the construction thereof was commenced after the 1st day of January, 1949, the corporation may, in lieu of a deduction under clause *a* of subsection 1 of section 23 and the regulations made pursuant to that clause and so long as the title to the vessel vests and remains in the corporation, deduct such part of the capital cost to the corporation of the vessel as the corporation may elect, not exceeding the lesser of,

- (a) $33\frac{1}{3}$ per cent of the capital cost to the corporation of the vessel; or
- (b) the undepreciated capital cost to the corporation of the vessel at the end of the fiscal year before making any deduction under this section for the fiscal year.

(2) Where a corporation owns a vessel that is registered in Canada, conversion or major alteration of which was commenced after the 1st day of January, 1949, the corporation may, in lieu of a deduction under clause *a* of subsection 1 of section 23 and the regulations made pursuant to that clause in respect of the conversion costs but in addition to a deduction of other capital costs of the vessel under that clause and so long as the title to the vessel vests and remains in the corporation, deduct such part of the conversion cost to the corporation of the vessel as the corporation may elect, not exceeding the lesser of,

Deduction
in respect of
conversion
cost

- (a) $33\frac{1}{3}$ per cent of the conversion cost to the corporation; or
- (b) the undepreciated conversion cost to the corporation of the vessel as of the close of the fiscal year, before making any deduction under this section for the fiscal year.

(3) For the purposes of this Act,

Application
of sec. 32

- (a) a vessel in respect of which an allowance has been made under subsection 1 shall be deemed to be a prescribed class within the meaning of section 32;
- (b) a vessel in respect of which an allowance has been made under subsection 2 shall to the extent of the conversion cost be deemed to be a prescribed class within the meaning of section 32; and
- (c) an allowance under this section shall be deemed to have been made under clause *a* of subsection 1 of section 23. *New.*

34.—(1) Where a vessel in respect of which an allowance has been made under section 33 or in respect of which “special depreciation”, “extra depreciation” or allowances in lieu of depreciation were allowed for the purposes of the *Income War Tax Act* (Canada), the *Income Tax Act* (Canada) or this Act is disposed of, subsection 1 of section 32 does not apply in respect of the proceeds of disposition to the extent that they are used for replacement under conditions satisfactory to the Treasurer.

Sec. 32 not
applicable,
in certain
cases
R.S.C. 1927,
c. 97
R.S.C. 1952,
c. 148

(2) Where a vessel in respect of which an allowance has been made under subsection 2 of section 33 is disposed of, the portion of the proceeds of disposition that is attributable to the conversion cost shall be determined by the Treasurer.

Determina-
tion of
conversion
costs

Reserve for expenses of quadrennial surveys, etc.

R.S.C. 1952, c. 29

(3) Notwithstanding clause *e* of subsection 1 of section 24, a corporation may in computing its income for a fiscal year deduct such amount as may be allowed by the regulations as a reserve for expenses to be incurred by reason of quadrennial or other special surveys required by the *Canada Shipping Act* (Canada), or the regulations made thereunder, or under the rules of any society or association for the classification and registry of shipping approved by the Minister of Transport of Canada for the purposes of that Act.

Recapture where survey completed

(4) In any case where,

- (a) a corporation made a deduction under subsection 3 in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel; and
- (b) the quadrennial or other special survey in respect of which the deduction was made has been completed to the extent that the vessel is permitted to proceed on a voyage,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the income of the corporation under Part III shall be included in computing its income under that Part for the fiscal year in which the survey was so completed.

Recapture where survey not begun or completed

(5) In any case where,

- (a) a corporation has made a deduction under subsection 3 in respect of a vessel as a reserve for expenses to be incurred by reason of a quadrennial or other special survey of that vessel; and
- (b) before that quadrennial or other special survey was completed, the corporation sold the vessel or the vessel was lost or destroyed or any other circumstance arose that in the opinion of the Treasurer renders it improbable that the survey will be completed,

the aggregate amount of the deductions in respect of the vessel that have not previously been included in computing the income of the corporation under Part III shall be included in computing its income under that Part for the fiscal year in which the vessel was sold, lost or destroyed or in which such circumstance arose. *New.*

Transfer of rights to income

35. Where a corporation has at any time before the end of a fiscal year, whether before or after the commencement of this Act, transferred or assigned to a person with whom the

corporation was not dealing at arm's length the right to an amount that would, if the right thereto had not been so transferred or assigned, be included in computing the income of the corporation for the fiscal year because the amount would have been received or receivable by the corporation in or in respect of the fiscal year, the amount shall be included in computing the income of the corporation for the fiscal year unless the income is from property and the corporation has also transferred or assigned the property. *New.*

36.—(1) Where a corporation has received security or other right or a certificate of indebtedness or other evidence of indebtedness wholly or partially as or in lieu of payment of or in satisfaction of an interest, dividend or other debt that was then payable and the amount of which would be included in computing the income of the corporation if it had been paid, the value of the security, right or indebtedness or the applicable portion thereof shall, notwithstanding the form or legal effect of the transaction, be included in computing the income of the corporation for the fiscal year in which it was received, and a payment in redemption of a security, satisfaction of the right or discharge of the indebtedness shall not be included in computing the income of the recipient. ^{Securities in satisfaction of income debt}

(2) Where a security or other right or a certificate of indebtedness or other evidence of indebtedness has been received by a corporation wholly or partially as or in lieu of payment of or in satisfaction of a debt before the debt was payable, but was not itself payable or redeemable before the day on which the debt was payable, it shall for the purpose of subsection 1 be deemed to have been received when the debt became payable by the person holding it at the time. ^{Idem}

(3) This section is enacted for greater certainty and shall not be construed as limiting the generality of the other provisions of this Part by which amounts are required to be included in computing income. *New.* ^{Idem}

DIVISION C—COMPUTATION OF TAXABLE INCOME

37. For the purpose of computing the taxable income of a corporation for a fiscal year, there may be deducted from the income for the fiscal year such of the following amounts as are applicable: ^{Computation of taxable income}

- (a) the aggregate of gifts made by the corporation in the fiscal year to charitable organizations in Canada exempt from tax by clause *d* of subsection 29 of section 4, to corporations resident in Canada and exempt from tax by clause *e* or *f* of subsection 29 of ^{charitable donations}

section 4, and to Her Majesty in right of any province of Canada other than Ontario and any Canadian municipality, not exceeding 5 per cent of the income of the corporation for the fiscal year, if payment of the amounts given is proven by the filing of receipts or photostatic reproductions thereof with the Treasurer;

gifts to Her Majesty

- (b) the aggregate of gifts made by the corporation in the fiscal year to Her Majesty in right of Canada and of Ontario, if payment of the amounts given is proven by filing receipts or photostatic reproductions thereof with the Treasurer;

business losses

- (c) business losses sustained in the five fiscal years immediately preceding and the fiscal year immediately following the taxation year, but,

(i) an amount in respect of a loss is only deductible to the extent that it exceeds the aggregate of amounts previously deductible in respect of that loss under this Act,

(ii) no amount is deductible in respect of the loss of any fiscal year until the deductible losses of previous fiscal years have been deducted, and

(iii) no amount is deductible in respect of losses from the income of any fiscal year except to the extent of the lesser of,

(A) the income of the corporation for the fiscal year from the business in which the loss was sustained, or

(B) the income of the corporation for the fiscal year minus all deductions permitted by the provisions of this Division other than this clause. *New.*

Dividends received by a corporation

38. Where a corporation in a fiscal year received a dividend or is deemed by section 51 to have received a dividend from a corporation that,

(a) was resident in Canada in the fiscal year and was not by virtue of a statutory provision exempt from tax under section 4 for the fiscal year;

(b) was a corporation non-resident of Canada more than 25 per cent of the issued share capital of which,

having full voting rights under all circumstances, belong to the corporation receiving the dividend; or

- (c) was a foreign business corporation more than 25 per cent of the issued share capital of which, having full voting rights under all circumstances, belong to the corporation receiving the dividend,

an amount equal to the dividend minus any amount deducted under subsection 2 of section 23 in computing the income of the corporation receiving the dividend may be deducted from the income of that corporation for the fiscal year for the purpose of determining its taxable income. *New.*

39. Notwithstanding anything in this Part, the taxable income of a life insurance corporation for a fiscal year is the aggregate of the amounts credited to shareholders' account or otherwise appropriated for or on account of shareholders during the fiscal year minus the aggregate of,

- (a) amounts charged in the fiscal year to the shareholders as their fair proportion of losses incurred upon investments or other losses of a similar character;
- (b) amounts transferred in the fiscal year from the shareholders' account to an insurance fund or an investment reserve fund;
- (c) in a case where an amount equal to dividends or portions of dividends would be deductible under section 38, if that section were applicable, such proportion of the amount credited or appropriated as aforesaid as may reasonably be regarded as having been derived from those dividends or portions of dividends; and
- (d) gifts made out of the shareholders' account by the corporation in the fiscal year to organizations in Canada operated exclusively for charitable purposes not exceeding in the aggregate for the fiscal year 5 per cent of the amount so credited or appropriated minus the amounts described by clauses *a* and *b*.
New.

DIVISION D—EXCEPTIONAL CASES AND SPECIAL RULES

Personal Corporations

40.—(1) No tax is payable under section 4 or 5 by a personal corporation for a fiscal year during which it was a personal corporation exempt.

**Interpre-
tation**

(2) In this Act, "personal corporation" means a corporation that, during the whole of the fiscal year in respect of which the expression is being applied,

- (a) was controlled, whether through holding of the majority of the shares of the corporation or in any other manner whatsoever, by an individual resident in Ontario, by such individual and one or more members of his family who were resident in Ontario or by any other person on his or their behalf;
- (b) derived at least one-quarter of its income from,
 - (i) ownership of or trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or interest therein,
 - (ii) lending money with or without securities,
 - (iii) rents, hire of chattels, charterparty fees or remunerations, annuities, royalties, interest or dividends, or
 - (iv) estates or trusts; and
- (c) did not carry on an active financial, commercial or industrial business.

Idem

(3) For the purpose of clause *a* of subsection 2, the members of the family of an individual are his spouse, sons and daughters, whether or not they live together.

**Distribution
of income**

(4) The income of a personal corporation whether actually distributed or not shall be deemed to have been distributed to and received by the shareholders as a dividend on the last day of each fiscal year of the corporation.

**Division of
income**

(5) The part of the income of a personal corporation that shall be deemed under this section to have been distributed to and received by a shareholder of the corporation shall be the proportion thereof that the value of all property transferred or loaned to the corporation by the shareholder or any person by whom his share was previously owned is of the value of the property so acquired by the corporation from all its shareholders.

Valuation

(6) The value of property transferred or loaned to a personal corporation shall be deemed for the purpose of this section to be its value at the time the property was transferred or loaned to the corporation.

(7) For the purpose of this section, where the property of ^{Transfers} a personal corporation is transferred to or otherwise acquired by another personal corporation, the shareholders of the first corporation shall be deemed to have transferred to the second corporation the property that they or persons who previously owned their share transferred to the first corporation.

(8) Where a dividend has in a fiscal year actually been paid ^{Dividends declared} by a corporation that was at the time of payment and always had been a personal corporation, the portion thereof to which a shareholder is entitled and which is received by the shareholder shall not be included in computing the income of that shareholder for the fiscal year in which it was received.

(9) Where a dividend has in a fiscal year been paid by a ^{Idem} personal corporation that was in some previous fiscal year not a personal corporation, the following rules are applicable:

(a) the dividend shall not be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received if the dividend does not exceed the remainder obtained when,

(i) the aggregate of dividends paid by the corporation previous to that time and not included by virtue of this section in computing the incomes of the shareholders by whom they were received,

is subtracted from,

(ii) the aggregate of the amounts deemed under this section to have been distributed while it was a personal corporation;

(b) in a case where the dividend does not exceed the remainder referred to in clause *a*, the dividends shall only be included in computing the incomes of the shareholders by whom it was received to the extent that the excess does not exceed the undistributed income on hand earned by the corporation since the 1st day of January, 1917, in fiscal years when the corporation was not a personal corporation; and

(c) where the amount to be included in computing the incomes of shareholders by virtue of clause *b* is less than the dividend, the portion thereof that shall be so included in computing the income of a particular shareholder for the fiscal year is the portion thereof that his portion of the dividend is of the whole dividend.

Idem

(10) Where a dividend has in a fiscal year been paid by a corporation when it was not a personal corporation but had previously been one, it shall be included in computing the incomes of the shareholders by whom it was received for the fiscal year in which it was received only to the extent that the dividend exceeds the remainder obtained when,

- (a) the aggregate of dividends paid by the corporation previous to that time and not included by virtue of this section in computing the incomes of shareholders by whom they were received,

is subtracted from,

- (b) the aggregate of the amounts deemed under this section to have been distributed by it to its shareholders while it was a personal corporation,

and, where the excess is less than the dividend so paid, the amount that shall be so included in computing the income of a particular shareholder for the fiscal year is the proportion of the excess that the portion of the dividend belonging to that particular shareholder is of the whole dividend.

Dividends deemed paid or received

(11) Where a dividend is deemed by any provision other than this section to have been paid or received, it shall for the purpose of this section be regarded as having been paid.

Where chief source of income of personal corporation not farming

(12) Where it has been determined for the purpose of subsection 1 of section 25 that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, its farming business shall be deemed for the purpose of clause *c* of subsection 2 not to have been during the fiscal year an active financial, commercial or industrial business. *New.*

Mutual Insurance Corporations

Mutual insurance corporations

41. It is hereby declared that an insurance corporation other than a life insurance corporation, whether or not it is a mutual corporation, that has in a fiscal year entered into insurance contracts or other arrangements or relationships whereby it can reasonably be regarded as undertaking to insure other persons, whether or not such persons are members or shareholders of the corporation, against loss, damage or expense of any kind, shall, regardless of the form or legal effect of those contracts, arrangements or relationships, be deemed for the purpose of section 4 to have been carrying on an insurance business in the fiscal year for profit and, in any such case, for the purpose of computing the income from the business so deemed to have been carried on, the following rules are applicable:

- (a) every amount received under, in consideration of, in respect of or on account of such contract, arrangement or relationship shall be deemed to have been received by the corporation in the course of the business;
- (b) the income shall, otherwise, be computed in accordance with the rules applicable in computing the income from a business for the purpose of this Part; and
- (c) all income from property vested in the corporation shall be deemed to be income of the corporation.
New.

Non-Resident-Owned Investment Corporations

42.—(1) No tax is payable under section 4 or 5 by a corporation for a fiscal year during which it was a non-resident-owned investment corporation.

Non-resident-owned investment corporations, tax exempt

(2) In this Act, “non-resident-owned investment corporation” means a corporation incorporated in Canada that during the whole of the fiscal year in respect of which the expression is being applied complied with the following conditions:

Interpretation

- (a) at least 95 per cent of the aggregate value of its issued shares and all its bonds, debentures and other funded indebtedness were,
 - (i) beneficially owned by non-resident persons’
 - (ii) owned by trustees for the benefit of non-resident persons or their unborn issue, or
 - (iii) owned by a corporation, whether incorporated in Canada or elsewhere, at least 95 per cent of the aggregate value of the issued shares of which and all the bonds, debentures and other funded indebtedness of which were beneficially owned by non-resident persons or owned by trustees for the benefit of non-resident persons or their unborn issue or by several such corporations;
- (b) its income was derived from,
 - (i) ownership or trading or dealing in bonds, shares, debentures, mortgages, hypothecs, bills, notes or other similar property or any interest therein,

- (ii) lending money with or without security,
- (iii) rents, hire of chattels, charterparty fees or remunerations, annuities, royalties, interest or dividends, or
- (iv) estates or trusts;
- (c) not more than 10 per cent of its gross revenue was received from rents;
- (d) its principal business was not,
 - (i) the making of loans, or
 - (ii) trading or dealing in mortgages, hypothecs, bills, notes or other similar property or any interest therein;
- (e) it has, not later than ninety days after the commencement of the fiscal year, elected in the prescribed manner to be a non-resident-owned investment corporation; and
- (f) it has not, before the fiscal year, revoked in the prescribed manner the election so made by it.

Foreign Business Corporations

Foreign
business
corporations,
tax
exempt

43.—(1) No tax is payable under section 4 or 5 by a corporation for a fiscal year when it was a foreign business corporation.

Interpre-
tation

(2) In this Act, “foreign business corporation” means a corporation that during the whole of the fiscal year in respect of which the expression is being applied,

- (a) was not a personal corporation;
- (b) complied with one of the following conditions:
 - (i) its business operations were of an industrial, mining, commercial, public utility or public service nature and were carried on entirely outside Canada, except for management and the designing, purchasing and transportation of goods if the goods were not acquired for resale in the course of trading and were acquired for the operations so carried on outside Canada, either directly or through ownership of shares in or control of sub-

subsidiary or affiliated corporations and its property, except securities and bank deposits, was situate entirely outside Canada,

- (ii) it was the wholly-owned subsidiary of a corporation that complied with the conditions in subclause i and was wholly engaged in carrying on business outside Canada, or
 - (iii) its business was of an investment or financial nature and was carried on entirely outside Canada, its shares had been offered for public subscription or were listed on a recognized stock exchange in Canada or elsewhere and its property, except bank deposits and shares of other corporations that were entitled to exemption under this section, was situate entirely outside Canada; and
- (c) derived not more than 10 per cent of its gross revenue from the leasing or operation by it of a ship or aircraft,

and has,

- (d) filed a return for the fiscal year in the form and within the period of time required by section 66 and within the same time paid the tax levied by section 6; or
- (e) within 370 days from the end of the fiscal year, filed a return for the fiscal year in the form required by section 66 and paid the tax imposed by section 6 plus a penalty for late filing equal to \$10 for each day of delay after the expiration of the period of time from the end of the fiscal year within which section 66 requires the filing of a return.

(3) For the purposes of this section, shares and bonds of ^{Situs} corporations incorporated in Canada shall be deemed to be property situate in Canada notwithstanding that they have been transferred on a register outside Canada.

(4) Where a corporation would have complied during the ^{Exception} whole of a fiscal year with the condition contained in subclause i of clause b of subsection 2 were it not that its business operations during the fiscal year were carried on in part in Canada through ownership of shares in or control of one or more subsidiary or affiliated corporations, the corporation shall be deemed to have complied with that condition if, during the whole of the fiscal year,

- (a) the business operations so carried on in Canada were of a mining nature; and
- (b) its main business operations were of an industrial, mining, commercial, public utility or public service nature, and were, except for management and the designing, purchasing, and transportation of goods, carried on outside Canada. *New.*

Scientific Research

Scientific
research,
deductions
from
income

44.—(1) In computing the income for a fiscal year of a corporation that had a permanent establishment in Canada and made expenditures in respect of scientific research in the fiscal year, there may be deducted,

- (a) all expenditures of a current nature made in Canada in the fiscal year,
 - (i) on scientific research related to the business and directly undertaken by or on behalf of the corporation,
 - (ii) by payments to an approved association that undertakes scientific research related to the class of business of the corporation,
 - (iii) by payments to an approved university, college, research institute or other similar institution to be used for scientific research related to the class of business of the corporation; and
- (b) the lesser of,
 - (i) one-third of the expenditures of a capital nature made in Canada, by acquiring property other than land, in the fiscal year and the two fiscal years immediately preceding that fiscal year on scientific research related to the business and directly undertaken by or on behalf of the corporation, or
 - (ii) the undepreciated capital cost to the corporation of the property so acquired as of the end of the fiscal year, before making any deduction under this clause in computing the income of the corporation for the fiscal year.

Limitation

(2) Not more than 5 per cent of the taxable income of the corporation for the fiscal year preceding the taxation year may

be deducted under this section unless the research program in respect of which the expenditures were made has been approved.

(3) No deduction may be made under this section in respect of an expenditure made to acquire rights in or arising out of scientific research or in respect of an amount deducted under this Part from income in respect of a gift to a charitable organization.

(4) In this section,

Interpreta-
tion

- (a) "approved" means approved by the Treasurer;
- (b) "scientific research" means any activity in the field of natural or applied science for the extension of knowledge;
- (c) references to expenditures on scientific research include all expenditures incurred for the prosecution or the provision of facilities for the prosecution of the scientific research;
- (d) references to scientific research relating to a business or class of business include any scientific research that may lead to or facilitate an extension of that business or, as the case may be, business of that class.

(5) An amount deducted under clause *b* of subsection 1 shall for the purpose of section 32 be deemed to be an amount allowed to the corporation in respect of the property acquired by the expenditures under the regulations made pursuant to clause *a* of subsection 1 of section 23 and for that purpose the property acquired by the expenditures shall be deemed to be of a separate prescribed class. *New.*

Expenditures
of a capital
nature

Co-operatives

45.—(1) No tax is payable under section 4 for each of the first three fiscal years after commencement of its business by a co-operative corporation that commenced business on or after the 1st day of January, 1947.

Co-operative
corporations,
income tax
exemption

(2) Where a co-operative corporation has received a grant from the government of a province that was not fixed by reference to natural products marketed, supplies, equipment or household necessities purchased or sold or services performed by it,

Provincial
grant

- (a) no amount shall be included in respect of the grant in computing the income of the corporation for any fiscal year; and

- (b) clause *h* of subsection 6 of section 32 is not applicable in respect of any property in respect of or for the acquisition of which the grant was received.

Co-operative
corporation,
capital tax
exemption

- (3) No tax is payable under section 5 by a corporation for any fiscal year during which it is a co-operative corporation.

Interpre-
tation

(4) In this Act, "co-operative corporation" means a corporation that was incorporated under legislation of a province respecting the establishment of co-operative corporations for the purpose of marketing, including processing incident to or connected therewith, natural products belonging to or acquired from its members or customers, of purchasing supplies, equipment or household necessities for or to be sold to its members or customers or of performing services for its members or customers, if, during the fiscal year,

- (a) the statute under which it was incorporated, its charter, articles of association or by-laws or its contracts with its members or its members and customers held forth the prospect that payments would be made to them in proportion to patronage;
- (b) none of its members had more than one vote in the conduct of the affairs of the corporation;
- (c) at least 90 per cent of its members are individuals and at least 90 per cent of its shares, if any, are held by individuals;
- (d) the rate of interest on capital subscribed by its members or the rate of its dividends on its shares did not exceed 5 per cent per annum;
- (e) the value of the product marketed for or acquired from, supplies, equipment and household necessities purchased for or sold to, and the services performed for, its customers other than members did not exceed 20 per cent of the total thereof for all its business; and
- (f) the business carried on by the corporation was not a continuation of a previous business in which a substantial number of its members had a substantial interest, either as shareholders of a corporation carrying on the previous business or otherwise. *New.*

Refund of Premiums

Deduction
in computing
income

- 46.** In computing the income for a fiscal year of an insurance corporation other than a life insurance corporation, whether a mutual corporation or a joint stock company, there

may be deducted every amount credited in respect of business for the fiscal year to a policyholder of the corporation by way of dividend, refund of premiums or refund of premium deposits, if the amount was during the fiscal year or within twelve months thereafter,

- (a) paid to the policyholder;
- (b) applied in discharge, in whole or in part, of a liability of the policyholder to pay premiums to the corporation; or
- (c) credited to the account of the policyholder on terms that he is entitled to payments thereof on or before expiry or termination of the policy. *New.*

Patronage Dividends

47.—(1) Notwithstanding anything in this Part, there may be deducted in computing income for a fiscal year the aggregate of the payments made pursuant to allocations in proportion to patronage by a corporation, ^{Patronage dividends, deduction in computing income}

- (a) within the fiscal year or within twelve months thereafter to its customers of the fiscal year; and
- (b) within the fiscal year or within twelve months thereafter to its customers of a previous fiscal year, the deduction of which from income of a previous fiscal year was not permitted.

(2) Notwithstanding subsection 1, if the corporation has not made allocations in proportion to patronage in respect of all its customers of the fiscal year at the same rate with appropriate differences for different types or classes of goods, products or services, or classes, grades or qualities thereof, the amount that may be deducted under this section is an amount equal to the lesser of, ^{Limitation where non-member customers}

- (a) the aggregate of the payments mentioned in subsection 1; or
- (b) the aggregate of,
 - (i) the part of the income of the corporation for the fiscal year attributable to business done with members, and
 - (ii) the allocation in proportion to patronage made to non-member customers of the fiscal year.

Limitation
by reference
to capital
employed

(3) Where the deduction of an amount under subsection 1 or 2 would result in the taxable income of the corporation for the fiscal year, before deduction of any amount under section 37 in respect of business losses, being less than the amount by which,

(a) 3 per cent of the capital employed in the business at the commencement of the fiscal year,

exceeds,

(b) the interest, if any, paid on borrowed moneys, other than moneys borrowed from a bank or from a corporation or association described in clause *i* of subsection 29 of section 4, and deductible in computing the income of the corporation for the fiscal year,

the amount that may be deducted under this section is such as will leave the corporation with a taxable income, before deduction of any amount under section 37 in respect of business losses, equal to the excess.

Interpreta-
tion

(4) For the purposes of this section,

(a) "allocation in proportion to patronage" for a fiscal year means an amount credited by a corporation to a customer of that fiscal year on terms that the customer is entitled to or will receive payment thereof, computed at a rate in relation to the quantity, quality or value of the goods or products acquired, marketed, handled, dealt in or sold, or services rendered by the corporation from, on behalf of or to the customer, whether as principal or as agent of the customer or otherwise, with appropriate differences in the rate for different classes, grades or qualities thereof,

(i) if the amount was credited,

(A) within the fiscal year or within twelve months thereafter, and

(B) at the same rate in relation to quantity, quality or value aforesaid as the rate at which amounts were similarly credited to all other customers of that year who were members or to all other customers of that year, as the case may be, with appropriate differences aforesaid for different classes, grades or qualities, and

- (ii) if the prospect that amounts would be so credited was held forth by the corporation to its customers of that year who were members or non-member customers of that year, as the case may be;
- (b) "capital employed in the business" shall be computed in accordance with subsection 8, except that no deduction shall be made from capital in respect of borrowed moneys, other than moneys borrowed from a bank or from a corporation described in clause *i* of subsection 29 of section 4;
- (c) "customer" means a customer of a corporation and includes a person who sells or delivers goods or products to the corporation or for whom the corporation renders services;
- (d) "consumer goods or services" means goods or services the cost of which was not deductible by the corporation in computing the income from a business or property;
- (e) "income of the corporation attributable to business done with members" of any fiscal year means that proportion of the income of the corporation for the fiscal year, before making any deduction under this section, that the value of the goods or products acquired, marketed, handled, dealt in or sold or services rendered by the corporation from, on behalf of, or for members, is of the total value of goods or products acquired, marketed, handled, dealt in or sold or services rendered by the corporation from, on behalf of, or for all customers during the fiscal year;
- (f) "payment" includes,
 - (i) the issue of a certificate of indebtedness or shares of the corporation or of a corporation of which the corporation is a subsidiary wholly-owned corporation if the corporation or that other corporation has in the fiscal year or within twelve months thereafter disbursed an amount of money equal to the aggregate face value of all certificates or shares so issued in the course of redeeming or purchasing certificates of indebtedness or shares of the corporation or that other corporation previously issued,

- (ii) the application by the corporation of an amount to the liability of a member to the corporation, including, without restricting the generality of the foregoing, an amount applied in fulfilment of an obligation of the member to make a loan to the corporation and an amount applied on account of payment of shares issued to a member, pursuant to a by-law of the corporation, pursuant to statutory authority or at the request of the member, or
- (iii) the amount of a payment or transfer by the corporation that under subsection 1 of section 27 is required to be included in computing the income of a member;
- (g) "member" means a person who is entitled as a member or shareholder to full voting rights in the conduct of the affairs of the corporation or of another corporation of which the corporation is a subsidiary wholly-owned corporation; and
- (h) "non-member customer" means a customer who is not a member.

Holding
forth
prospect of
allocations

(5) For the purpose of this section, the corporation shall be deemed to have held forth the prospect that amounts would be credited to a customer of a fiscal year by way of allocation in proportion to patronage,

- (a) if throughout the fiscal year the statute under which the corporation was incorporated or registered, its charter, articles of association or by-laws or its contract with the customer held forth the prospect that amounts would be so credited to customers who are members or non-member customers, as the case may be; or
- (b) if prior to the commencement of the fiscal year or prior to such other day as may be prescribed for the class of business in which the corporation is engaged, the corporation has published an advertisement in the prescribed form in a newspaper or newspapers of general circulation throughout the greater part of the area in which the corporation carried on business holding forth that prospect to customers who are members or non-member customers, as the case may be, and has filed copies of the newspaper or newspapers with the Treasurer before the end of the thirtieth day of the fiscal year or within thirty days from the prescribed day, as the case may be.

(6) For the purpose of subsection 3, "3 per cent of the capital employed in the business at the commencement of the fiscal year" means in any case where the fiscal year of the corporation is less than twelve months that proportion of 3 per cent of the capital so employed at the commencement of the fiscal year that the number of days in the fiscal year is of 365. <sup>Interpre-
tation</sup>

(7) Where a payment has been received by a corporation in respect of an allocation in proportion to patronage, other than an allocation in respect of consumer goods or services, the amount thereof shall be included in computing the income of the recipient for the fiscal year in which the payment was received and, without restricting the generality of the foregoing, where a certificate of indebtedness or a share was issued to a person in respect of an allocation in proportion to patronage, the amount thereof shall be included in computing the income of the recipient for the fiscal year in which the certificate or share was received and not in computing his income for the fiscal year in which the indebtedness was subsequently discharged or the share was redeemed. <sup>Customer's
income</sup>

(8) For the purpose of this section, "capital employed in the business" means the capital at the beginning of the fiscal year and shall be computed in accordance with the following rules and is subject to the deductions or other adjustments provided in subsections 9 to 13, inclusive: <sup>Interpre-
tation</sup>

- (a) so far as it consists of assets acquired by purchase on or after the incorporation of the corporation, the price at which those assets were acquired and, where the price of any asset has been satisfied otherwise than in cash, the value of the consideration actually given for that asset at the time it was given shall be treated as the price at which such asset was acquired;
- (b) so far as it consists of assets being debts due to the corporation, the full amount of those debts subject to any deduction that has been allowed under this Act in respect thereof on account of bad debts;
- (c) so far as it consists of any other assets that have been acquired otherwise than by purchase as aforesaid, the value of the assets when they became assets of the corporation;
- (d) the amount of money or bank deposits that is actually used by the corporation in its business.

(9) Capital employed in the business is subject to the following deductions: ^{idem}

- (a) any sum contributed directly or indirectly by Canada or by any province of Canada towards the acquisition by the corporation of any asset referred to in subsection 8;
- (b) the total amount of depreciation which has been or should have been taken into account in accordance with this Act or any predecessor thereto plus any accumulated depreciation reserves at the commencement of this Act or any predecessor thereto recognized by the Treasurer for the purposes of this section, and in addition such amount on account of depletion as is deemed by the Treasurer to be fair and reasonable;
- (c) any borrowed money and debts of the corporation, other than dividends declared but unpaid at the commencement of the fiscal year, except the amount of indebtedness represented by income bonds or income debentures, the interest on which is not allowed as a deduction under clause *f* of subsection 1 of section 24 or any provision under a former Act of like character and except the amount of indebtedness represented by a non-interest bearing advance from a corporation to its subsidiary that the Treasurer, in his sole discretion, determines to be in the nature of permanently invested capital;
- (d) any investments the income from which is exempt or would be exempt from the tax imposed by section 4; and
- (e) any moneys, bank deposits, investments or other assets which are unproductive and are not required for the purposes of the business or which were not acquired for the purposes of the business.

Idem

(10) Capital employed in the business,

- (a) shall be increased by a portion of any *bona fide* additions to the assets of the corporation or reduction in the liabilities of the corporation in the fiscal year; and
- (b) shall be decreased by a portion of any *bona fide* reduction in the assets of the corporation or addition to the liabilities of the corporation in the fiscal year,

unless the increase or decrease results from profits or losses of the corporation in the fiscal year.

(11) The increase or decrease required by subsection 10 ^{Idem} is that proportion of the addition or reduction, as the case may be, that the number of days in the fiscal year after the addition or reduction occurs bears to the number of days in the fiscal year.

(12) Capital employed in the business shall be decreased by ^{Idem} the amount of dividends paid in cash during the fiscal year to the extent of one-half of the amount by which the capital, calculated in accordance with subsections 8 and 9, at the commencement of the fiscal year is greater than the capital so calculated at the commencement of the next succeeding fiscal year.

(13) Notwithstanding anything in this section, the com- ^{Idem} putation of capital employed in the business may be revised to disregard the whole or any portion of capital values resulting from a transaction deemed not to have been arranged at arm's length. *New.*

Special Contributions by Corporations to Superannuation Funds

48.—(1) Where a corporation has made a special pay- ^{Corpora-} ment or payments on account of an employees superannuation ^{tion's} or pension fund or plan in respect of the past services of ^{payment to} employees pursuant to a recommendation of a qualified ac- ^{pension plan} tuary in whose opinion the resources of the fund or plan required to be augmented by the amount of one or more special payments to ensure that all the obligations of the fund or plan to the employees may be discharged in full and has made the payment so that it is irrevocably vested in or for the fund or plan and the payment has been approved by the Treasurer, there may be deducted in computing the income for the fiscal year the lesser of,

- (a) one-tenth of the whole amount so recommended to be paid; or
- (b) the amount by which the aggregate of the amount so paid during a period not exceeding ten years ending with the end of the fiscal year exceeds the aggregate of the amounts that were deductible under this section in respect thereof in computing the income of the corporation for the previous fiscal years.

(2) For greater certainty and without restricting the ^{Application} generality of subsection 1, it is hereby declared that subsection 1 is applicable where the resources of a fund or plan required to be augmented by reason of an increase in the superannuation or pension benefits payable out of or under the fund or plan.

*Employees Profit Sharing Plan*Interpre-
tation

49.—(1) In this Act, “employees profit sharing plan” means an arrangement under which payments computed by reference to the profits from the business of a corporation or by reference to the profits from the business of a corporation and the profits, if any, from the business of a person with whom the corporation does not deal at arm’s length are made by the corporation to a trustee in trust for the benefit of officers or employees of the corporation or of a person with whom the corporation does not deal at arm’s length, whether or not payments are also made to the trustee by the officers or employees, and under which the trustee has, since the commencement of the plan or the end of 1949, whichever is later, each year allocated either contingently or absolutely to individual officers or employees,

(a) all amounts received by him from the corporation or from a person with whom the corporation does not deal at arm’s length; and

(b) all profits from the trust property, computed without regard to any capital gain made by the trust or capital loss sustained by it at any time since the end of 1955,

in such manner that the aggregate of all such amounts and such profits minus such portion thereof as has been paid to beneficiaries under the trust is allocated either contingently or absolutely to officers or employees who are beneficiaries thereunder.

No tax
while trust
governed
by a plan

(2) No tax is payable under section 4 on the taxable income of the trust for a fiscal year during which the trust was governed by an employees profit sharing plan.

Corpora-
tion’s
contribution
to trust
deductible

(3) An amount paid by a corporation to a trustee under an employees profit sharing plan during a fiscal year or within 120 days thereafter may be deducted in computing the income of the corporation for the fiscal year to the extent that it was not deductible in computing income for a previous fiscal year.

Payment
out of
profits

(4) Where the terms of an arrangement under which a corporation makes payments to a trustee specifically provide that the payments shall be made “out of profits”, such arrangement shall, if the corporation has so elected in the prescribed manner, be deemed for the purpose of subsection 1 to be an arrangement for payments “computed by reference to the profit of the corporation from its business”. *New.*

Supplementary Unemployment Benefit Plan

50.—(1) In this Act, “supplementary unemployment benefit plan” means an arrangement, other than an arrangement in the nature of a superannuation or pension fund or plan or an employees profit sharing plan, under which payments are made by a corporation to a trustee in trust for the payment of periodic amounts to employees or former employees of the corporation who are or may be laid off for any temporary or indefinite period. Interpretation

(2) No tax is payable under section 4 upon the taxable income of the trust for a period during which the trust was governed by a supplementary unemployment benefit plan. No tax while trust governed by plan

(3) An amount paid by a corporation to a trustee under a supplementary unemployment benefit plan during a fiscal year or within thirty days thereafter may be deducted in computing the income of the corporation for the fiscal year to the extent that it was not deductible in computing income for a previous fiscal year. *New.* Payments by corporation deductible

Undistributed Income

51.—(1) Where funds or property of a corporation have, at a time when the corporation had undistributed income on hand, been distributed or otherwise appropriated in any manner whatsoever to or for the benefit of one or more of its shareholders on the winding-up, discontinuance or reorganization of its business, a dividend shall be deemed to have been received at that time by each shareholder equal to the lesser of, Undistributed income on hand

- (a) the amount or value of the funds or property so distributed or appropriated to him; or
- (b) his portion of the undistributed income then on hand.

(2) Where a corporation has, at a time when it had undistributed income on hand, Deemed to be dividend

- (a) redeemed or acquired any of its common shares or reduced its common stock; or
- (b) converted any of its common shares into shares other than common shares or into some obligation of the corporation,

a dividend shall be deemed to have been received at that time by each of the persons who held any of the shares at that time equal to the lesser of,

- (i) the amount received or the value of that which was received by him for or in respect of the shares or the reduction or conversion, or
- (ii) his portion of the undistributed income then on hand.

Undistrib-
uted income
capitalized

(3) Where the whole or any part of the undistributed income on hand of a corporation has been capitalized, a dividend shall be deemed to have been received by each of the persons who held any of its shares immediately before the capitalization equal to the shareholder's portion of the undistributed income that was capitalized.

Undistrib-
uted income
reduced

(4) Where under this section a dividend has been deemed to have been received, the undistributed income on hand of the corporation paying it shall be deemed to have been reduced by the amount that the shareholders are so deemed to have received.

Stock
dividend

(5) Where a corporation has paid a stock dividend, the corporation shall for the purpose of subsection 3 be deemed to have capitalized immediately before the payment undistributed income on hand equal to the lesser of,

- (a) the undistributed income then on hand; or
- (b) the amount of the stock dividend.

Non-resident
corporation

(6) Except where the corporation is a non-resident corporation more than 50 per cent of the share capital of which having full voting rights under all circumstances belongs to non-residents, this section is applicable in computing the income of the shareholder for the purpose of this Part, whether or not the corporation had a permanent establishment in Canada.

Where
paid-up
capital
increased

(7) Where a corporation has at any time increased its paid-up capital otherwise than by,

- (a) payment of a stock dividend; or
- (b) a transaction that has increased the assets of the corporation by an amount not less than the amount by which its paid-up capital has been increased,

the corporation shall, for the purpose of subsection 3, be deemed to have capitalized at that time undistributed income on hand equal to the lesser of,

- (c) the undistributed income then on hand; or
- (d) the amount by which the paid-up capital of the corporation was so increased, minus the amount if any by which the assets of the corporation have been so increased. *New.*

52.—(1) In this Act, “undistributed income on hand” of ^{Undistrib-} a corporation at the end of or at any time in a specified fiscal ^{uted income} year means the aggregate of the incomes of the corporation ^{on hand} for the fiscal years beginning with the fiscal year that ended in 1917 and ending with the specified fiscal year minus the aggregate of the following amounts for each of those years:

- (a) each loss sustained by the corporation for a fiscal year;
- (b) each expense incurred or disbursement made by the corporation during one of those years that was not allowed as a deduction in computing income for one of those years under this Part, except,
 - (i) an expense incurred or a disbursement made in respect of the acquisition of property, including goodwill, or the repayment of loans or capital,
 - (ii) an outlay or expense the deduction of which was not allowed by reason of subsection 3 of section 24, or
 - (iii) unless the undistributed income on hand is being determined for the purpose of subsection 1 of section 51, any part of the payment referred to in section 48 that has not been allowed as a deduction in computing income of one of those years;
- (c) the amount by which all capital losses sustained by the corporation in those fiscal years exceeds all capital profits or gains made by the corporation in those fiscal years;
- (d) all amounts by which under other provisions of this Act the undistributed income on hand of the corporation has been deemed to have been reduced previous to the specified fiscal year;

R.S.C. 1927,
c. 97

- (e) dividends paid by the corporation in those fiscal years except a dividend that was paid exclusively out of a surplus or accumulated profits on hand before the 1st day of January, 1917, and that was not taxable under the *Income War Tax Act* (Canada) as income of the recipient other than a dividend or any part of a dividend that is established to have been paid out of income for the fiscal year ending in 1917 that was earned before the 1st day of January, 1917, minus the aggregate of amounts if any that were deductible by the shareholders in respect of the dividends under the regulations made under subsection 2 of section 23 or that would have been so deductible if the shareholders had been taxable under section 4 for the fiscal year in which the dividends were received; and
- (f) premiums determined in the manner provided by subsection 3 paid by the corporation on redemption or acquisition of any of its shares other than common shares.

Share-
holder's
portion

(2) A shareholder's portion of undistributed income on hand of a corporation at any time, or any portion thereof, means the amount that would have been payable to him on the winding-up of the corporation at that time if the subscribed capital had been repaid and what remained to be distributed on the winding-up were an amount equal to the undistributed income on hand at that time, or the portion of it, as the case may be.

Premiums
on
redemption
or
acquisition
of capital
stock

(3) For the purpose of this section, a share has been redeemed or acquired at a premium if the amount payable by the corporation in respect of the redemption or acquisition exceeds,

- (a) the par value of the share, if it had a par value; or
- (b) if the share had no par value, the proportion of the paid-up capital of the corporation, immediately before the redemption or acquisition of the share, with respect to the class of shares to which the share belongs that 1 is of the number of issued shares of the class immediately before the redemption or acquisition of the share,

and the premium is the amount of the excess.

(4) Notwithstanding anything contained in subsection 1, Life insurance corporation the undistributed income of a life insurance corporation on hand at any time means the amount that is at the credit of its shareholders' account at that time.

(5) For the purpose of clause *a* of subsection 1, "loss" Interpretation for a fiscal year means a loss computed by applying *mutatis mutandis* the provisions of this Part respecting the computation of the income of the corporation.

(6) Where subsection 1 is being applied to determine the undistributed income on hand of a corporation at a specified time in a fiscal year after a dividend has been deemed by section 51 to have been received from the corporation in the fiscal year, the undistributed income on hand at the specified time is the undistributed income on hand of the corporation determined in accordance with the terms of subsection 1 minus the amount of the dividends that have been so deemed to have been received from the corporation at a previous time in the fiscal year. Determination

(7) Where in the case of a corporation referred to in subsection 8 of section 54 as a "predecessor corporation" subsection 1 is being applied to determine the undistributed income of the corporation on hand at any specified time after such time after 1954 as all or substantially all of the property of the corporation described in subsection 8 of section 54 has been acquired as described in that subsection, there shall not be included in the amount or amounts deductible under any clause of subsection 1 any amount in respect of expenses incurred by the corporation included in the aggregate determined under clause *e* of subsection 8 of section 54. Idem

(8) For the purpose of clause *c* of subsection 1, Interpretation

(a) where depreciable property of a corporation as defined by subsection 4 of section 32 has been disposed of in 1949 or a subsequent fiscal year, the capital loss arising from the disposition shall be deemed not to be more than the actual capital cost of the property to the corporation minus the capital cost thereof as determined for the purpose of section 32; and

(b) where depreciable property of a corporation as defined by subsection 4 of section 32 has been disposed of in 1949 or a subsequent fiscal year, the capital profit or gain arising from the disposition shall be deemed not to be more than the proceeds

of the disposition as defined in the said subsection 4 minus the capital cost of the property to the corporation as determined for the purpose of section 32.

Idem

(9) Where in the calculation of the undistributed income on hand of a corporation at any time there have been included in,

- (a) computing the amount determined by clause *e* of subsection 1; or
- (b) computing the amount by which the undistributed income on hand is deemed to be reduced by virtue of subsection 4 of section 51,

amounts that were not included in computing the income of the shareholders but that would have been so included if it were not for section 40, and the aggregate of those amounts exceeds the aggregate of the incomes of the corporation that were by section 40 deemed to have been distributed to its shareholders, the undistributed income of the corporation on hand at that time shall be deemed to be the amount that it would be if the aggregate of the deductions permitted by clauses *a* to *f* of subsection 1 were reduced by an amount equal to the excess.

Farming loss

(10) In the computation of a loss for the purpose of clause *a* of subsection 1, there shall not be included a loss sustained by a corporation in its farming business for a fiscal year in respect of which the Treasurer has determined under section 25 that the chief source of income of the corporation is neither farming nor a combination of farming and some other source of income except to the extent that the loss has been deducted in computing taxable income for a fiscal year under clause *c* of section 37.

Idem

(11) Where the Treasurer has determined under section 25 that the chief source of income of a corporation for a fiscal year is neither farming nor a combination of farming and some other source of income, no expense or disbursement shall be included in the amount deductible under clause *b* of subsection 1 if the amount thereof is included in the computation of a loss sustained by the corporation for the fiscal year in its farming business.

Mining income

(12) For the purpose of computing the undistributed income on hand of a corporation under subsection 1, the income of the corporation for a fiscal year shall, if subsection 4 of section 53 was applicable in the computation thereof, be deemed to be the amount that it would have been if subsection 4 of section 53 had not been applicable.

(13) Where more than 50 per cent of the issued share capital of a corporation has, between a time when the corporation ceased to carry on active business and a time when it commenced to carry on active business again, been acquired by a person or persons who did not own any of the shares in the corporation at the time when it so ceased to carry on active business, if the corporation had no undistributed income on hand at the latter time, the reference in subsection 1 to "the fiscal year that ended in 1917" shall be deemed to be a reference to the fiscal year in which the corporation so commenced to carry on active business again. Control
acquired of
inactive
business

(14) A person who has a right under a contract, in equity or otherwise, either immediately or in the future and either absolutely or contingently, to, or to acquire, shares in a corporation shall be deemed for the purpose of subsection 13 to have acquired the shares at the time he acquired the right. Acquisition
of shares

(15) Where all of the assets and liabilities of an insurance corporation incorporated under or pursuant to the laws of a province, hereinafter in this subsection referred to as the "old corporation", have at a time when the corporation had undistributed income on hand been acquired by an insurance corporation incorporated under or pursuant to an Act of the Parliament of Canada, hereinafter in this subsection referred to as the "new corporation", under an arrangement whereby it is contemplated that the new corporation will carry on the business formerly carried on by the old corporation, and the paid-up capital of the new corporation was not, at the time of the acquisition of such assets and liabilities, less than the paid-up capital of the old corporation at that time, Insurance
corporations

- (a) the amount of the dividend deemed by section 51 to have been received at that time by each of the persons who held any of the shares of the old corporation at that time shall be deemed to be the amount otherwise so deemed to have been received at that time by each such person minus the amount paid up on the shares of the old corporation so held by him; and
- (b) the undistributed income of the new corporation on hand immediately after that time as determined under subsection 1 shall be deemed to be the amount otherwise determined thereunder plus the amount of the undistributed income of the old corporation on hand immediately before that time. *New.*

Mining

Interpretation

53.—(1) In this section,

- (a) “minerals” does not include petroleum or natural gas;
- (b) “mining property” means a right to prospect, explore or mine for minerals or a property the principal value of which depends upon its mineral content;
- (c) “prospector” means an individual who prospects or explores for minerals or develops a property for minerals on behalf of himself, on behalf of himself and others, or as an employee.

Amount not included in income

(2) An amount that would otherwise be included in computing the income for a fiscal year of a corporation which has, either under an arrangement with a prospector made before the prospecting, exploration or development work or as employer of the prospector, advanced money for or paid part or all of the expenses of prospecting or exploring for minerals or of developing a property for minerals shall not be included in computing the income of the corporation for the year if it is the consideration for,

- (a) an interest in the mining property acquired under the arrangement under which the corporation made the advance or paid the expenses or, if the prospector was the employee of the corporation, acquired by the corporation through the prospector’s efforts; or
- (b) shares of the capital stock of another corporation received by the corporation in consideration for property described in clause *a* that the corporation disposed of to the corporation issuing the shares.

Non-application

(3) Clause *b* of subsection 2 does not apply,

- (a) in the case of a corporation that disposes of the shares while or after carrying on a campaign to sell the shares of the issuing corporation to the public; or
- (b) to shares acquired by the exercise of an option to purchase shares received as consideration for property described in clause *a* of subsection 2.

Exemption for three years

(4) Subject to the prescribed conditions, there shall not be included in computing the income of a corporation income derived from the operation of a mine during the period of

thirty-six months commencing with the day on which the mine came into production.

(5) In subsection 4,

Interpretation

- (a) "mine" does not include an oil well, gas well, brine well, sand pit, gravel pit, clay pit, shale pit or stone quarry, other than the deposit of oil shale or bituminous sand; and
- (b) "production" means production in reasonable commercial quantities. *New.*

Exploration, Prospecting and Development Expenses

54.—(1) A corporation the principal business of which is production, refining or marketing of petroleum, petroleum products or natural gas or exploring or drilling for petroleum or natural gas may deduct in computing its income under this Part for a fiscal year the lesser of,

Deduction from income of petroleum or natural gas corporations

- (a) the aggregate of such of the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada as were incurred during the calendar years 1949 to 1952, to the extent that they were not deductible in computing income for a previous fiscal year; or
- (b) of that aggregate, an amount equal to the income of the corporation for the fiscal year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this section, minus the deductions allowed for the fiscal year by subsection 8 of this section and by section 38.

(2) A corporation the principal business of which is mining or exploring for minerals may deduct in computing its income under this Part for a fiscal year the lesser of,

Deduction from income of mining corporation

- (a) the aggregate of such of the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada as were incurred during the calendar year 1952, to the extent that they were not deductible in computing income of a previous fiscal year; or

(b) of that aggregate an amount equal to its income for the fiscal year,

(i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and

(ii) if no deduction were allowed under this section,

minus the deductions allowed for the year by subsection 8 of this section and by section 38,

if the corporation has filed certified statements of such expenses and has satisfied the Treasurer that it has been actively engaged in prospecting and exploring for minerals in Canada by means of qualified persons and has incurred these expenses for such purposes.

Deduction
from income
of
petroleum
or natural
gas
corporation
or a mining
corporation

(3) A corporation the principal business of which is,

(a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas; or

(b) mining or exploring for minerals,

may deduct in computing its income under this Part for a fiscal year the lesser of,

(c) the aggregate of such of,

(i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada, and

(ii) the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada,

as were incurred after the calendar year 1952 and before the end of the fiscal year, to the extent that they were not deductible in computing income for a previous fiscal year; or

(d) of that aggregate, an amount equal to its income for the fiscal year,

(i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and

(ii) if no deduction were allowed under this section,

minus the deductions allowed for the fiscal year by subsections 1, 2 and 8 of this section and by section 38.

(4) In computing a deduction under subsection 1 or 3, no amount shall be included in respect of a payment for or in respect of a right, licence or privilege to explore for, drill for or take petroleum or natural gas other than an annual payment not exceeding \$1 per acre. Limitation
re payments
for
exploration
and drilling
rights

(5) Notwithstanding subsection 4, where a corporation the principal business of which is of the class described in clause *a* or *b* of subsection 3 has after 1952 paid an amount, other than a rental or royalty, to the government of Canada or of a province for a legal lease of the right to take or remove petroleum or natural gas from a specified parcel of land in Canada, which expression is for greater certainty declared not to include a right of the type commonly referred to as a "Reservation", and the corporation has before a well came into production on that land surrendered all its rights under the lease so acquired without receiving any consideration therefor or repayment of any part of the amount so paid, the amount so paid shall for the purpose of subsection 3 be deemed to have been an expense incurred by the corporation as a drilling or exploration expense on or in respect of exploring or drilling for petroleum or natural gas in Canada during the fiscal year in which its rights were so surrendered. Bonus
payments

(6) For the purpose of this section, it is hereby declared that expenses incurred by a corporation on or in respect of exploring or drilling for petroleum or natural gas in Canada or in searching for minerals in Canada do not and never did include expenses so incurred by that corporation pursuant to an agreement under which it undertook to incur those expenses in consideration for, Expenses
incurred for
specified
considera-
tions not
deductible

- (a) shares of the capital stock of a corporation that owned or controlled the mineral rights;
- (b) an option to purchase shares of the capital stock of a corporation that owned or controlled the mineral rights; or
- (c) a right to purchase shares of the capital stock of a corporation that was to be formed for the purpose of acquiring or controlling the mineral rights.

(7) Notwithstanding subsection 6, a corporation the principal business of which is, Exception

(a) production, refining or marketing of petroleum, petroleum products or natural gas and exploring or drilling for petroleum or natural gas; or

(b) mining or exploring for minerals,

may deduct in computing its income under this Part for a fiscal year the lesser of,

(c) the aggregate of such of,

(i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by it on or in respect of exploring or drilling for petroleum or natural gas in Canada, and

(ii) the prospecting, exploration and development expenses incurred by it in searching for minerals in Canada,

as were incurred after the calendar year 1953 and before the end of the fiscal year,

(iii) pursuant to an agreement under which it undertook to incur those expenses for a consideration mentioned in clause *a*, *b* or *c* of subsection 6, and

(iv) to the extent that they were not deductible in computing income for a previous fiscal year; or

(d) of that aggregate, an amount equal to its income for the fiscal year,

(i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and

(ii) if no deduction were allowed under this subsection,

minus any deduction allowed for the fiscal year by section 38,

but where a corporation has incurred expenses the deduction of which from income for a fiscal year is authorized by this subsection, no deduction in respect of those expenses may be made under this section in computing the income of any other corporation for that or any other fiscal year.

Property
acquired by
successor
corporation

(8) Notwithstanding subsection 7, where a corporation, hereinafter in this subsection referred to as the "successor corporation", the principal business of which is,

- (a) production, refining or marketing of petroleum, petroleum products or natural gas, or exploring or drilling for petroleum or natural gas; or
- (b) mining or exploring for minerals,

has at any time after 1954 acquired from a corporation, hereinafter in this subsection referred to as the "predecessor corporation", the principal business of which was production, refining or marketing of petroleum, petroleum products or natural gas, exploring or drilling for petroleum or natural gas, or mining or exploring for minerals, all or substantially all of the property of the predecessor corporation used by it in carrying on the business,

- (c) pursuant to the purchase of such property by the successor corporation in consideration of shares of the capital stock of the successor corporation; or
- (d) as a result of the distribution of such property to the successor corporation upon the winding-up of the predecessor corporation subsequently to the purchase of all or substantially all of the shares of the capital stock of the predecessor corporation by the successor corporation in consideration of the shares of the capital stock of the successor corporation,

there may be deducted by the successor corporation in computing its income under this Part for a fiscal year the lesser of,

- (e) the aggregate of,
 - (i) the drilling and exploration expenses, including all general geological and geophysical expenses, incurred by the predecessor corporation on or in respect of exploring or drilling for petroleum or natural gas in Canada, and
 - (ii) the prospecting, exploration and development expenses incurred by the predecessor corporation in searching for minerals in Canada,

to the extent that such expenses,

- (iii) were not deductible by the successor corporation in computing its income for a previous fiscal year and were not deductible by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the succes-

sor corporation or its income for a previous fiscal year, and

- (iv) would, but for the provisions of clause *b* of subsection 1, clause *b* of subsection 2, clause *d* of subsection 3 and clause *d* of subsection 7 or any of those clauses or this subsection, have been deductible by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the successor corporation; or
- (f) of that aggregate, an amount equal to such part of its income for the year,
 - (i) if no deduction were allowed under clause *b* of subsection 1 of section 23, and
 - (ii) if no deduction were allowed under this section,

minus any deduction allowed for the fiscal year by section 38, as may reasonably be regarded as attributable to the production of petroleum or natural gas from wells, or the production of minerals from mines, situated on property from which the predecessor corporation had, immediately before the acquisition by the successor corporation of the property so acquired, a right to take or remove petroleum or natural gas or a right to take or remove minerals,

and, in respect of such expenses included in the aggregate determined under clause *e*, no deduction may be made under this section by the predecessor corporation in computing its income for the fiscal year in which the property so acquired was acquired by the successor corporation or its income for any subsequent fiscal year.

**General
limitation**

(9) Where a corporation has incurred expenses that may be deducted from income under more than one provision of this section, it is not entitled to make the deduction under more than one provision but is entitled to select the provision under which to make the deduction.

**Expenses
deductible
under
certain
enactments
deemed not
otherwise
deductible
R.S.C. 1952,
c. 148**

(10) Where expenses are or have been under this section or corresponding sections of Acts referred to in subsection 12 of section 83A of the *Income Tax Act* (Canada) deductible from or in computing the income of the corporation, or where any amount is or has been deductible in respect of the expenses under any of those provisions from taxes otherwise payable, it is hereby declared that no amount in respect of

the same expenses is or has been deductible under any other authority in computing the income or from the income of that corporation or any other corporation for that fiscal year or any other fiscal year. *New.*

Crown Corporations

55.—(1) Sections 4, 5 and 6 apply to each corporation prescribed in the regulations as though the income from, the paid-up capital invested in, and the permanent establishment occupied by, Application of Act to Crown corporations

- (a) any business carried on by such corporation as agent of Her Majesty; and
- (b) any property of Her Majesty administered by the corporation,

were income, paid-up capital, or a permanent establishment of the corporation, and the exemption provided by subsection 29 of section 4, subsection 8 of section 5 and the specially reduced tax provided by subsection 7 of section 6 does not apply to any such corporation.

(2) Where a corporation prescribed in the regulations has acquired depreciable property before the commencement of the first fiscal year commencing after 1951, for the purpose of section 32 and the regulations made under clause *a* of subsection 1 of section 23, that property shall be deemed to have been acquired at a capital cost equal to the amount that according to the books of the corporation was its value at the commencement of that fiscal year. Idem

(3) For the purpose of computing a deduction under clause *c* of section 37, a corporation prescribed in the regulations shall be deemed not to have had income or a loss for a fiscal year before the first fiscal year commencing after 1951. Previous income and losses

(4) Where land of Her Majesty has been transferred to a corporation prescribed in the regulations for the purpose of disposition, the acquisition of the property by the corporation and any disposition thereof shall be deemed not to have been in the course of the business carried on by the corporation. Interpretation
New.

Railway Companies

56.—(1) Notwithstanding subsection 2 of section 55, where property of the following description, namely, Capital cost of certain property

- (a) railway track or railway track grading; or
- (b) a crossing,

has before 1956 been acquired by a corporation, that property shall for the purposes of section 32 and the regulations made under clause *a* of subsection 1 of section 23 be deemed to have been acquired at a capital cost equal to the amount that according to the books of the corporation was its value at the close of its fiscal year ending in 1955.

Idem

(2) For the purpose of this section, in determining the amount that according to the books of the corporation was the value of any property at the close of its fiscal year ending in 1955, no amount shall be included in respect of property that at that time was leased from any other person.

Repairs,
replace-
ments, etc.

(3) Where any amount in respect of an expenditure incurred by a corporation on or in respect of the repair, replacement, alteration or renovation of depreciable property of the corporation of a class prescribed by the regulations made for the purpose of this section is, under any uniform classification and system of accounts and returns prescribed by the Board of Transport Commissioners for Canada pursuant to the *Railway Act* (Canada), required to be entered in the books of the corporation otherwise than as an expense,

R.S.C. 1952,
c. 234

- (a) no deduction may be made in respect of that expenditure in computing the income of the corporation for a fiscal year; and
- (b) for the purpose of section 32 and the regulations made under clause *a* of subsection 1 of section 23, the corporation shall be deemed to have acquired at the time the expenditure was incurred depreciable property of that class at a capital cost equal to that amount.

Interpre-
tation

(4) In this section, "crossing" means any railway crossing of a highway, or any highway crossing of a railway, and every manner of construction of the railway or of the highway by the elevation or depression of the one above or below the other, or by the diversion of one or the other, and any work ordered or authorized by the Board of Transport Commissioners for Canada to be provided as one work for the protection, safety and convenience of the public in respect of one or more railways of as many tracks crossing or so crossed as the Board of Transport Commissioners for Canada in its discretion determines. *New.*

Special Reserves

57.—(1) In computing the income of a corporation for a ^{Special} fiscal year, _{reserves}

- (a) every amount received in the fiscal year in the course of a business,
- (i) that is on account of services not rendered or goods not delivered before the end of the fiscal year or that for any other reason may be regarded as not having been earned in the fiscal year or a previous fiscal year, or
 - (ii) under an arrangement or understanding that it is repayable in whole or in part on the return or resale to the corporation of articles in or by means of which goods were delivered to a customer,

shall be included;

- (b) every amount receivable in respect of property sold or services rendered in the course of the business in the fiscal year shall be included notwithstanding that the amount is not receivable until a subsequent fiscal year unless the method adopted by the corporation for computing income from the business and accepted for the purpose of this Part does not require the corporation to include any amount receivable in computing its income for a fiscal year unless it has been received in that fiscal year;
- (c) subject to subsection 3, where amounts of a class described in subclause i or ii of clause a have been included in computing the income of a corporation from a business for the fiscal year or a previous fiscal year, there may be deducted a reasonable amount as a reserve in respect of,
- (i) goods that it is reasonably anticipated will have to be delivered after the end of the fiscal year,
 - (ii) services that it is reasonably anticipated will have to be rendered after the end of the fiscal year,
 - (iii) periods for which rent or other amounts for the possession or the use of land or a ship have been paid in advance,
 - (iv) periods for which rent or other amounts for the possession or the use of chattels other than

a ship have been paid in advance, if the payment in respect thereof was made for a period of more than two years, or

- (v) repayments under arrangements or understandings of the class described in subclause ii of clause *a* that it is reasonably anticipated will have to be made after the end of the fiscal year on the return or resale to the corporation of articles other than bottles;
- (d) where an amount has been included in computing the income of a corporation from its business for the fiscal year or a previous fiscal year in respect of property sold in the course of the business and that amount is not receivable until a day,
 - (i) more than two years after the day on which the property was sold, and
 - (ii) after the end of the fiscal year,

there may be deducted a reasonable amount as a reserve in respect of that part of the amount so included in computing the income that can reasonably be regarded as a portion of the profit from the sale; and

- (e) there shall be included the amounts deducted under clauses *c* and *d* in computing the income from a business for the immediately preceding fiscal year.

Interpretation

(2) Clauses *a* and *b* of subsection 1 are enacted for greater certainty and shall not be construed as implying that any amount not referred to therein is not to be included in computing the income from a business for a fiscal year whether or not it is received or receivable in the fiscal year.

Special reserves

(3) Where an amount is deductible in computing income for a fiscal year under clause *c* of subsection 1 as a reserve in respect of,

- (a) articles of food or drink that it is reasonably anticipated will have to be delivered after the end of the fiscal year; or
- (b) transportation that it is reasonably anticipated will have to be provided after the end of the fiscal year,

there shall be substituted for the amount determined thereunder an amount not exceeding the aggregate of the amounts

included in computing the income of the corporation from the business for the fiscal year that were received or receivable, depending upon the method regularly followed by the corporation in computing its profit, in the fiscal year in respect of,

- (c) articles of food or drink not delivered before the end of the fiscal year; or
- (d) transportation not provided before the end of the fiscal year,

as the case may be.

(4) Clause *c* of subsection 1 does not apply to allow a ^{Exception} deduction as a reserve in respect of guarantees, indemnities or warranties.

(5) Clause *c* of subsection 1 does not apply to allow a ^{Policy reserves} deduction as a reserve in respect of insurance, but an insurance corporation, other than a life insurance corporation, may in computing its income from its insurance business for a fiscal year deduct as policy reserves such amounts as have been approved for the purpose of this subsection by the Treasurer.

(6) Clause *c* of subsection 1 does not apply to allow a ^{Unearned commission} deduction to an insurance agent or broker in respect of unearned commissions, but a corporation may in computing its income from a business as an insurance agent or a broker for a fiscal year deduct as a reserve in respect of unearned commissions an amount equal to the proportion of an amount that has been included in computing its income for the fiscal year or a previous fiscal year as a commission in respect of an insurance contract, other than a life insurance contract, that,

- (a) the number of days in that portion of the period provided for in the insurance contract that is after the end of the fiscal year,

is of,

- (b) the whole of that period.

(7) For the purpose of clause *e* of subsection 1, an amount ^{Interpretation} determined under subsection 3 or an amount deducted under subsection 5 or 6 shall be deemed to have been deducted under clause *c* of subsection 1.

Accounts Receivable

58.—(1) Where a person who has been carrying on a ^{Sale*of} business has in a fiscal year sold all or substantially all the ^{accounts} ^{receivable}

property used in carrying on the business, including the debts that had been or will be included in computing his income for that fiscal year or a previous fiscal year and that are still outstanding, to a purchaser who proposes to continue the business which the vendor has been carrying on, if the vendor and the purchaser have executed jointly an election in the prescribed form to have this section apply, the following rules are applicable:

- (a) there may be deducted in computing the income of the vendor for the fiscal year an amount equal to the difference between the face value of the debts so sold, other than debts in respect of which the vendor has made deductions under clause *h* of subsection 1 of section 23 and the consideration paid by the purchaser to the vendor for the debts so sold;
- (b) an amount equal to the difference described in clause *a* shall be included in computing the income of the purchaser for the fiscal year;
- (c) the debts so sold shall be deemed for the purpose of clauses *g* and *h* of subsection 1 of section 23 to have been included in computing the income of the purchaser for the fiscal year or a previous fiscal year, but no deduction may be made by the purchaser under clause *h* of subsection 1 of section 23 in respect of a debt in respect of which the vendor has previously made a deduction; and
- (d) each amount deducted by the vendor in computing income for a previous fiscal year under clause *h* of subsection 1 of section 23 in respect of any of the debts so sold shall be deemed for the purpose of clause *f* of section 18 to have been so deducted by the purchaser.

Statement
by vendor,
and
purchaser

(2) An election executed for the purpose of subsection 1 shall contain a statement by the vendor and the purchaser jointly as to the consideration paid for the debts sold by the vendor to the purchaser and that statement is, as against the Treasurer, binding upon the vendor and the purchaser in so far as it may be relevant in respect of any matter arising under this Act. *New.*

Sale of Inventory

Sale of
inventory

59.—(1) Where upon or after disposing of or ceasing to carry on a business or a part of a business a corporation has sold all or any part of the property that was included in the inventory of the business, the property so sold shall for the

purposes of this Part be deemed to have been sold by the corporation,

- (a) during the last fiscal year in which the corporation carried on the business or part of the business; and
- (b) in the course of carrying on the business.

(2) Where a person who has been carrying on a business has sold all or part of the property that was included in the inventory of the business, whether or not he has disposed of or ceased to carry on that business or a part of that business, to a person who has used all or part of the property so sold as inventory of a business carried on or to be carried on by the purchaser, and the amount of the consideration paid by the purchaser is, in part, consideration for the property so sold and, in part, consideration for something else, the following rules are applicable:

Agreement
as to price
paid by
vendor and
purchaser

- (a) such part of the consideration as the vendor and the purchaser have in writing agreed to be the price paid for the property so sold shall be deemed, both for the purpose of computing income from the business of the vendor and for the purpose of computing income from the business of the purchaser, to be the price so paid; and
- (b) where an agreement as contemplated by clause *a* has not been filed with the Treasurer within sixty days after notice in writing by the Treasurer has been forwarded to the vendor and the purchaser that such an agreement is required for the purpose of any assessment of tax under this Act, such part of the consideration paid as is fixed by the Treasurer shall be deemed to be the price agreed upon by them as the price paid for the properties so sold.

(3) A reference in this section to property that was included in the inventory of a business shall be deemed to include a reference to property that would have been so included if the income from the business had not been computed in accordance with the method authorized by subsection 1 of section 60.

Reference
to property
included in
inventory

(4) Where an amount is included in computing the income of a corporation for a fiscal year by virtue of this section, the corporation may elect to pay as tax for the fiscal year under section 4, in lieu of the amount that would otherwise be payable, an amount equal to the aggregate of,

Election

- (a) the tax that would be payable by the corporation for the fiscal year under section 4 if no amount were

included in computing its income for the fiscal year by virtue of this section; and

- (b) the aggregate of the amounts by which the tax payable under section 4 would have been increased if one-third of the amount so included by virtue of this section had been included in computing the income of the corporation for each of the three fiscal years ending with the last fiscal year in which it carried on the business or the part of the business referred to in subsection 1,

and in any such case the election is not valid unless the corporation was during each of those three years carrying on that business. *New.*

*Special Method of Computing Income:
Sale of Accounts Receivable*

Special
method of
computing
income

60.—(1) For the purpose of computing the income of a corporation for a fiscal year from the business of farming, the income from the business for that fiscal year may, if the corporation so elects, be computed in accordance with a method hereinafter in this section referred to as the “cash” method, whereby the income therefrom for that fiscal year shall be deemed to be an amount equal to,

- (a) the aggregate of all amounts that,
- (i) were received in the fiscal year, or are deemed by this Act to have been received in that fiscal year, in the course of carrying on the business, and
 - (ii) were in payment of or on account of an amount that would, if the income from the business were not computed in accordance with the cash method, be included in computing income therefrom for that or any other fiscal year,

minus,

- (b) the aggregate of all amounts that
- (i) were paid in the fiscal year, or are deemed by this Act to have been paid in the fiscal year, in the course of carrying on the business, and
 - (ii) were in payment of or on account of an amount that would, if the income from the business

were not computed in accordance with the cash method, be deductible in computing income therefrom for that or any other fiscal year,

and minus any deduction for the fiscal year permitted by clause *a* of subsection 1 of section 23.

(2) Subsection 1 does not apply for the purpose of computing ^{Exception} the income of a corporation for a fiscal year from a business carried on by it jointly with one or more other persons, unless each of the other persons by whom the business is jointly carried on has elected to have his income from the business for that fiscal year computed in accordance with the method authorized by subsection 1 of section 85F of the ^{R.S.C. 1952,} *Income Tax Act* (Canada). _{c. 148}

(3) Where a corporation has filed a return under this Act ^{Concurrence} for a fiscal year wherein its income for that fiscal year from ^{of the} the business of farming has been computed in accordance with the method authorized by subsection 1, income from the business for a subsequent fiscal year shall subject to other provisions of this Part be computed in accordance with that method unless the corporation, with the concurrence of the Treasurer and upon such terms and conditions as are specified by the Treasurer, adopts some other method.

(4) There shall be included in computing the income of a ^{Accounts} corporation for a fiscal year such part of an amount received ^{receivable} by it in the fiscal year, upon or after disposing of or ceasing to carry on a business or part of a business, for, on account or in lieu of payment of, or in satisfaction of debts owing to the corporation that arose in the course of carrying on the business as would have been included in computing the income of the corporation for the fiscal year had the amount so received been received by it in the course of carrying on the business.

(5) Subsection 4 of section 59 applies *mutatis mutandis* ^{Election} where any amount is included in computing the income of a corporation for a fiscal year by virtue of subsection 4. *New.*

Mortgage Reserves

61. In computing the income for a fiscal year of a cor- ^{Special} poration the business of which includes the lending of money ^{mortgage} on the security of a mortgage, hypothec or agreement of sale ^{reserves} of real property,

- (a) there may be deducted as a reserve, in lieu of any deduction under clause *g* of subsection 1 of section 23, the lesser of,

- (i) 3 per cent of the aggregate of,
- (A) each amount outstanding at the end of the fiscal year as or on account of the principal amount of loans made by the corporation on the security of a mortgage, hypothec or agreement of sale of real property,
 - (B) each amount due and unpaid at the end of the fiscal year or on account of interest payable to the corporation under a mortgage, hypothec or agreement of sale of real property, and
 - (C) each amount that has been taken into account in computing the income of the corporation for the fiscal year as or on account of the value of real property of the corporation that was included in the inventory of the corporation at the end of the fiscal year and that was acquired by foreclosure or otherwise after default made under a mortgage, hypothec, agreement of sale of real property, otherwise than as or on account of the value of real property in respect of which any amount for the fiscal year has been included under paragraph A or B,

or

- (ii) the amount if any deducted under this clause as a reserve in computing the income of the corporation for the immediately preceding fiscal year, plus one-twelfth of the amount determined under subclause i,

but no deduction may be made under this clause as a reserve in respect of loans made on the security of a mortgage or hypothec under the *National Housing Act, 1954* (Canada) or any of the Housing Acts as defined in clause *e* of section 2 of the *Central Mortgage and Housing Corporation Act* (Canada); and

- (b) there shall be included the amount deducted under clause *a* as a reserve in computing the income of the corporation for the immediately preceding fiscal year. *New.*

1953-4,
c. 23 (Can.)

R.S.C. 1952,
c. 46

PART IV

COMPUTATION OF PAID-UP CAPITAL

DIVISION A—TAXABLE PAID-UP CAPITAL

62. The taxable paid-up capital of a corporation shall be measured as at the close of the fiscal year for which the tax imposed by section 5 is levied and is its paid-up capital minus the deductions permitted by Division C.

DIVISION B—COMPUTATION OF PAID-UP CAPITAL

63. The paid-up capital of a corporation for a fiscal year is its paid-up capital as it stood at the close of the fiscal year and includes the paid-up capital stock of the corporation, its earned, capital and any other surplus, all its reserves, whether created from income or otherwise, except any reserve the creation of which is allowed as a charge against income under Part III, all sums or credits advanced or loaned to the corporation by any other corporation, excluding a bank, and all its indebtedness, whether assumed or undertaken by it, represented by bonds, bond mortgages, debentures, income bonds, income debentures, mortgages, lien notes and any other securities to which the property of the corporation or any of it is subject. R.S.O. 1950, c. 72, s. 10 (2), *amended*.

DIVISION C—COMPUTATION OF TAXABLE
PAID-UP CAPITAL

64.—(1) For the purpose of computing the taxable paid-up capital of a corporation for a fiscal year, there may be deducted from its paid-up capital as at the close of the fiscal year such of the following amounts as are applicable:

- (a) the amount of the goodwill or other intangible thing included as an asset to the extent that such goodwill or other intangible thing in the opinion of the Treasurer has no value, but this deduction applies to no more than 50 per cent of the book value of such goodwill or other intangible thing;
- (b) the amount of the discount allowed on the sale of the shares of a corporation to which Part IV of *The Corporations Act, 1953* applies;
- (c) the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a* and *b*, which the cost of the investments made by the corporation in the shares and bonds of other corporations, in loans

and advances to other corporations and in the bonds, debentures and other securities of any government, municipal or school corporation bears to the total assets of the corporation remaining after the deductions of the amounts provided by clauses *a* and *b*, but cash on deposit with any corporation doing the business of a savings bank and amounts due by a corporation with its head office outside Canada to a subsidiary controlled corporation or a subsidiary wholly-owned corporation taxable under section 5 shall be deemed not to be loans and advances to other corporations;

Capital
held in
mining

(*d*) in the case of a corporation engaged in mining, the amount that equals that proportion of the paid-up capital remaining after the deduction of the amounts provided by clauses *a*, *b* and *c* which the total of,

(*i*) the amount held or used in the survey for exploration and development of minerals,

(*ii*) the amount invested in the mine as defined by *The Mining Tax Act*,

(*iii*) the amount invested in the plant and works necessary to and forming part of such mine, and

(*iv*) the amount invested in the plant and works necessary for the refinement of the ore taken from the mine,

R.S.O. 1950,
c. 237

bears to the total assets remaining after the deduction of the amounts provided by clauses *a*, *b* and *c*. R.S.O. 1950, c. 72, s. 10 (4), *amended*.

Interpre-
tation

(2) For the purpose of this Part, "total assets" includes any amount,

(*a*) by which any asset of a corporation is carried in its books of account or on its balance sheet in excess of the cost thereof;

(*b*) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is not deductible under Part III,

and excludes any amount,

- (c) by which the value of an asset of a corporation has been written down and deducted from its income or undivided profits where such amount is deductible under Part III. *New.*

65.—(1) Unless otherwise provided in this Act, any tax imposed by this Act shall be determined on the amount of the paid-up capital stock, mileage or other subject in respect of which the amount of the tax is to be ascertained as such stock, mileage or other subject stood at the close of the fiscal year of the corporation for which the tax is imposed. ^{How tax to be determined}

(2) Any tax imposed by this Act that is to be calculated in respect of, ^{Idem}

- (a) the taxable income of a corporation;
- (b) the numbers of places of business of a corporation; or
- (c) the gross premiums that become payable to insurance corporations,

shall be calculated with reference to the taxable income earned, the maximum number of places of business open, the gross premiums that become payable, as the case may be, during the fiscal year of the corporation for which the respective tax is imposed. R.S.O. 1950, c. 72, s. 16, *amended.*

PART V

RETURNS, PAYMENTS, ASSESSMENTS AND APPEALS

DIVISION A—RETURNS

66.—(1) Every corporation on which a tax is imposed by this Act shall, on or before the last day of the month that ends six months following the close of its fiscal year, without notice or demand, and every corporation on which a tax is or is not imposed by this Act shall, upon receipt of a notice or demand in writing from the Treasurer or from any officer of the Treasury Department authorized by the Treasurer to make such demand, deliver to the Treasurer such return as is required for the purpose of carrying out the provisions of this Act. ^{Annual return}

(2) The return shall contain an estimate of the respective taxes payable and shall be verified by a certificate certifying that the financial statements included in the return or attached thereto are in agreement with the books of the corporation, and such certificate shall be signed by the president or some other officer having personal knowledge of the affairs of the ^{Verification of returns}

corporation and, in the case of an extra-provincial corporation, by the manager or chief agent of the corporation in Ontario or by such other person or persons connected with the corporation as the Treasurer may require. R.S.O. 1950, c. 72, s. 17, *amended*.

Penalty
for default

67.—(1) Every corporation that fails to deliver a return as and when required by subsection 1 of section 66 shall pay a penalty of,

- (a) an amount equal to 5 per cent of the tax that was unpaid when the return was required to be delivered, if the tax payable by the corporation for the fiscal year that was unpaid at that time was less than \$10,000; and
- (b) \$500, if at the time the return was required to be delivered tax payable by the corporation equal to \$10,000 or more was unpaid.

Failure to
complete
return

(2) Every corporation that fails to complete the information required on the return to be delivered under subsection 1 of section 66 is liable to a penalty of 1 per cent of the taxes payable by it under this Act, but such penalty shall not in any case be less than \$20 or more than \$100.

False
statements

(3) Every person who has,

- (a) made, or participated in, assented to or acquiesced in the making of, false or deceptive statements in a return, certificate, statement or answer delivered or made as required by or under this Act or the regulations;
- (b) to evade payment of a tax imposed by this Act, destroyed, altered, mutilated, secreted or otherwise disposed of the records or books of account of a corporation;
- (c) made, or assented to or acquiesced in the making of, false or deceptive entries, or omitted, or assented to or acquiesced in the omission, to enter a material particular, in records or books of account of a corporation;
- (d) wilfully in any manner evaded or attempted to evade compliance with this Act or payment of taxes imposed by this Act; or
- (e) conspired with any person to commit an offence described by clauses *a* to *d*,

is guilty of an offence and, in addition to any penalty otherwise provided by this Act, is liable on summary conviction to a fine of not less than \$25 and not more than \$10,000 plus, in an appropriate case, an amount of not more than double the amount of the tax that should have been shown to be payable or that was sought to be evaded, or to imprisonment for a term of not more than two years, or to both fine and imprisonment. R.S.O. 1950, c. 72, s. 18, *amended*.

68. The Treasurer may enlarge the time for making any return before or after the time for making it. R.S.O. 1950, c. 72, s. 19. ^{Extended time for making returns}

DIVISION B—PAYMENTS

69.—(1) The taxes imposed by this Act shall be deemed to accrue proportionately as the days of each fiscal year for which such taxes are imposed pass. ^{Taxes, when to accrue}

(2) Every corporation on which a tax is imposed by this Act shall pay the tax, as estimated by the corporation on its taxable income or other subject for the last preceding fiscal year or for the fiscal year in respect of which the tax is payable, at the rates applicable for the last-mentioned fiscal year, in four equal instalments, ^{Dates of payment}

- (a) on or before the fifteenth day of the fifth, eighth and eleventh months of the fiscal year in respect of which the tax is payable; and
- (b) on or before the fifteenth day of the second month of the fiscal year following that in respect of which the tax is payable.

(3) Notwithstanding subsection 2 and subject to subsection 4 of section 70, where for the purposes of this section any corporation estimates the amount of tax payable for a fiscal year to be less than \$81, the corporation may, instead of paying the instalments required by subsection 2, pay such tax on or before the fifteenth day of the second month of the fiscal year following that in respect of which the tax is payable. ^{Special cases}

(4) Every corporation shall pay the amount if any by which any tax payable as estimated by the corporation to be payable in the return required to be delivered by subsection 1 of section 66 exceeds the amounts paid under subsection 2 or 3, as the case may be, at the time of making such return. R.S.O. 1950, c. 72, s. 20 (1, 2), *amended*. ^{Balance of tax, when payable}

70.—(1) Where the amount paid on account of tax payable by a corporation for a fiscal year before the expiration of the time allowed for delivering of the return of the corporation ^{Interest on unpaid tax}

under section 66 is less than the amount of tax payable for the fiscal year, the corporation liable to pay the tax shall pay interest on the difference between those two amounts from the expiration of the time for delivering the return to the date of payment at the rate of 6 per cent per annum.

Idem

(2) Where a corporation is required by subsection 2 of section 69 to pay a part or instalment of tax and it has failed to pay all or any part thereof as required, the corporation, in addition to the interest payable under subsection 1, shall pay interest on the amount it failed to pay at 6 per cent per annum from the day on or before which it was required to make the payment to the day of payment or the beginning of the period in respect of which it becomes liable to pay interest thereon under subsection 1, whichever is earlier. R.S.O. 1950, c. 72, s. 20 (3, 4), *amended*.

Special cases

(3) In addition to the interest payable under subsection 1, where a corporation paid tax for a fiscal year under subsection 3 of section 69 and the tax payable for the fiscal year is \$81 or more, it shall forthwith after assessment pay an amount equal to 3 per cent of the tax payable by the corporation for the fiscal year. *New*.

Interest on unpaid tax

(4) The interest payable under subsection 2 and the penalty interest payable under subsection 6 shall be computed by reference to the tax payable by a corporation for,

(a) the last preceding fiscal year; or

(b) the fiscal year in respect of which the tax is payable,

whichever is less, and where a corporation has paid tax for a fiscal year under subsection 3 of section 69 and where the tax payable by the corporation,

(c) for the last preceding fiscal year; and

(d) for the fiscal year in respect of which the tax is payable,

are both \$81 or more, the corporation shall be deemed to have been in default of payment of tax as required by subsection 2 of section 69 and shall pay interest and penalty interest in respect thereof as required by subsections 2 and 6 and in such case subsection 3 does not apply. R.S.O. 1950, c. 72, s. 20 (5), *amended*.

Effect of carry-back of loss

(5) Where a corporation is entitled to deduct under section 37 in computing its taxable income for a taxation year an

amount in respect of a loss sustained in the fiscal year immediately following the taxation year, hereinafter in this subsection referred to as "the loss year", for the purpose of computing interest and penalty interest under this section on tax or a part or instalment of tax for the taxation year for any portion of the period in respect of which the interest is payable on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct any amount under section 37 in respect of that loss.

(6) In addition to the interest payable under subsections 1 and 2, every corporation required by section 69 to pay a part or instalment or the whole of the tax for a fiscal year on or before the day on or before which a return under subsection 1 of section 66 is required to be delivered for that fiscal year shall pay penalty interest on any part or instalment or the whole of such tax that remains unpaid more than one month after the day such part or instalment or such whole was required to be paid by section 69 at the rate of one-half of 1 per cent per month or part thereof calculated with respect to each part or instalment or the whole of such tax, as the case may be, from one month following the date on or before which each part or instalment or the whole of such tax, as the case may be, is required to be paid by section 69 until the date of payment. *New.*

DIVISION C—ASSESSMENTS

71.—(1) The Treasurer shall with all due despatch examine each return delivered under section 66 and assess the tax for the fiscal year and the interest and penalties if any payable. R.S.O. 1950, c. 72, s. 21 (1), *amended*.

(2) After examination of a return, the Treasurer shall send by registered mail a notice of assessment to the corporation which delivered the return. R.S.O. 1950, c. 72, s. 21 (10), *part, amended*.

(3) Liability for tax imposed by this Act is not affected by an incorrect or incomplete assessment or by the fact that no assessment has been made.

(4) The Treasurer may at any time assess tax, interest or penalties and may at any time re-assess or make additional assessments. R.S.O. 1950, c. 72, s. 21 (12), *amended*.

(5) Where a corporation has delivered the return required by section 66 for a fiscal year and, within one year from the day on or before it was required by section 66 to deliver a

return for that fiscal year, has filed an amended return for the fiscal year claiming a deduction from income under clause *c* of section 37 in respect of a business loss sustained in the fiscal year immediately following that fiscal year, the Treasurer shall re-assess the tax payable by the corporation for that fiscal year. *New*.

Treasurer
not bound
by returns

(6) The Treasurer is not bound by a return or information delivered by or on behalf of a corporation and may, notwithstanding a return or information so delivered or if no return or information has been delivered, assess the tax payable under this Act. R.S.O. 1950, c. 72, s. 21 (9), *amended*.

Assessment
valid and
binding

(7) An assessment, subject to being varied or vacated on an objection or appeal and subject to a re-assessment, shall be deemed to be valid and binding notwithstanding any error, defect or omission therein or in any proceeding under this Act relating thereto. R.S.O. 1950, c. 72, s. 33, *amended*.

Payment
of
assessment

72. Every corporation shall within thirty days from the day of mailing of the notice of assessment pay any part of the assessed tax, interest and penalties then remaining unpaid, whether or not an objection to or appeal from the assessment is outstanding. R.S.O. 1950, c. 72, s. 21 (10), *part, amended*.

DIVISION D—REFUNDS OF OVERPAYMENTS

Refunds

73.—(1) If the return required to be delivered by a corporation under section 66 for a fiscal year has been delivered within two years from the end of that fiscal year, the Treasurer,

- (a) may, upon mailing the notice of assessment for the fiscal year, refund without application therefor any overpayment made on account of the tax payable for the fiscal year; and
- (b) shall make such a refund after mailing the notice of assessment if application therefor has been made in writing by the corporation within two years from the day on which the overpayment was made or the day on which the notice of assessment was mailed. R.S.O. 1950, c. 72, s. 21 (11), *part, amended*.

Application
to other
taxes

(2) Instead of making a refund that might otherwise be made under this section, the Treasurer may, where the corporation is liable or about to become liable to make another payment under this Act, apply the amount of the overpayment to that other liability and notify the corporation of such action. *New*.

(3) Where an amount in respect of an overpayment is refunded or applied under this section on other liability, interest at the rate of 3 per cent per annum shall be paid or applied thereon for the period commencing with the latest of, ^{Interest on over-payments}

- (a) the day on which the overpayment arose;
- (b) the day on or before which the return of the corporation in respect of which the overpayment arose was required by section 66 to be delivered; or
- (c) the day on which the return of the corporation in respect of which the overpayment arose was delivered,

and ending with the day of refunding or application aforesaid, unless the amount of the interest so calculated is less than \$1, in which event no interest shall be paid or applied under this subsection. R.S.O. 1950, c. 72, s. 21 (11), *part, amended*.

(4) Where by a decision of the Treasurer under section 74 or by a decision of a court it is finally determined that the tax payable under this Act by a corporation for a fiscal year is less than the amount assessed by the assessment under section 71 to which objection was made or from which the appeal was taken and the decision makes it appear that there has been an overpayment for the fiscal year, the interest payable under subsection 3 on that overpayment shall be computed at 6 per cent instead of at 3 per cent. ^{Idem}

(5) For the purpose of this section, "overpayment" means the aggregate of all amounts paid on account of tax payable for a fiscal year minus all amounts payable under this Act or an amount so paid where no amount is so payable. ^{Interpretation}

(6) Where a corporation is entitled to deduct under section 37 in computing its taxable income for a taxation year an amount in respect of a loss sustained in the fiscal year immediately following the taxation year, hereinafter in this subsection referred to as "the loss year", and the amount of the tax payable for the taxation year is relevant in determining an overpayment for the purpose of computing interest under subsection 3 for any portion of a period ending on or before the last day of the loss year, the tax payable for the taxation year shall be deemed to be the amount that it would have been if the corporation were not entitled to deduct any amount under section 37 in respect of that loss. ^{Effect of carry-back of loss} *New*.

DIVISION E—OBJECTIONS TO ASSESSMENT

74.—(1) A corporation that objects to an assessment under this Act may within sixty days from the day of mailing of ^{Notice of objection}

the notice of assessment serve on the Treasurer a notice of objection in duplicate in the prescribed form setting out the reasons for the objection and all relevant facts.

Service

(2) A notice of objection under this section shall be served by being sent by registered mail to the Comptroller.

**Recon-
sideration**

(3) Upon receipt of the notice of objection, the Treasurer shall with all due despatch reconsider the assessment and vacate, confirm or vary the assessment or re-assess and he shall thereupon notify the corporation of his action by registered letter. *New.*

DIVISION F—APPEALS

Appeal

75.—(1) Where a corporation has served notice of objection to an assessment under section 74, the corporation may appeal to the Supreme Court to have the assessment vacated or varied after the Treasurer has confirmed or re-assessed, but no appeal under this section may be instituted after the expiration of ninety days from the day notice has been mailed to the corporation under section 74 that the Treasurer has confirmed the assessment or re-assessed. R.S.O. 1950, c. 72, s. 24, *amended.*

**Appeals,
how
instituted**

(2) An appeal to the Supreme Court shall be instituted by serving on the Treasurer a notice of appeal in duplicate in the prescribed form and by filing a copy thereof with the Registrar of the Supreme Court or the local registrar of the Supreme Court for the county or district in which the corporation appealing has its head office or other permanent establishment.

**Notice of
appeal**

(3) A notice of appeal shall be served upon the Treasurer by being sent by registered mail to the Comptroller.

**Statement
of
allegations**

(4) The corporation appealing shall set out in the notice of appeal a statement of the allegations of fact, the statutory provisions and reasons which it intends to submit in supporting its appeal. *New.*

**Security
for
costs**

(5) An appeal by a corporation and all proceedings thereunder are, upon the expiration of sixty days from the day the appeal is instituted, null and void unless security for the costs of the appeal has been, within the said period, paid into court in the sum of \$400 or such other sum as the Treasurer may require and, upon an appeal becoming null and void by virtue of this subsection, no other appeal or proceedings shall be instituted in respect of the same decision.

Idem

(6) When security has been given under subsection 5, notice thereof shall be served on the Treasurer specifying

the fact and the purpose of the payment. R.S.O. 1950, c. 72, s. 25, *amended*.

76.—(1) The Treasurer shall with all due despatch serve ^{Reply to} on the corporation appealing and file in the court a reply ^{notice of} appeal to the notice of appeal admitting or denying the facts alleged and containing a statement of such further allegations of fact and of such statutory provisions and reasons as the Treasurer intends to rely on.

(2) The court or a judge may in its or his discretion strike ^{Amendment} out a notice of appeal or any part thereof for failure to comply ^{of notice} with subsection 4 of section 75 and may permit an amendment ^{of appeal} to be made to a notice of appeal or a new notice of appeal to be substituted for the one struck out.

(3) The court or a judge may in its or his discretion, ^{Amendment} to reply

(a) strike out any part of a reply for failure to comply with subsection 1 or permit the amendment of a reply; or

(b) strike out a reply for failure to comply with this section and order a new reply to be filed within a time to be fixed by the order.

(4) Where a notice of appeal is struck out for failure to ^{Failure} comply with subsection 4 of section 75 and a new notice of ^{to} appeal is not filed as and when permitted by the court or a judge, the court or a judge thereof may, in its or his discretion, dispose of the appeal by dismissing it.

(5) Where a reply is not filed as required by this section ^{Idem} or is struck out under this section and a new reply is not filed as ordered by the court or a judge within the time ordered, the court may dispose of the appeal *ex parte* or after a hearing on the basis that the allegations of fact contained in the notice of appeal are true. *New*.

77.—(1) Upon the filing of the material referred to with ^{Matter} the Registrar of the Supreme Court or the local registrar of ^{deemed} the Supreme Court for the county or district in which the ^{action} corporation appealing has its head office or permanent establishment of the material referred to in sections 75 and 76, the matter shall be deemed to be an action in the court and, unless the court otherwise orders, ready for hearing.

(2) Any fact or statutory provision not set out in the notice ^{Facts not} of appeal or reply may be pleaded or referred to in such ^{set out} manner and upon such terms as the court may direct. ^{may be} ^{pleaded}

Disposal
of appeal

(3) The court may dispose of the appeal by,

(a) dismissing it;

(b) allowing it; or

(c) allowing it, and

(i) vacating the assessment,

(ii) varying the assessment,

(iii) restoring the assessment, or

(iv) referring the assessment back to the Treasurer for reconsideration and re-assessment.

Court may
order
payment of
tax, etc.

(4) The Court may in delivering judgment disposing of an appeal order payment or refund of tax, interest, penalties or costs by the taxpayer or the Treasurer, as the case may be. *New.*

Proceedings
in camera

78. Proceedings under this Division shall be held in camera upon request made to the court by the corporation appealing or by the Treasurer. R.S.O. 1950, c. 72, s. 32, *amended.*

Supreme
Court
practice
to govern

79. The practice and procedure of the Supreme Court, including the right of appeal and the practice and procedure relating to appeals, apply to every matter deemed to be an action under section 77 and every judgment and order given or made in every such action may be enforced in the same manner and by the like process as a judgment or order given or made in an action commenced in the court. R.S.O. 1950, c. 72, s. 27 (3), *amended.*

Irregularities

80. An assessment shall not be vacated or varied on appeal by reason only of any irregularity, informality, omission or error on the part of any person in the observation of any directory provision of this Act. R.S.O. 1950, c. 72, s. 31, *amended.*

PART VI

ADMINISTRATION AND ENFORCEMENT

Investi-
gations

81.—(1) Any person thereunto authorized by the Treasurer for any purpose related to the administration or enforcement of this Act may at all reasonable times enter into any premises or place where any business is carried on or any property is kept or anything is done in connection with any business or any books or records are or should be kept pursuant to this Act, and,

- (a) audit or examine the books and records and any account, voucher, letter, telegram or other document which relates or may relate to the information that is or should be in the books or records or the amount of tax payable under this Act;
- (b) examine property described by an inventory or any property, process or matter an examination of which may, in his opinion, assist him in determining the accuracy of an inventory or in ascertaining the information that is or should be in the books or records or the amount of any tax payable under this Act;
- (c) require the president, manager, secretary or any director, agent or representative of the corporation liable to pay or considered possibly liable to pay tax under this Act and any other person on the premises of such corporation to give him all reasonable assistance with his audit or examination and to answer all questions relating to the audit or examination either orally or, if he so requires, in writing, on oath or by statutory declaration and, for that purpose, require such person to attend at the premises or place with him; and
- (d) if during the course of an audit or examination it appears to him that there has been a violation of this Act or the regulations, seize and take away any of the records, books, accounts, vouchers, letters, telegrams and other documents and retain them until they are produced in any court proceedings. *New.*

(2) The Treasurer may, for any purpose relating to the *Idem* administration or enforcement of this Act, by registered letter or by a demand served personally, require from any corporation or from the president, manager, secretary, or any director, agent or representative thereof,

- (a) any information or additional information or a return as required by section 66 or a supplementary return; or
- (b) production, or production on oath, of any books, letters, accounts, invoices, statements, financial or otherwise, or other documents,

within such reasonable time as may be stipulated therein.

(3) The Treasurer may, for any purpose related to the *Idem* administration or enforcement of this Act, by registered

letter or by a demand served personally, require from any person, partnership, syndicate, trust or corporation holding or paying or liable to pay any portion of the income of the corporation, or from any partner, agent or official of any such person, partnership, syndicate, trust or corporation, production, or production on oath, of any books, letters, accounts, invoices, statements, financial or otherwise, or other documents, within such reasonable time as may be stipulated therein. R.S.O. 1950, c. 72, s. 21 (2, 3), *amended*.

Idem

(4) The Treasurer may, for any purpose related to the administration or enforcement of this Act, with the approval of a judge of the Supreme Court, which approval the judge is hereby empowered to give upon *ex parte* application, authorize in writing any officer of the Office of the Comptroller of Revenue, together with such members of the provincial police or other peace officers as he calls on to assist him and such other persons as may be named therein, to enter and search, if necessary by force, any building, receptacle or place for documents, books, records, papers or things which may afford evidence as to the violation of any provision of this Act or the regulations and to seize and take away any such documents, books, records, papers or things and retain them until they are produced in any court proceedings.

Inquiry

(5) The Treasurer may, for any purpose related to the administration or enforcement of this Act, authorize any person, whether or not he is an officer of the Office of Comptroller of Revenue, to make such inquiry as he may deem necessary with reference to anything relating to the administration or enforcement of this Act.

Copies

(6) Where any book, record or other document has been seized, examined or produced under this section, the person by whom it is seized or examined or to whom it is produced or any officer of the Office of Comptroller of Revenue may make, or cause to be made, one or more copies thereof and a document purporting to be certified by the Treasurer or a person thereunto authorized by the Treasurer to be a copy made pursuant to this section is admissible in evidence and has the same probative force as the original document would have if it had been proven in the ordinary way.

Compliance

(7) No person shall hinder or molest or interfere with any person doing anything that he is authorized by this section to do or prevent or attempt to prevent any person doing any such thing and, notwithstanding any other law to the contrary, every person shall, unless he is unable to do so, do everything he is required by this section to do. *New*.

(8) Declarations or affidavits in connection with returns delivered under this Act or statements of information submitted pursuant to this section may be taken before any person having authority to administer an oath, or before any person specially authorized for that purpose by the Lieutenant-Governor in Council, but any person so specially authorized shall not charge any fee therefor. R.S.O. 1950, c. 72, s. 44, *amended*. ^{Administration of oaths}

(9) For the purpose of an inquiry authorized under subsection 5, the person authorized to make the inquiry has all the powers and authority that may be conferred upon a commissioner appointed under *The Public Inquiries Act*. R.S.O. 1950, c. 308 ^{Powers of inquiry}, *amended*.

82.—(1) Every corporation that is required by this Act to pay taxes shall keep records and books of account, including an annual inventory kept in the prescribed manner, at its permanent establishment in Ontario or at such other place as may be designated by the Treasurer, in such form and containing such information as will enable the taxes payable under this Act to be determined. ^{Books and records}

(2) Where a corporation has failed to keep adequate records and books of account for the purpose of this Act, the Treasurer may require the corporation to keep such records and books of account as he may specify and the corporation shall thereafter keep records and books of account as so required. ^{Idem}

(3) Every corporation required by this section to keep records and books of account shall, until written permission for their disposal is obtained from the Treasurer, retain every such record or book of account and every account or voucher necessary to verify the information in any such records or books of account. R.S.O. 1950, c. 72, s. 21 (5), *amended*. ^{Idem}

83.—(1) Every corporation that has failed to deliver a return as and when required by this Act or the regulations is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of not less than \$25 for each day of default. ^{Offences}

(2) Every corporation that has failed to comply with or contravened section 81 or 82 is guilty of an offence and, in addition to any penalty otherwise provided, is liable on summary conviction to a fine of \$25 for each day during which the default continues. R.S.O. 1950, c. 72, s. 21 (2, 3, 6), *amended*. ^{Idem}

Officers,
etc., of
corporations

84. Where a corporation is guilty of an offence under this Act, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in, or participated in, the commission of the offence is a party to and guilty of the offence and is liable on summary conviction to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted. *New.*

Communi-
cation of
information

85.—(1) No person employed in the service of Her Majesty shall communicate or allow to be communicated to any person not legally entitled thereto any information obtained under this Act or allow any such person to inspect or have access to any written statement furnished under this Act.

Offence
and
penalty

(2) Every person who violates any provision of this section is guilty of an offence and on summary conviction is liable to a penalty of not more than \$200. R.S.O. 1950, c. 72, s. 45, *amended.*

Collection

Priority
of tax

86.—(1) All taxes, interest, penalties, costs and other amounts payable under this Act are debts due to Her Majesty and are a first lien and charge upon the property in Ontario of the corporation liable to pay such taxes, interest, penalties, costs and other amounts, but such lien and charge does not apply to any mine as defined in *The Mining Tax Act* until the corporation owning the mine has become liable for the payment of a tax on mining profits under *The Mining Tax Act*.

R.S.O. 1950,
c. 237

Tax and
penalty to
be lien on
property

(2) All taxes, interest, penalties, costs and other amounts payable under this Act by a corporation that owns, operates or uses a railway are a special lien on any property, real or personal, in which the corporation has any interest, legal or equitable (other than as lessee or under any agreement for running rights or operating rights) in priority to every claim, privilege, lien or encumbrance, whenever created, of every person, and the lien and its priority shall not be lost or impaired by any neglect, omission or error of any minister, officer, servant or agent of the Crown, or by want of registration. R.S.O. 1950, c. 72, s. 36, *amended.*

Garnishment

87.—(1) When the Treasurer has knowledge or suspects that a person is or is about to become indebted or liable to make any payment to a corporation liable to make a payment under this Act, he may, by registered letter or by a letter served personally, require him to pay the moneys otherwise payable to that corporation in whole or in part to the Treasurer on account of the liability under this Act.

Idem

(2) The receipt of the Treasurer for moneys paid as required under this section is a good and sufficient discharge of the original liability to the extent of the payment.

(3) Every person who has discharged any liability to a corporation liable to make a payment under this Act without complying with a requirement under this section is liable to pay to Her Majesty in right of Ontario an amount equal to the liability discharged or the amount that he was required under this section to pay to the Treasurer, whichever is the lesser. R.S.O. 1950, c. 72, c. 35, *amended*.

(4) Where a person who is or is about to become indebted or liable to make a payment to a corporation liable to make a payment under this Act carries on business under a name or style other than his own name, the registered or other letter under subsection 1 may be addressed to the name or style under which he carries on business and, in the case of personal service, shall be deemed to have been validly served if it has been left with an adult person employed at the place of business of the addressee.

(5) Where the persons who are or are about to become indebted or liable to make any payment to a corporation liable to make a payment under this Act carry on business in partnership, the registered or other letter under subsection 1 may be addressed to the partnership name and, in the case of personal service, shall be deemed to have been validly served if it has been served on one of the partners or left with an adult person employed at the place of business of the partnership. *New*.

88.—(1) Upon default of payment by a corporation of any tax, interest or penalty or any of them imposed upon a corporation by this Act,

- (a) the Treasurer may bring an action for the recovery thereof in any court in which a debt or money demand of a similar amount may be collected, and every such action shall be brought and executed in and by the name of the Treasurer or his name of office and may be continued by his successor in office as if no change had occurred, and shall be tried without a jury;
- (b) the Treasurer may issue a warrant, directed to the sheriff of any county or district in which any property of the corporation is located or situate, for the amount of the tax, interest and penalty or any of them owing by the corporation, together with interest thereon from the date of the issue of the warrant and the costs, expenses and poundage of the sheriff, and such warrant has the same force and effect as a writ of execution issued out of the Supreme Court. R.S.O. 1950, c. 72, s. 34 (1), *amended*.

Com-
pliance
of Treasurer
to be
proved by
affidavit

(2) For the purpose of any proceeding taken under this Act, the facts necessary to establish compliance on the part of the Treasurer with this Part as well as the failure of any person, partnership, syndicate, trust or corporation to comply with the requirements of this Part shall, unless evidence to the contrary satisfactory to the court is adduced, be sufficiently proven in any court of law by affidavit of the Treasurer or of any officer of the Treasury Department. R.S.O. 1950, c. 72, s. 21 (7), *amended*.

Remedies
for
recovery
of tax
and
penalty

89. The use of any of the remedies provided by sections 87 and 88 does not bar or affect any of the other remedies therein provided, and the remedies provided by this Act for the recovery or enforcement of the payment of any tax, interest and penalty or any of them imposed by this Act are in addition to any other remedies existing by law, and no action or other proceeding taken in any way prejudices, limits or affects any lien, charge or priority existing under this Act or otherwise. R.S.O. 1950, c. 72, s. 34 (3), *amended*.

Notice to
be given
Treasurer
of sale of
company's
capital
assets

90.—(1) Where a corporation has failed to pay taxes, interest and penalties or any of them imposed by this Act for a period of more than three years from the date of mailing of the notice of assessment provided by subsection 2 of section 71, no person shall sell any capital assets of the corporation unless he has given written notice by registered letter to the Treasurer not less than ten days before the date of the sale.

Penalty

(2) Every person who violates the provisions of subsection 1 is liable to a penalty of not less than an amount equal to the amount of such taxes, interest and penalties in default and such penalty is recoverable by action in any court in which a debt or money demand of a similar amount may be collected. R.S.O. 1950, c. 72, s. 37, *amended*.

Compromis-
ing
disputes as
to liability
for taxes

91. If any doubt or dispute arises as to the liability of a corporation to pay a tax or any portion of a tax demanded under the authority of this Act, or if owing to special circumstances it is deemed inequitable to demand payment of the whole amount imposed by this Act, the Treasurer may accept such amount as he deems proper. R.S.O. 1950, c. 72, s. 38, *amended*.

General
penalty

92. Every person who, and every corporation that, contravenes or fails to comply with any of the provisions of this Act or the regulations for which no other penalty is provided is guilty of an offence and on summary conviction is liable to a fine of not less than \$50 and not more than \$500. R.S.O. 1950, c. 72, s. 39, *amended*.

93. The fines imposed for offences under this Act are payable to the Treasurer. R.S.O. 1950, c. 72, s. 34 (2), ^{Fines payable to the Treasurer} amended.

94. The Lieutenant-Governor in Council may make Regulations regulations,

- (a) authorizing or requiring the Deputy Treasurer or any officer of the Treasury Department to exercise any power or perform any duty conferred or imposed upon the Treasurer by this Act;
- (b) providing for the issuance of certificates as to the amount of taxes, interest and penalties or any of them owing by any corporation under this Act and prescribing the fee payable therefor;
- (c) prescribing anything that by this Act is to be prescribed or is to be determined or regulated by the regulations;
- (d) prescribing amendments to the provisions of Part III and to the provisions of Part II that relate to the allocation of taxable income and taxable paid-up capital between Ontario and any other jurisdiction, such amendments to remain effective only if enacted by the Legislature at the first regular session after such amendments have been prescribed;
- (e) respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act. *New.*

PART VII

TRANSITIONAL PROVISIONS

95.—(1) Notwithstanding section 4, the tax as calculated thereunder shall be reduced in the case of any corporation the fiscal year of which does not coincide with the calendar year but ends in the calendar year 1957 in the proportion of the total tax which the number of days of such fiscal year that are in the calendar year 1956 bears to the total number of days of such fiscal year. ^{Income tax reduced in 1957}

(2) Where the amount of the tax imposed by section 4 on a corporation is reduced under subsection 1, the amount of the tax as so reduced is, notwithstanding section 12, the amount of the deduction allowed by section 12. ^{Effect of reduced income tax on sec. 12} *New.*

Extension
of
payment

96.—(1) Notwithstanding subsections 2 and 3 of section 69, every corporation that would but for this section have been liable to pay an instalment or part or the whole of the taxes imposed under this Act before the 15th day of May, 1957, shall pay such parts, instalments or the whole of such taxes on or before the 15th day of May, 1957.

Idem

(2) Interest, penalty interest, and any other penalties that would otherwise apply as from an earlier date under any section of this Act but for the provisions of subsection 1 apply as from the 15th day of May, 1957.

Effect in
transition
of ss. 69
and 70

(3) Where in any case the last preceding fiscal year of a corporation is a fiscal year ending during 1956, the amount of the tax payable for that fiscal year, for the purposes of sections 69 and 70, is the amount that would have been payable by that corporation for that fiscal year had the provisions of this Act been effective in respect of the fiscal years of corporations ending during 1956. *New.*

Effect of
R.S.O. 1952,
c. 148 on
this Act

97. Notwithstanding any provision of this Act and in order that corporations that become taxable under this Act may be dealt with under this Act on the same basis and in the same manner as they will be dealt with under the *Income Tax Act* (Canada) with respect to fiscal years of such corporations ending in 1957 and later fiscal years, the provisions of the *Income Tax Act* (Canada) and every predecessor thereof affecting the determination of taxable income as they have been in force from time to time shall be deemed, for the purposes of this Act, to have been applied in determining the taxable incomes of such corporations for fiscal years thereof ending in calendar years before 1957, at the same time and to the same extent as they were applicable under those Acts. *New.*

PART VIII

MISCELLANEOUS

Application
of R.S.O.
1950, c. 72
and this
Act

98.—(1) *The Corporations Tax Act* applies to corporations in respect of all fiscal years ending before or during 1956 and this Act applies thereafter, provided that the provisions of this Act relating to the collection of taxes apply to the collection of taxes under *The Corporations Tax Act*.

R.S.O. 1950,
c. 72;
1952, c. 13;
1953, c. 22,
repealed

(2) Subject to subsection 1, *The Corporations Tax Act*, *The Corporations Tax Amendment Act, 1952* and *The Corporations Tax Amendment Act, 1953* are repealed.

Commence-
ment

99. This Act comes into force on the day it receives Royal Assent.

Short title

100. This Act may be cited as *The Corporations Tax Act, 1957*.



The Corporations Tax Act, 1957

1st Reading

February 26th, 1957

2nd Reading

March 19th, 1957

3rd Reading

March 29th, 1957

Mr. PORTER

No. 112

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to repeal The Income Tax Act

MR. PORTER

EXPLANATORY NOTE

The Income Tax Act was passed in 1950. It has not been proclaimed in force because under the Ontario-Canada taxes suspension agreement Ontario agreed to suspend its income tax on individuals during the years 1952-56 inclusive.

Arrangements similar in principle are being negotiated for the next 5-year period. See Bill No. 113 *An Act to authorize an Income Tax Rental Agreement*.

The Income Tax Act is obsolete for all practical purposes. It is therefore repealed.

No. 112

1957

BILL

An Act to repeal The Income Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Income Tax Act* is repealed. R.S.O. 1950,
c. 175,
repealed
2. This Act comes into force on the day it receives Royal Assent. Commence-
ment
3. This Act may be cited as *The Income Tax Repeal Act*, Short title
1957.

BILL

An Act to repeal
The Income Tax Act

1st Reading

February 26th, 1957

2nd Reading

3rd Reading

Mr. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to authorize an
Income Tax Rental Agreement

MR. PORTER

EXPLANATORY NOTES

SECTION 1. This Act will authorize the making of an Ontario-Canada agreement under which Ontario will rent to Canada its right to impose an income tax on the residents of Ontario for a consideration payable by Canada to Ontario of 10 per cent of the tax otherwise payable by those persons under the *Income Tax Act* (Canada) for the years 1957 to 1961 on the basis of the rates applicable under that Act in 1956.

BILL

An Act to authorize an Income Tax Rental Agreement

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) The Treasurer of Ontario is hereby authorized on ^{Agreement authorized} behalf of Her Majesty the Queen in right of Ontario to negotiate and sign an agreement between the Government of Canada and the Government of Ontario in such form and to such effect as the Lieutenant-Governor in Council may approve whereby Ontario and its municipalities will refrain from levying individual income taxes as defined in the agreement in respect of the period of five years commencing on the 1st day of January, 1957, and ending on the 31st day of December, 1961, in consideration of an annual amount payable by Canada to Ontario for each of the fiscal years in respect of which the agreement is entered into which is equal to the standard individual income tax applicable to the fiscal year.

(2) In this section, “fiscal year” means a period of twelve ^{Fiscal year} months commencing on the 1st day of April of any year and ending on the 31st day of March of the next following year.

(3) In this section but subject to subsection 4, “standard ^{Standard individual income tax} individual income tax” for a fiscal year means the amount that would be derived from a tax,

- (a) on the incomes of individuals resident in Ontario on the last day of the calendar year ending in the fiscal year; and
- (b) on the incomes earned in that calendar year in Ontario by individuals resident outside Canada,

equal to 10 per cent of the total amount payable under the *Income Tax Act* (Canada) on those incomes but not including ^{R.S.C. 1952, c. 148} the old age security tax imposed by subsection 3 of section 40 of the *Old Age Security Act* (Canada). ^{R.S.C. 1952, c. 200}

Alteration
of rate

R.S.C. 1952,
c. 148

(4) Where from time to time by reason of a change in the rates of tax imposed or in the personal exemptions or allowances for dependants provided by the *Income Tax Act* (Canada) the effective rate of individual income tax differs from the corresponding effective rate applicable on the 6th day of January, 1956, the rate of 10 per cent referred to in subsection 3 shall be altered in relation to the corresponding effective rate so that the ratio of the new rate to 10 cents varies inversely with the ratio of the new effective rate to the effective rate applicable on the 6th day of January, 1956.

R.S.O. 1950,
c. 176,
repealed

2. *The Income Tax Agreement Act* is repealed.

Commence-
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. This Act may be cited as *The Income Tax Rental Agreement Act, 1957*.

SECTION 2. *The Income Tax Agreement Act*, which was passed in 1950, is spent. It is therefore repealed.



BILL

An Act to authorize
an Income Tax Rental Agreement

1st Reading

February 26th, 1957

2nd Reading

3rd Reading

MR. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to authorize an
Income Tax Rental Agreement

MR. PORTER



BILL

An Act to authorize an Income Tax Rental Agreement

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) The Treasurer of Ontario is hereby authorized on ^{Agreement} ^{authorized} behalf of Her Majesty the Queen in right of Ontario to negotiate and sign an agreement between the Government of Canada and the Government of Ontario in such form and to such effect as the Lieutenant-Governor in Council may approve whereby Ontario and its municipalities will refrain from levying individual income taxes as defined in the agreement in respect of the period of five years commencing on the 1st day of January, 1957, and ending on the 31st day of December, 1961, in consideration of an annual amount payable by Canada to Ontario for each of the fiscal years in respect of which the agreement is entered into which is equal to the standard individual income tax applicable to the fiscal year.

(2) In this section, “fiscal year” means a period of twelve ^{Fiscal} ^{year} months commencing on the 1st day of April of any year and ending on the 31st day of March of the next following year.

(3) In this section but subject to subsection 4, “standard ^{Standard} ^{individual} ^{income tax} individual income tax” for a fiscal year means the amount that would be derived from a tax,

- (a) on the incomes of individuals resident in Ontario on the last day of the calendar year ending in the fiscal year; and
- (b) on the incomes earned in that calendar year in Ontario by individuals resident outside Canada,

equal to 10 per cent of the total amount payable under the *Income Tax Act* (Canada) on those incomes but not including ^{R.S.C. 1952,} ^{c. 148} the old age security tax imposed by subsection 3 of section 10 of the *Old Age Security Act* (Canada). ^{R.S.C. 1952,} ^{c. 200}

Alteration
of rate

R.S.C. 1952,
c. 148

(4) Where from time to time by reason of a change in the rates of tax imposed or in the personal exemptions or allowances for dependants provided by the *Income Tax Act* (Canada) the effective rate of individual income tax differs from the corresponding effective rate applicable on the 6th day of January, 1956, the rate of 10 per cent referred to in subsection 3 shall be altered in relation to the corresponding effective rate so that the ratio of the new rate to 10 per cent varies inversely with the ratio of the new effective rate to the effective rate applicable on the 6th day of January, 1956.

R.S.O. 1950,
c. 176,
repealed

2. *The Income Tax Agreement Act* is repealed.

Commence-
ment

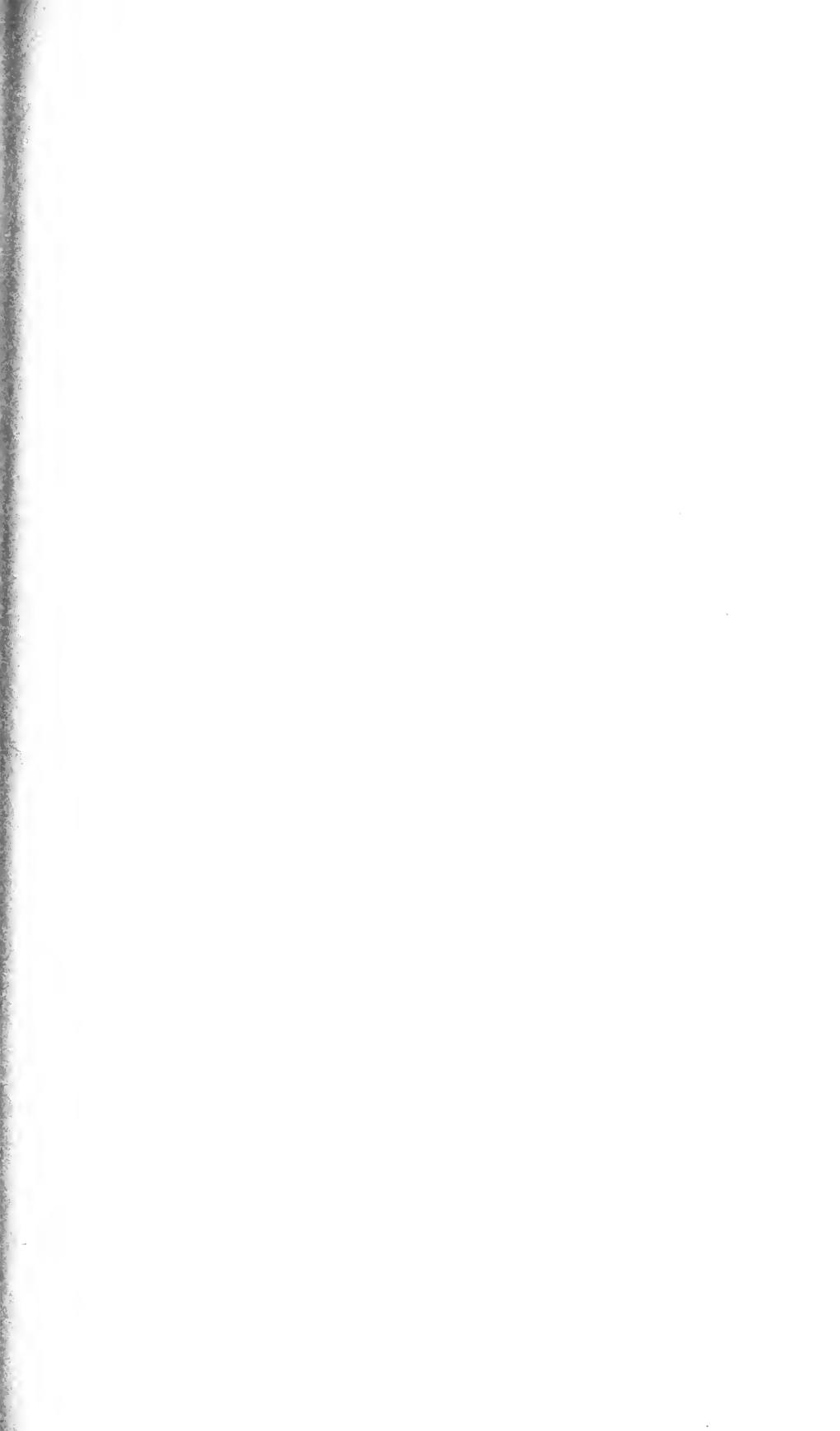
3. This Act comes into force on the day it receives Royal Assent.

Short title

4. This Act may be cited as *The Income Tax Rental Agreement Act, 1957*.







BILL

An Act to authorize
an Income Tax Rental Agreement

1st Reading

February 26th, 1957

2nd Reading

March 20th, 1957

3rd Reading

March 29th, 1957

MR. PORTER

No. 114

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Logging Tax Act

MR. PORTER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

The purpose of this bill is to extend the base upon which the tax applies to conform with the basis that is "the income from logging operations" as defined in the Canada-Ontario tax rental agreement now being negotiated and as mentioned in the Budget Address.

BILL

An Act to amend The Logging Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clauses *a, b, c* and *e* of section 1 of *The Logging Tax Act* are repealed and the following substituted therefor:

R.S.O. 1950,
c. 216, s. 1,
cls. *a, b, c,*
re-enacted;
cl. *c,*
repealed

- (a) "Comptroller" means Comptroller of Revenue;
- (b) "logging operations" includes the sale of standing timber, the sale of the right to cut standing timber, the sale of logs, the delivery of logs to a sawmill, pulp or paper plant or other place for processing or manufacturing, the delivery of logs to a carrier for export, the export of logs, the acquisition of standing timber, the acquisition of the right to cut standing timber, the cutting of logs from standing timber, the acquisition of logs, the import of logs, and the transportation of logs, or any combination of such operations;

.

- (c) "taxpayer" means any individual, partnership, association, syndicate or corporation that engages in logging operations in Ontario, and includes the heirs, executors, administrators, trustees and agents, as the case may be, of any of them.

2. Sections 2, 3 and 4 of *The Logging Tax Act* are repealed and the following substituted therefor:

R.S.O. 1950,
c. 216,
ss. 2, 3, 4,
re-enacted

- 2.--(1) Every taxpayer shall for every taxation year pay a tax of 9 per cent on the income in excess of \$10,000 that he derives during such year from logging operations.
- (2) There may be deducted from the tax otherwise payable by a taxpayer under this section for a taxation year an amount equal to 9 per cent of that portion

Deduction
from tax

of his income from logging operations in excess of \$10,000 that is earned in the taxation year outside Ontario.

Allocation
of income

- (3) The amount of income that shall be deemed to be earned outside Ontario for a taxation year is the total of the following amounts:

(a) that proportion of the difference between the income derived from logging operations by the taxpayer for the taxation year and the total of,

(i) the difference between the amount for which the taxpayer sold standing timber during the taxation year and the cost of acquisition thereof, and

(ii) the difference between the amount for which the taxpayer sold the right to cut standing timber during the taxation year and the cost of acquisition thereof,

that the quantity of logs cut or acquired by the taxpayer outside Ontario is of the total quantity of logs cut or acquired by the taxpayer during the taxation year; and

(b) the difference between the amount for which the taxpayer sold standing timber situated outside Ontario during the taxation year and the cost of acquisition thereof; and

(c) the difference between the amount for which the taxpayer sold the right to cut standing timber situated outside Ontario during the taxation year and the cost of acquisition thereof.

Operations
by same
person

- (4) For the purposes of determining liability to taxation under this Act, all logging operations owned, leased, worked or operated by the same taxpayer, or under the same general control, or the income from which accrues to the same taxpayer, shall be deemed to be and be dealt with as one and the same logging operation and not as separate logging operations.

Affiliated
corporations

- (5) In the case of logging operations carried on by two or more affiliated or associated corporations under the same general control, or the income from which accrues for the benefit of substantially the same

shareholders, the income from such operations shall be combined and dealt with as the income of one and the same taxpayer.

3. In this Act, "income derived from logging operations" means the net profit or gain of the taxpayer during the taxation year determined by deducting from the value of the logs disposed of the total cost to him of,

- (a) the acquisition of standing timber;
- (b) the acquisition of the right to cut standing timber;
- (c) cutting logs from standing timber;
- (d) the acquisition of logs;
- (e) the import of logs; and
- (f) the transportation of logs,

but excluding from such total cost any amount withdrawn by any individual or any member of a partnership, syndicate or association as salary or other remuneration if such individual, partnership, syndicate or association is a taxpayer.

4. In this Act, "value of logs disposed of" means, Interpre-
tation

- (a) in the case of the sale of standing timber, the amount for which the taxpayer sold it;
- (b) in the case of the sale of the right to cut standing timber, the amount for which the taxpayer sold such right whether on a stumpage, royalty or other basis used in calculating such amount;
- (c) in the case of the sale of logs, the amount for which the taxpayer sold them;
- (d) in the case of the delivery of logs to a sawmill, pulp or paper plant or place for processing logs operated by the taxpayer wherein the logs are processed or manufactured into a product, the difference between,

- (i) the sale value of such product,

and the total of,

- (ii) the cost of such processing or manufacturing, including capital cost allowances with respect to machinery, equipment, plant, buildings, works and improvements used therein and all charges relating to such processing or manufacturing except amounts withdrawn by any individual or any member of a partnership, syndicate or association as salary or other remuneration if such individual or partnership, syndicate or association is a taxpayer and except taxes payable under this Act, that would be deductible in computing the income of the taxpayer from such processing or manufacturing under Divisions A and B of Part III of *The Corporations Tax Act, 1957* and the regulations made thereunder if those Divisions were applicable to the taxpayer, and

1957, c.

- (iii) an amount by way of return of capital employed by the taxpayer in processing or manufacturing logs equal to 8 per cent of the original cost to him of the depreciable assets used by him in such processing or manufacturing, including machinery, equipment, plant, buildings, works and improvements, but such amount shall not be less than 35 per cent or more than 65 per cent of an amount equal to the difference between the taxable income derived by him from all sources, measured in accordance with Part III of *The Corporations Tax Act, 1957* but before the deduction under that Act of any tax payable under this Act, and the total of,

1957, c.

- (A) the returns received by him by way of dividends, interest or other like payments from stocks, shares, debentures, loans or other like investments, and

- (B) the net profit, if any, derived by him from and attributable

in accordance with sound accounting principles to the carrying on of any business or derived from and so attributable to any source other than logging operations and the processing or manufacturing of logs, and

(C) the net profit, if any, derived by him under clauses *a*, *b* and *c*,

and, whether such processing or manufacturing is within or outside Ontario,

(iv) the cost of transportation of the logs from the point of delivery to a carrier to the point of delivery to the sawmill, pulp or paper plant or other place used for the processing or manufacturing of the logs.

3. Subsection 1 of section 6 of *The Logging Tax Act* is amended by striking out "Controller" in the third line and inserting in lieu thereof "Comptroller". R.S.O. 1950, c. 216, s. 6, subs. 1, amended

4. Subsection 4 of section 14 of *The Logging Tax Act* is amended by striking out "Controller" in the fourth line and inserting in lieu thereof "Comptroller". R.S.O. 1950, c. 216, s. 14, subs. 4, amended

5. Section 15 of *The Logging Tax Act* is amended by striking out "Controller" in the third line and inserting in lieu thereof "Comptroller". R.S.O. 1950, c. 216, s. 15, amended

6. This Act comes into force on the day it receives Royal Assent and is effective with respect to the taxation year 1957 and subsequent taxation years. Commencement and application

7. This Act may be cited as *The Logging Tax Amendment Act, 1957*. Short title

BILL

An Act to amend
The Logging Tax Act

1st Reading

February 26th, 1957

2nd Reading

3rd Reading

MR. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Logging Tax Act

MR. PORTER



BILL

An Act to amend The Logging Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clauses *a*, *b*, *c* and *e* of section 1 of *The Logging Tax Act* are repealed and the following substituted therefor:

R.S.O. 1950,
c. 216, s. 1,
cls. *a*, *b*, *e*,
re-enacted;
cl. *c*,
repealed

- (a) "Comptroller" means Comptroller of Revenue;
- (b) "logging operations" includes the sale of standing timber, the sale of the right to cut standing timber, the sale of logs, the delivery of logs to a sawmill, pulp or paper plant or other place for processing or manufacturing, the delivery of logs to a carrier for export, the export of logs, the acquisition of standing timber, the acquisition of the right to cut standing timber, the cutting of logs from standing timber, the acquisition of logs, the import of logs, and the transportation of logs, or any combination of such operations;
-

- (e) "taxpayer" means any individual, partnership, association, syndicate or corporation that engages in logging operations in Ontario, and includes the heirs, executors, administrators, trustees and agents, as the case may be, of any of them.

2. Sections 2, 3 and 4 of *The Logging Tax Act* are repealed and the following substituted therefor:

R.S.O. 1950,
c. 216,
ss. 2, 3, 4,
re-enacted

2.—(1) Every taxpayer shall for every taxation year pay Tax a tax of 9 per cent on the income in excess of \$10,000 that he derives during such year from logging operations.

(2) There may be deducted from the tax otherwise payable by a taxpayer under this section for a taxation year an amount equal to 9 per cent of that portion

Deduction
from tax

of his income from logging operations in excess of \$10,000 that is earned in the taxation year outside Ontario.

Allocation
of income

- (3) The amount of income that shall be deemed to be earned outside Ontario for a taxation year is the total of the following amounts:

(a) that proportion of the difference between the income derived from logging operations by the taxpayer for the taxation year and the total of,

(i) the difference between the amount for which the taxpayer sold standing timber during the taxation year and the cost of acquisition thereof, and

(ii) the difference between the amount for which the taxpayer sold the right to cut standing timber during the taxation year and the cost of acquisition thereof,

that the quantity of logs cut or acquired by the taxpayer outside Ontario is of the total quantity of logs cut or acquired by the taxpayer during the taxation year; and

(b) the difference between the amount for which the taxpayer sold standing timber situated outside Ontario during the taxation year and the cost of acquisition thereof; and

(c) the difference between the amount for which the taxpayer sold the right to cut standing timber situated outside Ontario during the taxation year and the cost of acquisition thereof.

Operations
by same
person

- (4) For the purposes of determining liability of taxation under this Act, all logging operations owned, leased, worked or operated by the same taxpayer, or under the same general control, or the income from which accrues to the same taxpayer, shall be deemed to be and be dealt with as one and the same logging operation and not as separate logging operations.

Affiliated
corporations

- (5) In the case of logging operations carried on by two or more affiliated or associated corporations under the same general control, or the income from which accrues for the benefit of substantially the same

shareholders, the income from such operations shall be combined and dealt with as the income of one and the same taxpayer.

3. In this Act, "income derived from logging operations" means the net profit or gain of the taxpayer during the taxation year determined by deducting from the value of the logs disposed of, the total cost to him of,

- (a) the acquisition of standing timber;
- (b) the acquisition of the right to cut standing timber;
- (c) cutting logs from standing timber;
- (d) the acquisition of logs;
- (e) the import of logs; and
- (f) the transportation of logs,

but excluding from such total cost any amount withdrawn by any individual or any member of a partnership, syndicate or association as salary or other remuneration if such individual, partnership, syndicate or association is a taxpayer.

4. In this Act, "value of logs disposed of" means,

- (a) in the case of the sale of standing timber, the amount for which the taxpayer sold it;
- (b) in the case of the sale of the right to cut standing timber, the amount for which the taxpayer sold such right whether on a stumpage, royalty or other basis used in calculating such amount;
- (c) in the case of the sale of logs, the amount for which the taxpayer sold them;
- (d) in the case of the delivery of logs to a sawmill, pulp or paper plant or place for processing logs operated by the taxpayer wherein the logs are processed or manufactured into a product, the difference between,

- (i) the sale value of such product,

and the total of,

- (ii) the cost of such processing or manufacturing, including capital cost allowances with respect to machinery, equipment, plant, buildings, works and improvements used therein and all charges relating to such processing or manufacturing except amounts withdrawn by any individual or any member of a partnership, syndicate or association as salary or other remuneration if such individual or partnership, syndicate or association is a taxpayer and except taxes payable under this Act, that would be deductible in computing the income of the taxpayer from such processing or manufacturing under Divisions A and B of Part III of *The Corporations Tax Act, 1957* and the regulations made thereunder if those Divisions were applicable to the taxpayer, and

1957, c.

- (iii) an amount by way of return of capital employed by the taxpayer in processing or manufacturing logs equal to 8 per cent of the original cost to him of the depreciable assets used by him in such processing or manufacturing, including machinery, equipment, plant, buildings, works and improvements, but such amount shall not be less than 35 per cent or more than 65 per cent of an amount equal to the difference between the taxable income derived by him from all sources, measured in accordance with Part III of *The Corporations Tax Act, 1957* but before the deduction under that Act of any tax payable under this Act, and the total of,

1957, c.

- (A) the returns received by him by way of dividends, interest or other like payments from stocks, shares, debentures, loans or other like investments, and

- (B) the net profit, if any, derived by him from and attributable

in accordance with sound accounting principles to the carrying on of any business or derived from and so attributable to any source other than logging operations and the processing or manufacturing of logs, and

(C) the net profit, if any, derived by him under clauses *a*, *b* and *c*,

and, whether such processing or manufacturing is within or outside Ontario,

(iv) the cost of transportation of the logs from the point of delivery to a carrier to the point of delivery to the sawmill, pulp or paper plant or other place used for the processing or manufacturing of the logs.

3. Subsection 1 of section 6 of *The Logging Tax Act* is R.S.O. 1950, c. 216, s. 6, subs. 1, amended amended by striking out "Controller" in the third line and inserting in lieu thereof "Comptroller".

4. Subsection 4 of section 14 of *The Logging Tax Act* is R.S.O. 1950, c. 216, s. 14, subs. 4, amended amended by striking out "Controller" in the fourth line and inserting in lieu thereof "Comptroller".

5. Section 15 of *The Logging Tax Act* is R.S.O. 1950, c. 216, s. 15, amended amended by striking out "Controller" in the third line and inserting in lieu thereof "Comptroller".

6. This Act comes into force on the day it receives Royal Commencement and application Assent and is effective with respect to the taxation year 1957 and subsequent taxation years.

7. This Act may be cited as *The Logging Tax Amendment Act, 1957*. Short title

BILL

An Act to amend
The Logging Tax Act

1st Reading

February 26th, 1957

2nd Reading

March 20th, 1957

3rd Reading

March 29th, 1957

Mr. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Motor Vehicle Fuel Tax Act, 1956

MR. PORTER

EXPLANATORY NOTES

GENERAL—This Act will impose a tax of 20 cents per gallon on what is commonly known as “diesel fuel” used in motor vehicles, effective April 1st, 1957.

SECTIONS 1 and 2. Self-explanatory.

SECTION 3. The provision repealed requires registrants to keep the moneys collected under the Act separate and apart from their own moneys.

SECTION 4. Self-explanatory.

BILL

An Act to amend The Motor Vehicle Fuel Tax Act, 1956

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *h* of section 1 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "fifty" in the second line and inserting in lieu thereof "forty", so that the clause shall read as follows:

(*h*) "storage tank" means a receptacle that has a capacity of forty or more imperial gallons, but does not include a fuel tank.

2.—(1) Subsection 1 of section 3 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "11" in the second line and inserting in lieu thereof "20", so that the subsection shall read as follows:

(1) Every purchaser shall pay to the Treasurer a tax at the rate of 20 cents per imperial gallon on all fuel received by him.

(2) Subsection 2 of the said section 3 is amended by striking out "11" in the second line and inserting in lieu thereof "20", so that the subsection shall read as follows:

(2) Every registrant shall pay to the Treasurer a tax at the rate of 20 cents per imperial gallon on all fuel used by him to generate power for the propulsion of a motor vehicle.

3. Subsection 5 of section 6 of *The Motor Vehicle Fuel Tax Act, 1956* is repealed.

4. Clause *a* of subsection 1 of section 7 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "15th" in the first line and inserting in lieu thereof "25th", so that the clause shall read as follows:

(a) on or before the 25th day of each month, without notice or demand; or

.

1956, c. 49,
s. 21,
re-enacted

5. Section 21 of *The Motor Vehicle Fuel Tax Act, 1956* is repealed and the following substituted therefor:

Commence-
ment

21. This Act comes into force on the 1st day of April, 1957.

Commence-
ment

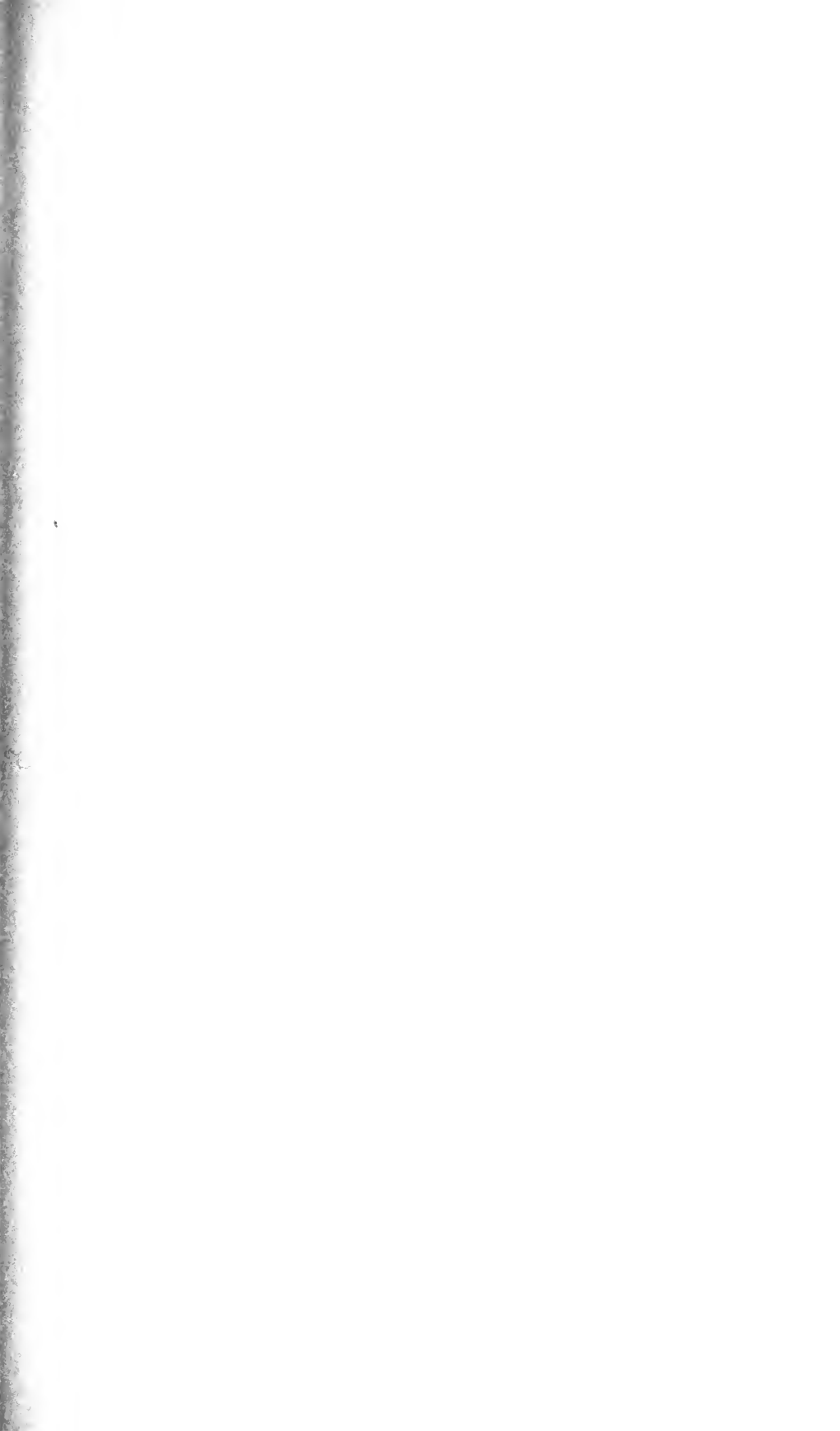
6. This Act comes into force on the 1st day of April, 1957.

Short title

7. This Act may be cited as *The Motor Vehicle Fuel Tax Amendment Act, 1957*.

SECTION 5. Section 21 of the Act provides for the Act to come into force on proclamation. April 1st, 1957 is substituted.





BILL

An Act to amend
The Motor Vehicle Fuel Tax Act, 1956

1st Reading

February 26th, 1957

2nd Reading

3rd Reading

MR. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Motor Vehicle Fuel Tax Act, 1956

MR. PORTER

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

GENERAL—This Act will impose a tax of 20 cents per gallon on what is commonly known as "diesel fuel" used in motor vehicles, effective April 1st, 1957.

SECTIONS 1 and 2. Self-explanatory.

BILL

An Act to amend The Motor Vehicle Fuel Tax Act, 1956

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *h* of section 1 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "fifty" in the second line and inserting in lieu thereof "forty", so that the clause shall read as follows:

(*h*) "storage tank" means a receptacle that has a capacity of forty or more imperial gallons, but does not include a fuel tank.

2.—(1) Subsection 1 of section 3 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "11" in the second line and inserting in lieu thereof "20", so that the subsection shall read as follows:

(1) Every purchaser shall pay to the Treasurer a tax at the rate of 20 cents per imperial gallon on all fuel received by him.

(2) Subsection 2 of the said section 3 is amended by striking out "11" in the second line and inserting in lieu thereof "20", so that the subsection shall read as follows:

(2) Every registrant shall pay to the Treasurer a tax at the rate of 20 cents per imperial gallon on all fuel used by him to generate power for the propulsion of a motor vehicle.

(3) The said section 3 is amended by adding thereto the following subsections:

(5) Where a person places any product that is excluded from this Act by the regulations in a fuel tank, such product is no longer so excluded and is taxable as fuel under this Act, and the person so doing shall

forthwith pay the tax imposed by subsection 1 on such fuel to the Treasurer directly or through any registrant.

Offence and penalty

- (6) Every person who fails to comply with subsection 5 is guilty of an offence and on summary conviction is liable to a penalty of not less than \$100 and not more than \$1,000.

1956, c. 49, s. 6, subs. 5, repealed

3. Subsection 5 of section 6 of *The Motor Vehicle Fuel Tax Act, 1956* is repealed.

1956, c. 49, s. 7, subs. 1, cl. a, amended

4. Clause *a* of subsection 1 of section 7 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "15th" in the first line and inserting in lieu thereof "25th", so that the clause shall read as follows:

- (a) on or before the 25th day of each month, without notice or demand; or

.

1956, c. 49, s. 20, amended

5. Section 20 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by adding thereto the following clauses:

- (aa) exempting any class of persons from the payment of the tax imposed under this Act;
- (aaa) refunding any tax or any portion thereof paid under this Act to any purchaser or class of purchasers and prescribing the records and material to be furnished upon any application for a refund.

1956, c. 49, s. 21, re-enacted

6. Section 21 of *The Motor Vehicle Fuel Tax Act, 1956* is repealed and the following substituted therefor:

Commencement

21. This Act comes into force on the 1st day of April, 1957.

Commencement

7. This Act comes into force on the 1st day of April, 1957.

Short title

8. This Act may be cited as *The Motor Vehicle Fuel Tax Amendment Act, 1957*.

SECTION 3. The provision repealed requires registrants to keep the moneys collected under the Act separate and apart from their own moneys.

SECTION 4. Self-explanatory.

SECTION 6. Section 21 of the Act provides for the Act to come into force on proclamation. April 1st, 1957 is substituted.





BILL

An Act to amend
The Motor Vehicle Fuel Tax Act, 1956

1st Reading

February 26th, 1957

2nd Reading

March 19th, 1957

3rd Reading

MR. PORTER

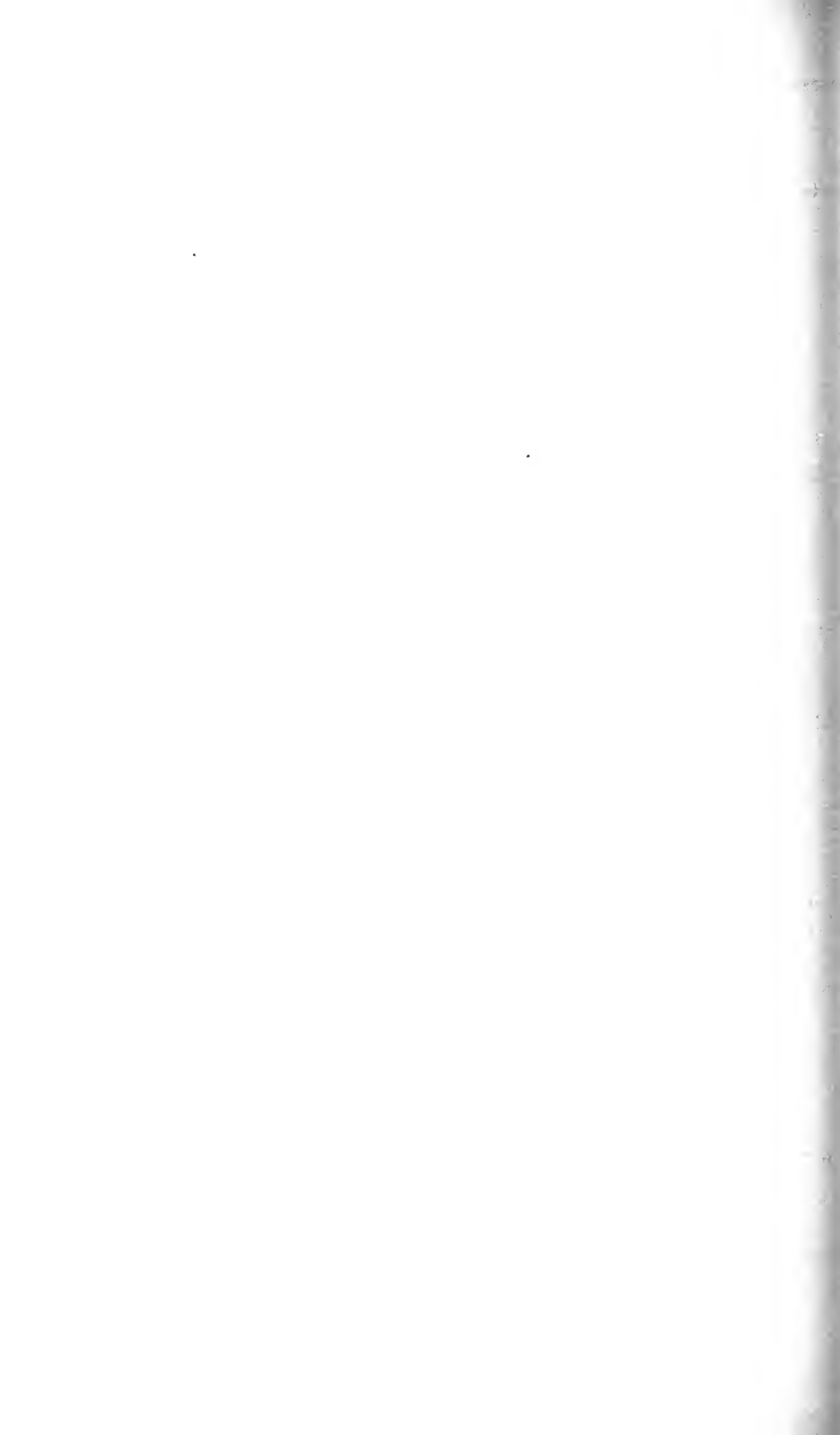
*(Reprinted as amended by the
Committee of the Whole House)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Motor Vehicle Fuel Tax Act, 1956

MR. PORTER



BILL

An Act to amend The Motor Vehicle Fuel Tax Act, 1956

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *h* of section 1 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "fifty" in the second line and inserting in lieu thereof "forty", so that the clause shall read as follows: 1956, c. 49, s. 1, cl. h, amended

(*h*) "storage tank" means a receptacle that has a capacity of forty or more imperial gallons, but does not include a fuel tank.

2.—(1) Subsection 1 of section 3 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "11" in the second line and inserting in lieu thereof "20", so that the subsection shall read as follows: 1956, c. 49, s. 3, subs. 1, amended

(1) Every purchaser shall pay to the Treasurer a tax at the rate of 20 cents per imperial gallon on all fuel received by him.

(2) Subsection 2 of the said section 3 is amended by striking out "11" in the second line and inserting in lieu thereof "20", so that the subsection shall read as follows: 1956, c. 49, s. 3, subs. 2, amended

(2) Every registrant shall pay to the Treasurer a tax at the rate of 20 cents per imperial gallon on all fuel used by him to generate power for the propulsion of a motor vehicle. Idem

(3) The said section 3 is amended by adding thereto the following subsections: 1956, c. 49, s. 3, amended

(5) Where a person places any product that is excluded from this Act by the regulations in a fuel tank, such product is no longer so excluded and is taxable as fuel under this Act, and the person so doing shall where products excluded become taxable fuel

forthwith pay the tax imposed by subsection 1 on such fuel to the Treasurer directly or through any registrant.

Offence
and
penalty

- (6) Every person who fails to comply with subsection 5 is guilty of an offence and on summary conviction is liable to a penalty of not less than \$100 and not more than \$1,000.

1956, c. 49,
s. 6, subs. 5,
repealed

3. Subsection 5 of section 6 of *The Motor Vehicle Fuel Tax Act, 1956* is repealed.

1956, c. 49,
s. 7, subs. 1,
cl. a,
amended

4. Clause *a* of subsection 1 of section 7 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by striking out "15th" in the first line and inserting in lieu thereof "25th", so that the clause shall read as follows:

- (a) on or before the 25th day of each month, without notice or demand; or

.

1956, c. 49,
s. 20,
amended

5. Section 20 of *The Motor Vehicle Fuel Tax Act, 1956* is amended by adding thereto the following clauses:

- (aa) exempting any class of persons from the payment of the tax imposed under this Act;
- (aaa) refunding any tax or any portion thereof paid under this Act to any purchaser or class of purchasers and prescribing the records and material to be furnished upon any application for a refund.

1956, c. 49,
s. 21,
re-enacted

6. Section 21 of *The Motor Vehicle Fuel Tax Act, 1956* is repealed and the following substituted therefor:

Commence-
ment

21. This Act comes into force on the 1st day of April, 1957.

Commence-
ment

- 7.** This Act comes into force on the 1st day of April, 1957.

Short title

8. This Act may be cited as *The Motor Vehicle Fuel Tax Amendment Act, 1957*.





BILL

An Act to amend
The Motor Vehicle Fuel Tax Act, 1956

1st Reading

February 26th, 1957

2nd Reading

March 19th, 1957

3rd Reading

March 29th, 1957

MR. PORTER

No. 116

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Public Lands Act

MR. MAPLEDORAM

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The new section 12 provides a procedure under which inaccurate descriptions of land in a township caused by errors in the original survey, or lack of a survey, of boundaries of lakes, rivers or streams may be corrected.

BILL

An Act to amend The Public Lands Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Public Lands Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 309,
amended

- 12.—(1) Where in any instrument, including a Crown grant, there is a description of a township lot or any part of a township lot and by reason of an error in the original survey of the boundaries of any lake, river or stream the whole or part of which is situate in or flows through the township or by reason of no survey of such boundaries having been made in the original survey of the township the boundaries of such lot or part do not approximate the boundaries of such lot or part as established by a re-survey of the township or any part thereof, the Minister may cause an altering and amending plan to be prepared by an Ontario land surveyor. Altering
and
amending
plan
- (2) Every altering and amending plan shall conform as nearly as may be to a plan of subdivision under section 107 of *The Land Titles Act* or section 84 of *The Registry Act*, as the case may be, except that it shall be signed by the Surveyor General or his deputy on behalf of all persons having an interest in the land shown thereon. Manner of
preparation
R.S.O. 1950,
cc. 197, 336
- (3) When an altering and amending plan has been prepared, the Minister shall send a print of the plan by registered letter to each person appearing to have an interest therein, whereupon the provisions of section 16 of *The Surveys Act* with respect to notice, hearing and confirmation apply *mutatis mutandis*. Hearing,
etc.
R.S.O. 1950,
c. 381
- (4) An altering and amending plan, when confirmed by the Minister pursuant to subsection 3, shall be registered in the proper registry or land titles office, Boundaries
confirmed

whereupon the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks.

Procedure
in land
titles office

- (5) Where an altering and amending plan has been registered in the proper land titles office, the registers for the parcels affected shall be amended accordingly.

Procedure
in registry
office

- (6) Where an altering and amending plan has been registered in the proper registry office, the registrar shall keep an index of the land described and designated by any number or letter on the plan by the name by which it is so designated and every instrument affecting the land or any part thereof, executed after the plan is registered, shall conform and refer thereto, otherwise it shall not be registered except in cases provided for by section 88 of *The Registry Act*.

R.S.O. 1950,
c. 336

Costs and
expenses

- (7) The costs and expenses of and incidental to the preparation and registration of an altering and amending plan shall be paid out of the moneys appropriated therefor by the Legislature.

R.S.O. 1950,
c. 309,
amended

2. *The Public Lands Act* is amended by adding thereto the following section :

Easements

- 16a.** The Minister may grant easements in or over public lands for any purpose.

R.S.O. 1950,
c. 309, s. 58,
re-enacted

3. Section 58 of *The Public Lands Act* is repealed and the following substituted therefor:

Reservation
of mines
and
minerals

- 58.** In any letters patent issued for lands located or sold under this Act for agricultural purposes on or after the 1st day of April, 1957, the mines and minerals shall be reserved to the Crown.

Exclusion
in a letters
patent
voided,
Nepean
Township

4. The exclusion contained in certain letters patent dated the 27th day of February, 1885, that granted to James Rochester the late Clergy Reserve Lot Number Thirty-nine in the First Concession from the Ottawa in the Township of Nepean, in the County of Carleton, in the words "exclusive of the Sands required and set off for the purposes of the Rideau Canal which is hereby reserved", or in words of like effect, shall be deemed to be void and of no effect.

Reservations
in a letters
patent
voided,
West Ferris
Township

5. The reservations or any of them contained in certain letters patent mentioned in the Schedule to this Act in the words "Saving and excepting and reserving unto Us, Our Heirs and Successors, the free use, passage and enjoyment of, in, over

SECTION 2. The new section 16a expressly authorizes the Minister to grant easements in or over public lands as defined in the Act.

SECTION 3. Section 58 as re-enacted is complementary legislation to amendments in *The Mining Act* respecting the separation of surface rights and mining rights.

SECTIONS 4, 5, 6, 7 and 8. These sections make void certain reservations, provisos and exclusions contained in letters patent which are spent or are no longer appropriate.



and upon all navigable waters which shall or may hereafter be found on or under, or be flowing through or upon any part of the said parcels or tracts of land hereby granted as aforesaid and reserving also right of access to the shores of all rivers, streams and lakes for all vessels, boats and persons together with the right to use so much of the banks thereof, not exceeding one chain in depth from the water's edge as may be necessary for fishery purposes", or in words of like effect, shall be deemed to be void and of no effect.

6. Where letters patent granting land in the part of the Territorial District of Sudbury lying south of the right-of-way of the Canadian National Railways and within twenty miles on either side of a line drawn from the middle point of the north boundary of the Town of Sudbury as it existed in 1909 to the town plot laid out, or about to be laid out, in 1909, at the foot of Gowganda Lake have issued containing the reservation "Also reserving to the Timiskaming and Northern Ontario Railway Commission the right to cross said lands and to lay down their right-of-way 99 feet in width on and over said lands or any part thereof, as may hereafter be found necessary or expedient, said reservation to be of the surface rights only in accordance with the terms of an order of our Lieutenant-Governor in Council dated the 22nd day of February, 1909", or in words of like effect, such reservation shall be deemed to be void and of no effect.

Reservation in a letters patent voided, District of Sudbury

7. Where letters patent granting land to the person or persons therein named have issued containing the proviso "Provided also, that the said shall and do within three years erect and build or cause to be erected and built upon some part of the said parcel or tract of land, a good and sufficient dwelling house (not being in his own right lawfully possessed of an house in Our said Province) and cause some person to be therein resident, for, and during the space of One Year thence next ensuing the building of the same", or in words of like effect, such proviso shall be deemed to be void and of no effect.

Proviso in letters patent voided

8. Where letters patent granting land to the person or persons therein named have issued containing the proviso "Provided also, that if at any time or times hereafter, the land so hereby given and granted to the said shall come into the possession and tenure of any person or persons whomsoever, either by virtue of any deed of sale, conveyance, enfeoffment or exchange, or by gift, inheritance, descent, devise or marriage, such person or persons shall within twelve months next after his, her, or their entry in, to, and possession of the same, take the oaths prescribed by law, before some one of the magistrates of Our said Province, and a certificate of such oaths having been so taken

Proviso in letters patent voided

shall cause to be recorded in the Secretary's Office of the said Province", or in words of like effect, shall be deemed to be void and of no effect.

Commence-
ment

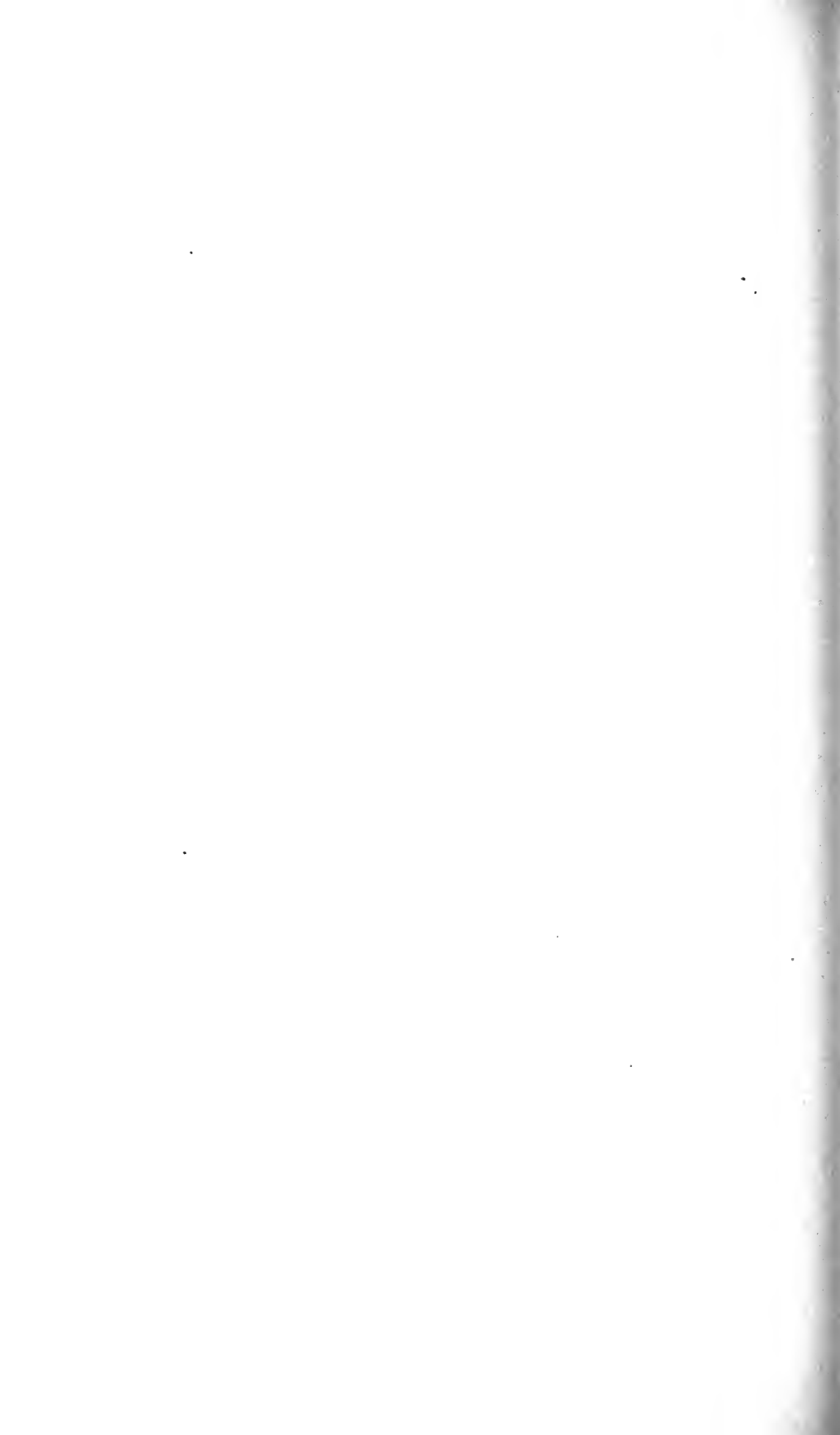
9. This Act comes into force on the day it receives Royal Assent.

Short title

10. This Act may be cited as *The Public Lands Amendment Act, 1957*.

SCHEDULE

Date of Patent	Name of Patentee	Description of Land granted in the Township of West Ferris, District of Nipissing
July 29, 1885	James A. Moulson...	Part Lot 23, Concession XIII
Oct. 17, 1951	Wray Wilson Smith..	Part Lot 24, Concession XIII
Aug. 12, 1926	Catherine Sheedy....	Part Lot 25, Concession XIII
Sept. 12, 1924	Patrick L. Sheedy...	Lot 25, Concession XIV
Oct. 9, 1884	Alexander Dreaney..	Part Lot 27, Concession XIV
Aug. 30, 1898	William Ledgerwood	Part Lot 28, Concession XIV
July 27, 1885	Catharine Conway...	E. ½, Lot 29, Concession XIV
May 8, 1911	George Quirt.....	W. ½, Lot 29, Concession XIV
Nov. 21, 1893	Alexander Dreany...	S. ½, Lot 30, Concession XIV
Nov. 25, 1908	Wm. Clayton Randell	Part Lot 30, Concession XIV
Oct. 21, 1913	Placide Rousseau....	Part Lot 31, Concession XIV
Oct. 7, 1885	George Morrison...	Part Lot 32, Concession XIV





BILL

An Act to amend
The Public Lands Act

1st Reading

February 26th, 1957

2nd Reading

3rd Reading

MR. MAPLEDORAM

No. 116

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Public Lands Act

MR. MAPLEDORAM

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Public Lands Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Public Lands Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 309
amended

- 12.—(1) Where in any instrument, including a Crown grant, there is a description of a township lot or any part of a township lot and by reason of an error in the original survey of the boundaries of any lake, river or stream the whole or part of which is situate in or flows through the township or by reason of no survey of such boundaries having been made in the original survey of the township the boundaries of such lot or part do not approximate the boundaries of such lot or part as established by a re-survey of the township or any part thereof, the Minister may cause an altering and amending plan to be prepared by an Ontario land surveyor. Altering
and
amending
plan
- (2) Every altering and amending plan shall conform as nearly as may be to a plan of subdivision under section 107 of *The Land Titles Act* or section 84 of *The Registry Act*, as the case may be, except that it shall be signed by the Surveyor General or his deputy on behalf of all persons having an interest in the land shown thereon. Manner of
preparation
R.S.O. 1950,
cc. 197, 336
- (3) When an altering and amending plan has been prepared, the Minister shall send a print of the plan by registered letter to each person appearing to have an interest therein, whereupon the provisions of section 16 of *The Surveys Act* with respect to notice, hearing and confirmation apply *mutatis mutandis*. Hearing,
etc.
R.S.O. 1950,
c. 381
- (4) An altering and amending plan, when confirmed by the Minister pursuant to subsection 3, shall be registered in the proper registry or land titles office, Boundaries
confirmed

whereupon the boundaries of the lots or blocks shown thereon shall be deemed to be the true boundaries of such lots or blocks.

Procedure
in land
titles office

- (5) Where an altering and amending plan has been registered in the proper land titles office, the registers for the parcels affected shall be amended accordingly.

Procedure
in registry
office

- (6) Where an altering and amending plan has been registered in the proper registry office, the registrar shall keep an index of the land described and designated by any number or letter on the plan by the name by which it is so designated and every instrument affecting the land or any part thereof, executed after the plan is registered, shall conform and refer thereto, otherwise it shall not be registered except in cases provided for by section 88 of *The Registry Act*.

R.S.O. 1950,
c. 336

Costs and
expenses

- (7) The costs and expenses of and incidental to the preparation and registration of an altering and amending plan shall be paid out of the moneys appropriated therefor by the Legislature.

R.S.O. 1950,
c. 309,
amended

2. *The Public Lands Act* is amended by adding thereto the following section :

Easements

- 16a. The Minister may grant easements in or over public lands for any purpose.

R.S.O. 1950,
c. 309, s. 58,
re-enacted

3. Section 58 of *The Public Lands Act* is repealed and the following substituted therefor:

Reservation
of mines
and
minerals

58. In any letters patent issued for lands located or sold under this Act for agricultural purposes on or after the 1st day of April, 1957, the mines and minerals shall be reserved to the Crown.

Exclusion
in a letters
patent
voided,
Nepean
Township

4. The exclusion contained in certain letters patent dated the 27th day of February, 1855, that granted to James Rochester the late Clergy Reserve Lot Number Thirty-nine in the First Concession from the Ottawa in the Township of Nepean, in the County of Carleton, in the words "exclusive of the Sands required and set off for the purposes of the Rideau Canal which is hereby reserved", or in words of like effect, shall be deemed to be void and of no effect.

Reservations
in letters
patent
voided,
East and
West Ferris
townships

5. The reservations or any of them contained in certain letters patent mentioned in the Schedule to this Act in the words "Saving and excepting and reserving unto Us, Our Heirs and Successors, the free use, passage and enjoyment of, in, over

and upon all navigable waters which shall or may hereafter be found on or under, or be flowing through or upon any part of the said parcels or tracts of land hereby granted as aforesaid and reserving also right of access to the shores of all rivers, streams and lakes for all vessels, boats and persons together with the right to use so much of the banks thereof, not exceeding one chain in depth from the water's edge as may be necessary for fishery purposes", or in words of like effect, shall be deemed to be void and of no effect.

6. Where letters patent granting land in the part of the Territorial District of Sudbury lying south of the right-of-way of the Canadian National Railways and within twenty miles on either side of a line drawn from the middle point of the north boundary of the Town of Sudbury as it existed in 1909 to the town plot laid out, or about to be laid out, in 1909, at the foot of Gowganda Lake have issued containing the reservation "Also reserving to the Timiskaming and Northern Ontario Railway Commission the right to cross said lands and to lay down their right-of-way 99 feet in width on and over said lands or any part thereof, as may hereafter be found necessary or expedient, said reservation to be of the surface rights only in accordance with the terms of an order of our Lieutenant-Governor in Council dated the 22nd day of February, 1909", or in words of like effect, such reservation shall be deemed to be void and of no effect.

Reservation
in a letters
patent
voided,
District
of
Sudbury

7. Where letters patent granting land to the person or persons therein named have issued containing the proviso "Provided also, that the said shall and do within three years erect and build or cause to be erected and built upon some part of the said parcel or tract of land, a good and sufficient dwelling house (not being in his own right lawfully possessed of an house in Our said Province) and cause some person to be therein resident, for, and during the space of One Year thence next ensuing the building of the same", or in words of like effect, such proviso shall be deemed to be void and of no effect.

Proviso in
letters
patent
voided

8. Where letters patent granting land to the person or persons therein named have issued containing the proviso "Provided also, that if at any time or times hereafter, the land so hereby given and granted to the said shall come into the possession and tenure of any person or persons whomsoever, either by virtue of any deed of sale, conveyance, enfeoffment or exchange, or by gift, inheritance, descent, devise or marriage, such person or persons shall within twelve months next after his, her, or their entry in, to, and possession of the same, take the oaths prescribed by law, before some one of the magistrates of Our said Province, and a certificate of such oaths having been so taken

Proviso in
letters
patent
voided

shall cause to be recorded in the Secretary's Office of the said Province", or in words of like effect, shall be deemed to be void and of no effect.

Commence-
ment

9. This Act comes into force on the day it receives Royal Assent.

Short title

10. This Act may be cited as *The Public Lands Amendment Act, 1957.*

SCHEDULE

Date of Patent	Name of Patentee	Description of Land granted in Townships of East Ferris and West Ferris, District of Nipissing
July 29, 1885	James A. Moulson...	Part Lot 23, Concession XIII
Oct. 17, 1951	Wray Wilson Smith..	Part Lot 24, Concession XIII
Aug. 12, 1926	Catherine Sheedy....	Part Lot 25, Concession XIII
Sept. 12, 1924	Patrick L. Sheedy...	Lot 25, Concession XIV
Oct. 9, 1884	Alexander Dreaney..	Part Lot 27, Concession XIV
Aug. 30, 1898	William Ledgerwood	Part Lot 28, Concession XIV
July 27, 1885	Catharine Conway...	E. ½, Lot 29, Concession XIV
May 8, 1911	George Quirt.....	W. ½, Lot 29, Concession XIV
Nov. 21, 1893	Alexander Dreaney...	S. ½, Lot 30, Concession XIV
Nov. 25, 1908	Win. Clayton Randell	Part Lot 30, Concession XIV
Oct. 21, 1913	Placide Rousseau....	Part Lot 31, Concession XIV
Oct. 7, 1885	George Morrison...	Part Lot 32, Concession XIV



An Act to amend
The Public Lands Act

1st Reading

February 26th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 18th, 1957

MR. MAPLEDORAM

No. 117

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Surveys Act

MR. MAPLEDORAM

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. Complementary to section 2 of this bill.

SECTION 2. The new section provides an accurate and certain method of determining the true boundaries of highway rights-of-way.

BILL

An Act to amend The Surveys Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 9 of *The Surveys Act* is amended by adding at the commencement thereof "Notwithstanding section 9a", so that the subsection shall read as follows:

R.S.O. 1950,
c. 381, s. 9,
subs. 1,
amended

- (1) Notwithstanding section 9a, all boundary lines of townships, cities, towns and villages, all concession lines, governing points, and all boundary lines of concessions, sections, blocks, gores, reserves, mining claims, mining locations and commons, and all side lines and limits of lots surveyed and all trees marked in lieu of posts and all posts or monuments, marked, placed or planted at the front or rear angles of any lots or parcels of land, under the authority of the Executive Government of the late Province of Quebec or of Upper Canada, or of Canada, or under the authority of the Executive Government of Ontario, or the Minister, shall be the true and unalterable boundaries of the townships, cities, towns, villages, concessions, sections, blocks, gores, reserves, mining claims, mining locations, commons and lots or parcels of land respectively, whether the same upon admeasurement be found to contain the exact width or depth or more or less than the exact width or depth shown on the original plan and field notes or mentioned or expressed in any letters patent, grant or other instrument in respect of such township, city, town, village, concession, section, block, gore, reserve, mining claim, mining location, common, lot or parcel of land.

True and
unalterable
boundaries,
general

2. *The Surveys Act* is amended by adding thereto the following section:

R.S.O. 1950,
c. 381,
amended

- 9a. All boundary lines of land surveyed and all posts or monuments heretofore or hereafter marked, placed

True and
unalterable
boundaries,
lands
acquired
for
highway
purposes

1957, c. . . . or planted for the purpose of designating and defining the boundaries of any parcel of land vested in the Crown and under the jurisdiction and control of the Department of Highways under *The Highway Improvement Act, 1957* or a predecessor thereof shall be the true and unalterable boundaries of such parcel, whether the same upon admeasurement be found to contain the exact width or depth or more or less than the exact width or depth shown on the plan thereof or mentioned or expressed in any grant or other instrument in respect of such parcel.

Commence-
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. This Act may be cited as *The Surveys Amendment Act, 1957*.







BILL

An Act to amend The Surveys Act

1st Reading

February 26th, 1957

2nd Reading

3rd Reading

MR. MAPLEDORAM

No. 117

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Surveys Act

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No. 117

1957

BILL

An Act to amend The Surveys Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 9 of *The Surveys Act* is amended by adding at the commencement thereof "Notwithstanding section 9a", so that the subsection shall read as follows: R.S.O. 1950, c. 381, s. 9, subs. 1, amended

- (1) Notwithstanding section 9a, all boundary lines of townships, cities, towns and villages, all concession lines, governing points, and all boundary lines of concessions, sections, blocks, gores, reserves, mining claims, mining locations and commons, and all side lines and limits of lots surveyed and all trees marked in lieu of posts and all posts or monuments, marked, placed or planted at the front or rear angles of any lots or parcels of land, under the authority of the Executive Government of the late Province of Quebec or of Upper Canada, or of Canada, or under the authority of the Executive Government of Ontario, or the Minister, shall be the true and unalterable boundaries of the townships, cities, towns, villages, concessions, sections, blocks, gores, reserves, mining claims, mining locations, commons and lots or parcels of land respectively, whether the same upon admeasurement be found to contain the exact width or depth or more or less than the exact width or depth shown on the original plan and field notes or mentioned or expressed in any letters patent, grant or other instrument in respect of such township, city, town, village, concession, section, block, gore, reserve, mining claim, mining location, common, lot or parcel of land. True and unalterable boundaries, general

2. *The Surveys Act* is amended by adding thereto the following section: R.S.O. 1950, c. 381, amended

- 9a. All boundary lines of land surveyed and all posts or monuments heretofore or hereafter marked, placed True and unalterable boundaries, lands acquired for highway purposes

1957, c. . . . or planted for the purpose of designating and defining the boundaries of any parcel of land vested in the Crown and under the jurisdiction and control of the Department of Highways under *The Highway Improvement Act, 1957* or a predecessor thereof shall be the true and unalterable boundaries of such parcel, whether the same upon admeasurement be found to contain the exact width or depth or more or less than the exact width or depth shown on the plan thereof or mentioned or expressed in any grant or other instrument in respect of such parcel.

Commence-
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. This Act may be cited as *The Surveys Amendment Act, 1957*.







An Act to amend The Surveys Act

1st Reading

February 26th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 18th, 1957

MR. MAPLEDORAM

No. 118

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Succession Duty Act

MR. PORTER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The amendment re-establishes the principle of assessing duty on the basis of the value of a trust fund as it stood at the date of death of the creator of the trust. This provides a uniform and equitable method of valuation in these cases.

SECTION 2. Under the Act at present, money payable on the death of a deceased under a policy of insurance is not taxable where the deceased died outside Ontario.

Under clause *h* as re-enacted this exemption is extended to cases where a deceased had an interest in a policy on the life of another person, i.e., third party insurance.

BILL

An Act to amend The Succession Duty Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *o* of section 1 of *The Succession Duty Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 378,
s. 1, cl. *o*,
re-enacted

- (*o*) "property in respect of which a disposition is made" and any expression of like import includes any property into which such property has become directly or indirectly converted and any property which, exclusive of income, has been derived from such property provided that, where the disposition is by means of a creation of trust, the property in respect of which such disposition is made is,
- (i) any part of the trust property paid, delivered, assigned or transferred to or for the benefit of the person to whom such disposition is made, during the lifetime of the deceased, and
 - (ii) the interest in the trust property, as it stands at the date of death of the deceased, of the person to whom such disposition is made.

2. Clause *h* of section 3 of *The Succession Duty Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 378, s. 3,
cl. *h*,
re-enacted

- (*h*) where the deceased was domiciled outside Ontario at the date of his death,
- (i) any interest of the deceased in any contract of insurance within the meaning of *The Insurance Act*,
 - (ii) any money payable as a result of the death of the deceased under any contract of insurance within the meaning of *The Insurance Act*, or

- (iii) any interest by way of annuity or otherwise accruing or arising on the death of the deceased under any contract of insurance within the meaning of *The Insurance Act*.

R.S.O. 1950,
c. 378, s. 24,
subs. 1,
re-enacted

3. Subsection 1 of section 24 of *The Succession Duty Act* is repealed and the following substituted therefor:

Executors,
etc., not
personally
liable;
to deduct
duty

- (1) An executor, trustee or person acting in a fiduciary capacity is not, as such, personally liable for any duty levied by this Act, but no person in Ontario shall pay, deliver, assign or transfer to or for the benefit of the person beneficially entitled thereto any property that is vested in him as an executor, trustee or person acting in a fiduciary capacity at any time after the death of the deceased without deducting therefrom or collecting an amount sufficient to pay the duty levied on the proportion of the property passing on the death of the deceased to or for the benefit of such beneficially entitled person and the duty levied on such person, together with interest thereon.

Commence-
ment

4. This Act comes into force on the day it receives Royal Assent.

Short title

5. This Act may be cited as *The Succession Duty Amendment Act, 1957*.

SECTION 3. The subsection is re-enacted in order to clarify its intent. There is no change in principle.



BILL

An Act to amend
The Succession Duty Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. PORTER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Succession Duty Act

MR. PORTER

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

SECTION 1. Under the Act at present, money payable on the death of a deceased under a policy of insurance is not taxable where the deceased died outside Ontario.

Under clause *h* as re-enacted this exemption is extended to cases where a deceased had an interest in a policy on the life of another person, i.e., third party insurance.

SECTION 2. The subsection is re-enacted in order to clarify its intent. There is no change in principle.

BILL

An Act to amend The Succession Duty Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *h* of section 3 of *The Succession Duty Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 378, s. 3,
cl. *h*,
re-enacted

(*h*) where the deceased was domiciled outside Ontario at the date of his death,

- (i) any interest of the deceased in any contract of insurance within the meaning of *The Insurance Act*,
- (ii) any money payable as a result of the death of the deceased under any contract of insurance within the meaning of *The Insurance Act*, or
- (iii) any interest by way of annuity or otherwise accruing or arising on the death of the deceased under any contract of insurance within the meaning of *The Insurance Act*.

R.S.O. 1950,
c. 183

2. Subsection 1 of section 24 of *The Succession Duty Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 378, s. 24,
subs. 1,
re-enacted

- (1) An executor, trustee or person acting in a fiduciary capacity is not, as such, personally liable for any duty levied by this Act, but no person in Ontario shall pay, deliver, assign or transfer to or for the benefit of the person beneficially entitled thereto any property that is vested in him as an executor, trustee or person acting in a fiduciary capacity at any time after the death of the deceased without deducting therefrom or collecting an amount sufficient to pay the duty levied on the proportion of the property passing on the death of the deceased to or for the benefit of such beneficially entitled person and the duty levied on such person, together with interest thereon.

Executors,
etc., not
personally
liable;
to deduct
duty

Commence-
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. This Act may be cited as *The Succession Duty Amendment Act, 1957*.





BILL

An Act to amend
The Succession Duty Act

1st Reading

February 28th, 1957

2nd Reading

March 28th, 1957

3rd Reading

MR. PORTER

*(Reprinted as amended by the Committee
of the Whole House)*

No. 118

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Succession Duty Act

MR. PORTER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Succession Duty Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *h* of section 3 of *The Succession Duty Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 378, s. 3,
cl. *h*,
re-enacted

(*h*) where the deceased was domiciled outside Ontario at the date of his death,

- (i) any interest of the deceased in any contract of insurance within the meaning of *The Insurance Act*,
- (ii) any money payable as a result of the death of the deceased under any contract of insurance within the meaning of *The Insurance Act*, or
- (iii) any interest by way of annuity or otherwise accruing or arising on the death of the deceased under any contract of insurance within the meaning of *The Insurance Act*.

R.S.O. 1950,
c. 183

2. Subsection 1 of section 24 of *The Succession Duty Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 378, s. 24,
subs. 1,
re-enacted

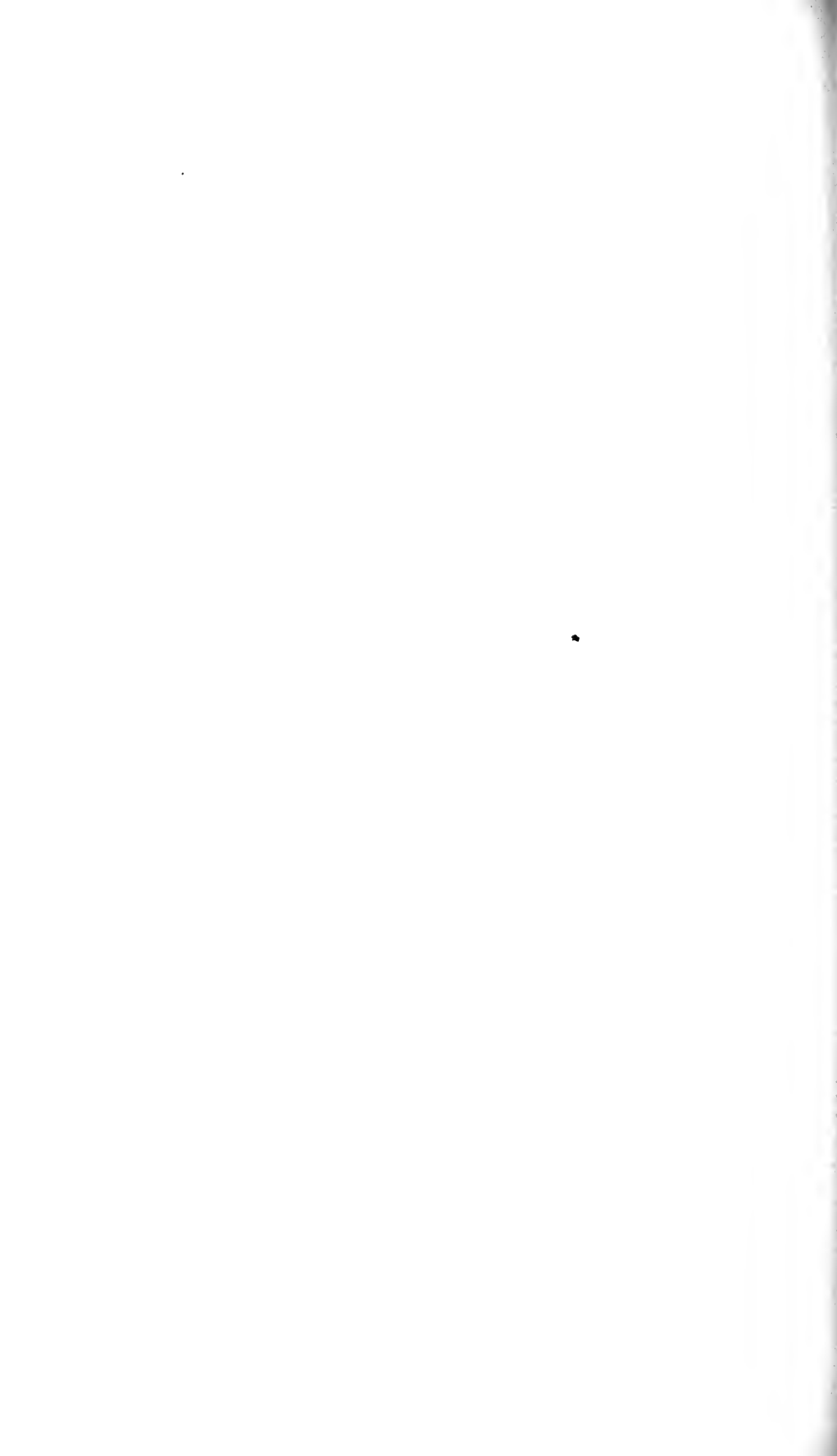
- (1) An executor, trustee or person acting in a fiduciary capacity is not, as such, personally liable for any duty levied by this Act, but no person in Ontario shall pay, deliver, assign or transfer to or for the benefit of the person beneficially entitled thereto any property that is vested in him as an executor, trustee or person acting in a fiduciary capacity at any time after the death of the deceased without deducting therefrom or collecting an amount sufficient to pay the duty levied on the proportion of the property passing on the death of the deceased to or for the benefit of such beneficially entitled person and the duty levied on such person, together with interest thereon.

Executors,
etc., not
personally
liable;
to deduct
duty

Commence-
ment **3.** This Act comes into force on the day it receives Royal Assent.

Short title **4.** This Act may be cited as *The Succession Duty Amendment Act, 1957*.





The Commission on the
1911-12

An Act to amend
The Succession Duty Act

1st Reading

February 28th, 1957

2nd Reading

March 28th, 1957

3rd Reading

April 2nd, 1957

MR. PORTER

No. 119

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Mining Tax Act

MR. KELLY

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1—Subsections 1 and 2. These amendments increase the tax on profits from mining operations where the profits exceed \$1,000,000.

Subsection 3. The purpose of this amendment is to permit mining companies to claim a total of 100 per cent of the cost of depreciable mining assets.

BILL

An Act to amend The Mining Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *b* of subsection 1 of section 4 of *The Mining Tax Act* is amended by striking out “eight” in the first line and inserting in lieu thereof “eleven”, so that the clause shall read as follows: R.S.O. 1950, c. 237, s. 4, subs. 1, cl. b, amended

(b) eleven per cent on the excess of annual profits above \$1,000,000 and up to \$5,000,000; and

.

(2) Clause *c* of subsection 1 of the said section 4 is amended by striking out “nine” in the first line and inserting in lieu thereof “twelve”, so that the clause shall read as follows: R.S.O. 1950, c. 237, s. 4, subs. 1, cl. c, amended

(c) twelve per cent on the excess of annual profits above \$5,000,000.

(3) Clause *h* of subsection 3 of the said section 4, as re-enacted by subsection 2 of section 2 of *The Mining Tax Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950, c. 237, s. 4, subs. 3, cl. h (1955, c. 46, s. 2, subs. 2), re-enacted

(h) an allowance for annual depreciation of not less than 5 per cent and not more than 15 per cent for any calendar year of the cost or value, at the commencement of output or at each 1st day of January, of the plant, machinery, equipment and buildings, exclusive of any portion of the plant, machinery, equipment and buildings pertaining to processing, until the full value or cost thereof is depreciated, subject to the following:

(i) the cost or value of such plant, machinery, equipment and buildings is subject to appraisal by the mine assessor,

- (ii) where a portion of such plant, machinery, equipment and buildings is sold or otherwise disposed of before the full cost or value thereof is depreciated and where the amount realized from the sale or disposal thereof is less than the difference between the cost or original value of such portion and the depreciation allowed on such portion before such sale or disposal, the allowance for depreciation on such portion may continue until the full cost or original value thereof has been allowed,
- (iii) where a portion of such plant, machinery, equipment and buildings is sold or otherwise disposed of before the full cost or value thereof is depreciated and where the amount realized from the sale or disposal thereof is more than the difference between the cost or original value of such portion and the depreciation allowed on such portion before such sale or disposal, the amount of the excess is deductible from depreciation otherwise allowable.

R.S.O. 1950,
c. 237, s. 4,
subs. 5,
repealed

(4) Subsection 5 of the said section 4 is repealed.

R.S.O. 1950,
c. 237, s. 4,
subs. 6,
re-enacted

(5) Subsection 6 of the said section 4 is repealed and the following substituted therefor:

Assistance
payments
may be
deducted
from
expenses

- (6) In ascertaining and fixing the annual profits of a mine for the purpose of this section in respect of the tax payable under this section in 1949 and thereafter, the total of the expenses, payments, allowances or deductions under subsection 3 shall be reduced by an amount equal to any sum paid during the calendar year under the *Emergency Gold Mining Assistance Act* (Canada) and the mine assessor may pro rate such deduction to mining and processing costs in such proportions as he deems equitable.

R.S.C. 1952,
c. 95

2. This Act comes into force on the day it receives Royal Assent and is effective with respect to taxes payable in 1958 on profits of the year 1957.

Commence-
ment and
application

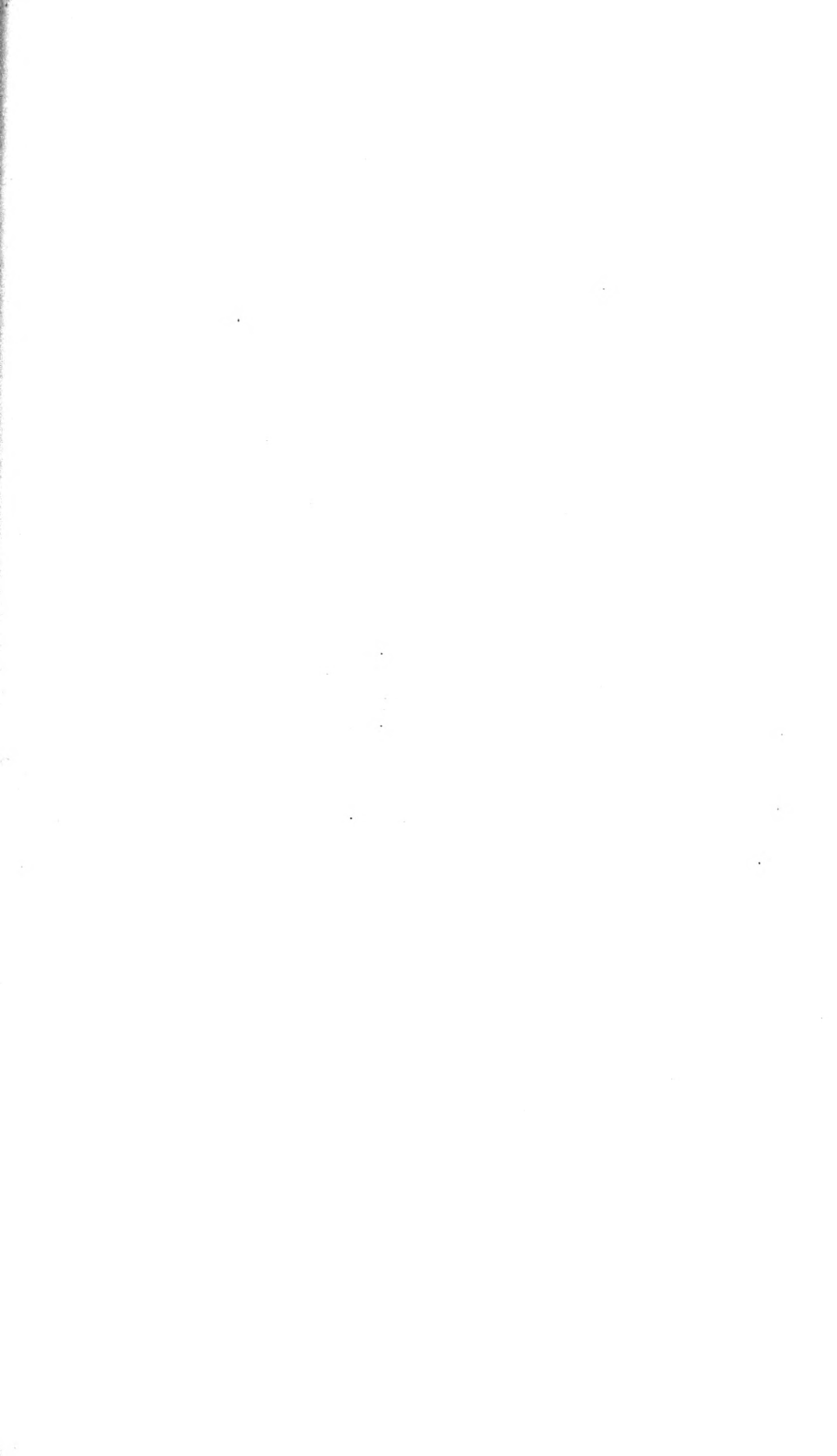
Short title

3. This Act may be cited as *The Mining Tax Amendment Act, 1957*.

Subsection 4. The subsection repealed is spent.

Subsection 5. The purpose of this amendment is to deduct from other expenses allowed the assistance receivable by mines under the *Emergency Gold Mining Assistance Act* (Canada) only as it is received.





BILL

An Act to amend The Mining Tax Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. KELLY

No. 119

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Mining Tax Act

MR. KELLY

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Mining Tax Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *b* of subsection 1 of section 4 of *The Mining Tax Act* is amended by striking out “eight” in the first line and inserting in lieu thereof “eleven”, so that the clause shall read as follows: R.S.O. 1950, c. 237, s. 4, subs. 1, cl. b, amended

(b) eleven per cent on the excess of annual profits above \$1,000,000 and up to \$5,000,000; and

.

(2) Clause *c* of subsection 1 of the said section 4 is amended by striking out “nine” in the first line and inserting in lieu thereof “twelve”, so that the clause shall read as follows: R.S.O. 1950, c. 237, s. 4, subs. 1, cl. c, amended

(c) twelve per cent on the excess of annual profits above \$5,000,000.

(3) Clause *h* of subsection 3 of the said section 4, as re-enacted by subsection 2 of section 2 of *The Mining Tax Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950, c. 237, s. 4, subs. 3, cl. h (1955, c. 46, s. 2, subs. 2), re-enacted

(h) an allowance for annual depreciation of not less than 5 per cent and not more than 15 per cent for any calendar year of the cost or value, at the commencement of output or at each 1st day of January, of the plant, machinery, equipment and buildings, exclusive of any portion of the plant, machinery, equipment and buildings pertaining to processing, until the full value or cost thereof is depreciated, subject to the following:

(i) the cost or value of such plant, machinery, equipment and buildings is subject to appraisal by the mine assessor,

- (ii) where a portion of such plant, machinery, equipment and buildings is sold or otherwise disposed of before the full cost or value thereof is depreciated and where the amount realized from the sale or disposal thereof is less than the difference between the cost or original value of such portion and the depreciation allowed on such portion before such sale or disposal, the allowance for depreciation on such portion may continue until the full cost or original value thereof has been allowed,
- (iii) where a portion of such plant, machinery, equipment and buildings is sold or otherwise disposed of before the full cost or value thereof is depreciated and where the amount realized from the sale or disposal thereof is more than the difference between the cost or original value of such portion and the depreciation allowed on such portion before such sale or disposal, the amount of the excess is deductible from depreciation otherwise allowable.

R.S.O. 1950,
c. 237, s. 4,
subs. 5,
repealed

- (4) Subsection 5 of the said section 4 is repealed.

R.S.O. 1950,
c. 237, s. 4,
subs. 6,
re-enacted

- (5) Subsection 6 of the said section 4 is repealed and the following substituted therefor:

Assistance
payments
may be
deducted
from
expenses

- (6) In ascertaining and fixing the annual profits of a mine for the purpose of this section in respect of the tax payable under this section in 1949 and thereafter, the total of the expenses, payments, allowances or deductions under subsection 3 shall be reduced by an amount equal to any sum paid during the calendar year under the *Emergency Gold Mining Assistance Act* (Canada) and the mine assessor may pro rate such deduction to mining and processing costs in such proportions as he deems equitable.

R.S.C. 1952,
c. 95

- 2.** This Act comes into force on the day it receives Royal Assent and is effective with respect to taxes payable in 1958 on profits of the year 1957.

Commence-
ment and
application

Short title

- 3.** This Act may be cited as *The Mining Tax Amendment Act, 1957*.







BILL

An Act to amend The Mining Tax Act

1st Reading

February 28th, 1957

2nd Reading

March 26th, 1957

3rd Reading

March 29th, 1957

Mr. KELLY

No. 120

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Telephone Act, 1954

MR. GOODFELLOW

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. Section 40 of the Act is amended to provide for by-laws increasing or decreasing the number of commissioners for a telephone system. Also, where the system extends into one or more other municipalities, the minimum number of commissioners is changed from five to three.

SECTION 2. Section 56 of the Act is amended so that, where a municipal telephone system has subscribers in another municipality, the clerk of the initiating municipality must notify the clerk of the other municipality of any telephone rates to be levied in any year therein on or before such date as the council of the other municipality may by by-law prescribe.

BILL

An Act to amend The Telephone Act, 1954

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsections 2 and 3 of section 40 of *The Telephone Act, 1954* are repealed and the following substituted therefor: 1954, c. 94, s. 40, subss. 2, 3, re-enacted

- (2) Where the system is in the initiating municipality only, there shall be three or five commissioners and, where the system extends into one or more other municipalities, there shall be an odd number of commissioners, not less than three. Number of commissioners
- (3) Subject to subsection 2, the number of commissioners first elected shall be as specified in the petition. Idem
- (4) Subject to subsection 2, the commissioners may by by-law increase or decrease the number of commissioners, but no such by-law shall come into force until confirmed at a general meeting of the subscribers called for the purpose or at the next annual meeting of the subscribers, and if so confirmed such by-law shall not be amended or repealed until two annual elections have been held under it. Increase or decrease in number of commissioners

2. Section 56 of *The Telephone Act, 1954* is amended by 1954, c. 94, s. 56, amended inserting after "municipality" in the ninth line "on or before such date as the council of the other municipality may by by-law prescribe", so that the section shall read as follows:

56. Where a telephone system extends into a municipality other than the initiating municipality, the clerk of the initiating municipality shall forthwith after its passing transmit to the clerk of the other municipality a certified copy of every debenture by-law charging with a rate the premises of any subscriber situate in the other municipality, and shall also in any year, when so required by the initiating Duties of municipal officials of initiating and other municipalities

municipality or the commissioners, as the case may be, transmit to the clerk of the other municipality, on or before such date as the council of the other municipality may by by-law prescribe, the amount in respect of the debentures and the cost of maintenance payable by each such subscriber and the same shall be placed on the collector's roll of the other municipality and shall be collected in the same manner as municipal taxes, and paid over to the treasurer of the initiating municipality.

1954, c. 94,
s. 77,
amended

3. Section 77 of *The Telephone Act, 1954* is amended by adding thereto the following subsection:

Application
of section

(2) This section does not apply to an agreement in relation to a matter to which section 78 applies.

1954, c. 94,
s. 96,
re-enacted

4. Section 96 of *The Telephone Act, 1954* is repealed and the following substituted therefor:

Administra-
tion costs

96. The moneys required for the purposes of this Part shall be paid out of the moneys appropriated therefor by the Legislature.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Telephone Amendment Act, 1957*.

SECTION 3. Section 77 of the Act prohibits a telephone system from entering into an agreement that may have the effect of increasing the cost of telephone service until the proposed agreement has been submitted to and approved by the Ontario Telephone Authority. The effect of the amendment is to make this provision inapplicable to agreements respecting the sale of a system or part of a system or of the controlling interest in a system, amalgamations of systems, or agreements which transfer ownership or control, as all of these matters require approval of the Authority under section 78. The duplication of approval is unnecessary.

SECTION 4. Section 96 of the Act is rewritten so that the administration costs of the Ontario Telephone Authority will be paid out of voted moneys rather than out of the Consolidated Revenue Fund.





BILL

An Act to amend
The Telephone Act, 1954

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. GODFELLOW

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Telephone Act, 1954

MR. GOODFELLOW



No. 120

1957

BILL

An Act to amend The Telephone Act, 1954

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsections 2 and 3 of section 40 of *The Telephone Act, 1954* are repealed and the following substituted therefor: 1954, c. 94, s. 40, subss. 2, 3, re-enacted

(2) Where the system is in the initiating municipality only, there shall be three or five commissioners and, where the system extends into one or more other municipalities, there shall be an odd number of commissioners, not less than three. Number of commissioners

(3) Subject to subsection 2, the number of commissioners first elected shall be as specified in the petition. Idem

(4) Subject to subsection 2, the commissioners may by by-law increase or decrease the number of commissioners, but no such by-law shall come into force until confirmed at a general meeting of the subscribers called for the purpose or at the next annual meeting of the subscribers, and if so confirmed such by-law shall not be amended or repealed until two annual elections have been held under it. Increase or decrease in number of commissioners

2. Section 56 of *The Telephone Act, 1954* is amended by inserting after "municipality" in the ninth line "on or before such date as the council of the other municipality may by by-law prescribe", so that the section shall read as follows: 1954, c. 94, s. 56, amended

56. Where a telephone system extends into a municipality other than the initiating municipality, the clerk of the initiating municipality shall forthwith after its passing transmit to the clerk of the other municipality a certified copy of every debenture by-law charging with a rate the premises of any subscriber situate in the other municipality, and shall also in any year, when so required by the initiating Duties of municipal officials of initiating and other municipalities

municipality or the commissioners, as the case may be, transmit to the clerk of the other municipality, on or before such date as the council of the other municipality may by by-law prescribe, the amount in respect of the debentures and the cost of maintenance payable by each such subscriber and the same shall be placed on the collector's roll of the other municipality and shall be collected in the same manner as municipal taxes, and paid over to the treasurer of the initiating municipality.

1954, c. 94,
s. 77,
amended

3. Section 77 of *The Telephone Act, 1954* is amended by adding thereto the following subsection:

Application
of section

(2) This section does not apply to an agreement in relation to a matter to which section 78 applies.

1954, c. 94,
s. 96,
re-enacted

4. Section 96 of *The Telephone Act, 1954* is repealed and the following substituted therefor:

Administra-
tion costs

96. The moneys required for the purposes of this Part shall be paid out of the moneys appropriated therefor by the Legislature.

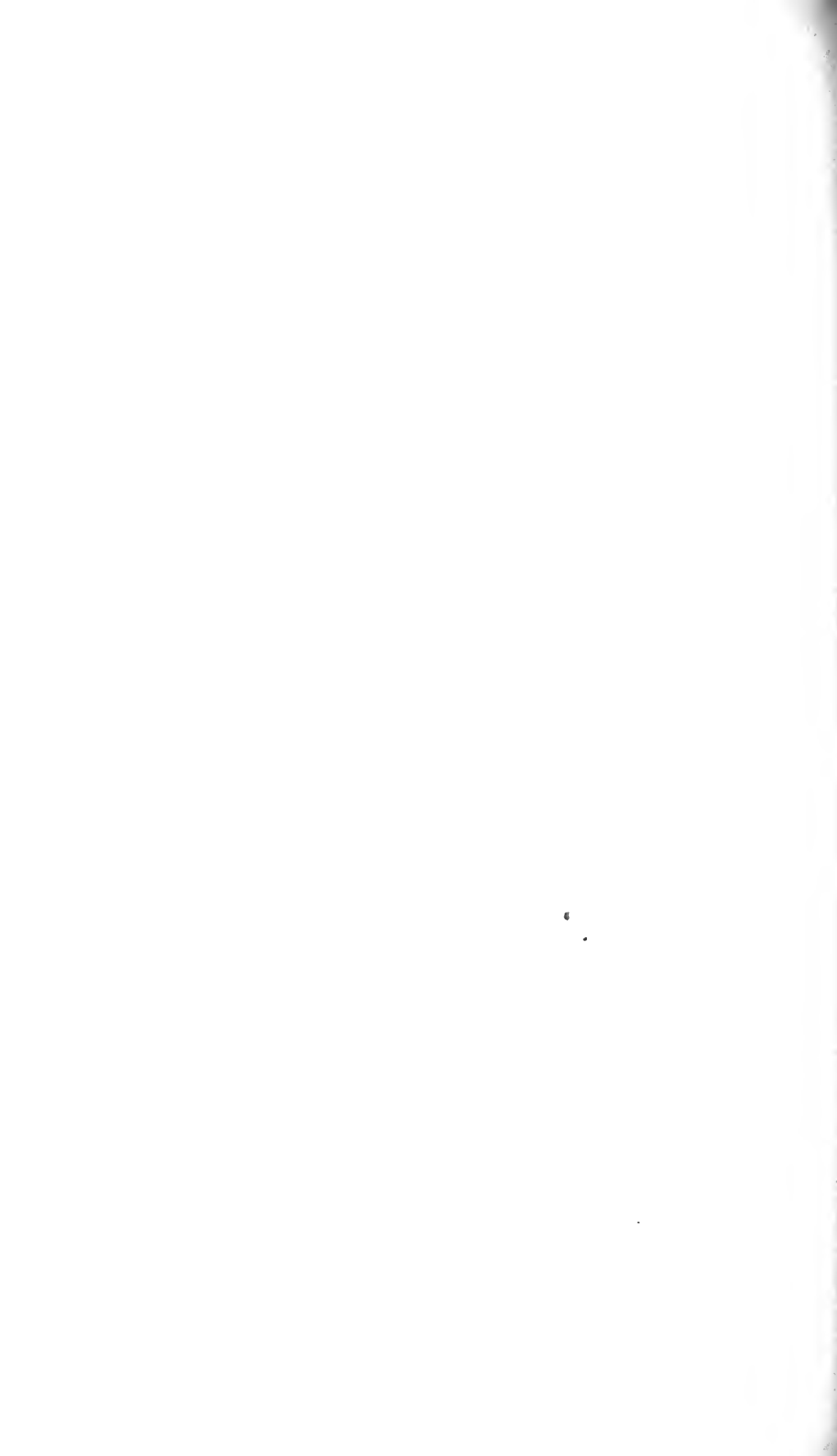
Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Telephone Amendment Act, 1957*.





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VII. Vol. 10. Special

An Act to amend
The Telephone Act, 1954

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. GOODFELLOW

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend
The Dog Tax and Live Stock Protection Act

MR. GOODFELLOW

EXPLANATORY NOTES

SECTION 1. The title is changed to more appropriately describe the purview of the Act.

SECTION 2. The definitions of "live stock", "municipality" and "poultry" are no longer required for the purposes of the Act. They are therefore repealed.

SECTION 3. The subsection repealed provides that every dog that is found off the premises upon which it is habitually kept without a tag and not under the control of any person may be killed.

The right given by this provision has led to abuses. It is felt that sections 6 and 9 of the Act afford adequate rights in this regard.

Section 6 authorizes by-laws to be passed regulating the killing of dogs running at large.

Section 9 permits any person to kill a dog that is found killing cattle, sheep or poultry or is found straying.

SECTION 4. Part II as re-enacted contains the following changes in principle:

1. The protection of the Part is extended to poultry.
2. Appeals from awards of municipal valuers will go to the Live Stock Commissioner instead of to the Minister of Agriculture and the procedure with respect to these appeals is simplified.
3. Municipalities may limit their liability in respect of cattle, sheep or poultry killed or injured by wild animals.
4. The duty of the owner of a dog that is known to have killed or injured live stock to destroy it is clarified.

BILL

An Act to amend The Dog Tax and Live Stock Protection Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. The title to *The Dog Tax and Live Stock Protection Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 107,
title,
re-enacted

The Dog Tax and the Cattle, Sheep and Poultry
Protection Act

2. Clauses *b, d* and *f* of section 1 of *The Dog Tax and Live Stock Protection Act* are repealed.

R.S.O. 1950,
c. 107,
s. 1, cls.
b, d, f,
repealed

3. Subsection 5 of section 4 of *The Dog Tax and Live Stock Protection Act* is repealed.

R.S.O. 1950,
c. 107; s. 4,
subs. 5,
repealed

4. Part II of *The Dog Tax and Live Stock Protection Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 107,
Part II
(ss. 8-16),
re-enacted

PART II

PROTECTION OF CATTLE, SHEEP AND POULTRY

8. In this Part,

Interpre-
tation

(a) "cattle, sheep and poultry" includes the young of any of them;

(b) "injured" in respect of cattle, sheep or poultry means injured by wounding, worrying, terrifying or pursuing, and "injuring" has a corresponding meaning;

(c) "Commissioner" means Live Stock Commissioner.

When dogs
may be
killed

9. Any person may kill a dog,
- (a) that is found killing or injuring cattle, sheep or poultry;
 - (b) that in a township or village is found between sunset and sunrise straying from the premises where the dog is habitually kept;
 - (c) that is found straying at any time, and not under proper control, upon premises where cattle, sheep or poultry are habitually kept.

Liability
of muni-
cipality

- 10.—(1) Whether the owner of a dog that kills or injures cattle, sheep or poultry is known or not, the local municipality in which the killing or injuring occurred is liable to the owner of the cattle, sheep or poultry for the amount of damage ascertained under section 11 and shall pay over such amount to the owner of the cattle, sheep or poultry, as the case may be, within thirty days after the owner of the cattle, sheep or poultry has filed with the clerk of the municipality an affidavit that to the best of his knowledge and belief the cattle, sheep or poultry were killed or injured by a dog other than a dog owned by him.

Where
subs. 1 not
to apply

- (2) Subsection 1 does not apply,
- (a) to cattle, sheep or poultry killed or injured while running at large upon a highway or unenclosed land; or
 - (b) in the case of poultry, where the weight of the poultry killed or injured is less than fifty pounds; or
 - (c) in the case of a township in a territorial district, where the owner of the cattle, sheep or poultry killed or injured fails to satisfy the council of the township that the killing or injuring was by dogs and not by wild animals.

By-law for
damages by
wild
animals

- (3) The council of a local municipality may pass a by-law providing that where cattle, sheep or poultry are killed or injured by wild animals in the municipality, subsection 1 applies in the same manner as where cattle, sheep or poultry are killed or injured by a dog, but the council in the by-law may fix the maximum amount payable for any head of cattle or

sheep so killed or injured, and may fix the proportion of the damages ascertained under section 12 that is payable.

- 11.—(1) The council of every local municipality shall appoint one or more persons as valuers of cattle, sheep and poultry for the purposes of this Act. Appointment of valuers
- (2) Where the owner of cattle, sheep or poultry discovers that any of his cattle, sheep or poultry has been killed or injured and to the best of his knowledge and belief such killing or injuring was done by a dog other than a dog owned by him, he shall immediately notify a valuer for the local municipality in which the cattle, sheep or poultry were killed or injured or the clerk of such municipality who shall forthwith notify a valuer, and such valuer shall immediately make full investigation and shall make his report in writing within ten days thereafter to the clerk of the municipality giving in detail the extent and amount of the damage and his award therefor and he shall at the same time forward a copy of such report to the owner of the cattle, sheep or poultry. Investigation and report by valuer
- (3) The owner of cattle, sheep or poultry shall not destroy or permit to be destroyed the carcass of any cattle, sheep or poultry reported killed under subsection 2 until the carcass has been seen by the valuer. Where carcass not to be destroyed
- (4) If the owner of the cattle, sheep or poultry or the council is dissatisfied with the award of the valuer made under subsection 2, the owner or the council may appeal to the Commissioner who may name a valuer to make a further investigation and award and the award of such valuer is final and conclusive as to the amount of the damage. Appeal to Commissioner
- (5) Such appeal shall be made within thirty days after the making of the report to the clerk of the local municipality by its valuer and \$25 shall be deposited with the Commissioner at the time of making the appeal to be forfeited to the Crown if the award of the valuer for the local municipality is sustained on the appeal. Time for appeal; deposit
- (6) Where there is no valuer of the local municipality or the clerk or the valuer does not discharge the duties imposed upon him by this Act, the Commissioner, on the application of the owner of any cattle, sheep or poultry killed or injured by a dog other than a dog owned by him, may name a valuer to Where no municipal valuer

make an investigation and an award and the award so made is final and conclusive as to the amount of damage, and the municipality, in addition to its liability to the owner of the cattle, sheep or poultry as provided by section 10, shall forthwith pay to the Commissioner the cost of such investigation as fixed by him.

Copy of award of special valuer to be sent to clerk and owner

- (7) A copy of the award of a valuer named by the Commissioner under subsection 6 shall be forwarded by the Commissioner as soon as practicable to the clerk of the local municipality and to the owner of the cattle, sheep or poultry.

Amount of damage limited

- (8) No valuer appointed by a municipality or named by the Commissioner shall make an award of an amount in respect of a head of cattle in excess of \$250 or to a head of sheep in excess of \$100.

Right of recovery from owner of dog

12. A local municipality having paid to the owner of cattle, sheep or poultry the amount of the damage ascertained under section 11 is entitled to recover the amount so paid from the owner of the dog that did the damage in any court of competent jurisdiction without proving that it was vicious or accustomed to worry cattle, sheep or poultry.

Proceedings for ascertaining owner of dog

13. In order to ascertain the owner of the dog that killed or injured the cattle, sheep or poultry, the clerk on the instructions of the head of the municipality may issue a subpoena calling upon the persons named therein to attend before the council and the member of the council presiding may administer an oath to any such person and any member of the council may examine any such person upon his knowledge of the matter.

Apportionment of damage

14. Where it appears that the damage was caused by more dogs than one, the council may apportion the damage in such manner as may be deemed just having regard to the strength, ferocity and character of such dogs.

Duty to destroy dog

- 15.—(1) Where the owner of a dog has knowledge that the dog has killed or injured cattle, sheep or poultry, he shall destroy the dog or cause the dog to be destroyed within forty-eight hours after acquiring such knowledge.

Failure to destroy dog

- (2) Where the owner of a dog refuses or neglects to destroy it in contravention of subsection 1, he may

be summoned before a magistrate who may order the dog to be destroyed and for the purpose of carrying out the order a constable may enter upon the premises of the owner and destroy the dog and the magistrate may, in addition to any other penalty provided by this Act, direct the owner of the dog to pay the costs of the proceedings and of the destruction of the dog.

16. Where in territory without municipal organization cattle, sheep or poultry are killed or injured by a dog, the owner of the dog is liable to the owner of the cattle, sheep or poultry for the amount of the damage and it is not necessary in any action to recover the amount of such damage to prove that the dog was vicious or accustomed to worry cattle, sheep or poultry. Liability of owner in un-organized territory
17. The times and procedures set out in this Part shall be regarded as directory and a proceeding that is in substantial conformity with this Part shall not be open to objection on the ground that it is not in strict compliance therewith. Times and procedures directory
18. Every person who contravenes or fails to comply with any of the provisions of this Part is guilty of an offence and on summary conviction is liable to a penalty of not more than \$50. Offence and penalties

5. This Act comes into force on the day it receives Royal Assent. Commencement

6. This Act may be cited as *The Dog Tax and the Cattle, Sheep and Poultry Protection Amendment Act, 1957*. Short title

BILL

An Act to amend
The Dog Tax and Live Stock
Protection Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

Mr. GOODFELLOW

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend
The Dog Tax and Live Stock Protection Act

MR. GOODFELLOW



BILL

An Act to amend The Dog Tax and Live Stock Protection Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. The title to *The Dog Tax and Live Stock Protection Act* R.S.O. 1950, is repealed and the following substituted therefor: c. 107, title, re-enacted

The Dog Tax and the Cattle, Sheep and Poultry Protection Act

2. Clauses *b, d* and *f* of section 1 of *The Dog Tax and Live Stock Protection Act* are repealed. R.S.O. 1950, s. 1, cls. *b, d, f,* repealed

3. Subsection 5 of section 4 of *The Dog Tax and Live Stock Protection Act* is repealed. R.S.O. 1950, c. 107, s. 4, subs. 5, repealed

4. Part II of *The Dog Tax and Live Stock Protection Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 107, Part II (ss. 8-16), re-enacted

PART II

PROTECTION OF CATTLE, SHEEP AND POULTRY

8. In this Part,

Interpre-
tation

- (a) "cattle, sheep and poultry" includes the young of any of them;
- (b) "injured" in respect of cattle, sheep or poultry means injured by wounding, worrying, terrifying or pursuing, and "injuring" has a corresponding meaning;
- (c) "Commissioner" means Live Stock Commissioner.

When dogs
may be
killed

9. Any person may kill a dog,
- (a) that is found killing or injuring cattle, sheep or poultry;
 - (b) that in a township or village is found between sunset and sunrise straying from the premises where the dog is habitually kept;
 - (c) that is found straying at any time, and not under proper control, upon premises where cattle, sheep or poultry are habitually kept.

Liability
of muni-
cipality

- 10.—(1) Whether the owner of a dog that kills or injures cattle, sheep or poultry is known or not, the local municipality in which the killing or injuring occurred is liable to the owner of the cattle, sheep or poultry for the amount of damage ascertained under section 11 and shall pay over such amount to the owner of the cattle, sheep or poultry, as the case may be, within thirty days after the owner of the cattle, sheep or poultry has filed with the clerk of the municipality an affidavit that to the best of his knowledge and belief the cattle, sheep or poultry were killed or injured by a dog other than a dog owned by him.

Where
subs. 1 not
to apply

- (2) Subsection 1 does not apply,
- (a) to cattle, sheep or poultry killed or injured while running at large upon a highway or unenclosed land; or
 - (b) in the case of poultry, where the weight of the poultry killed or injured is less than fifty pounds; or
 - (c) in the case of a township in a territorial district, where the owner of the cattle, sheep or poultry killed or injured fails to satisfy the council of the township that the killing or injuring was by dogs and not by wild animals.

By-law for
damages by
wild
animals

- (3) The council of a local municipality may pass a by-law providing that where cattle, sheep or poultry are killed or injured by wild animals in the municipality, subsection 1 applies in the same manner as where cattle, sheep or poultry are killed or injured by a dog, but the council in the by-law may fix the maximum amount payable for any head of cattle or

sheep so killed or injured, and may fix the proportion of the damages ascertained under section 12 that is payable.

- 11.—(1) The council of every local municipality shall appoint one or more persons as valuers of cattle, sheep and poultry for the purposes of this Act. Appointment of valuers
- (2) Where the owner of cattle, sheep or poultry discovers that any of his cattle, sheep or poultry has been killed or injured and to the best of his knowledge and belief such killing or injuring was done by a dog other than a dog owned by him, he shall immediately notify a valuer for the local municipality in which the cattle, sheep or poultry were killed or injured or the clerk of such municipality who shall forthwith notify a valuer, and such valuer shall immediately make full investigation and shall make his report in writing within ten days thereafter to the clerk of the municipality giving in detail the extent and amount of the damage and his award therefor and he shall at the same time forward a copy of such report to the owner of the cattle, sheep or poultry. Investigation and report by valuer
- (3) The owner of cattle, sheep or poultry shall not destroy or permit to be destroyed the carcass of any cattle, sheep or poultry reported killed under subsection 2 until the carcass has been seen by the valuer. Where carcass not to be destroyed
- (4) If the owner of the cattle, sheep or poultry or the council is dissatisfied with the award of the valuer made under subsection 2, the owner or the council may appeal to the Commissioner who may name a valuer to make a further investigation and award and the award of such valuer is final and conclusive as to the amount of the damage. Appeal to Commissioner
- (5) Such appeal shall be made within thirty days after the making of the report to the clerk of the local municipality by its valuer and \$25 shall be deposited with the Commissioner at the time of making the appeal to be forfeited to the Crown if the award of the valuer for the local municipality is sustained on the appeal. Time for appeal; deposit
- (6) Where there is no valuer of the local municipality or the clerk or the valuer does not discharge the duties imposed upon him by this Act, the Commissioner, on the application of the owner of any cattle, sheep or poultry killed or injured by a dog other than a dog owned by him, may name a valuer to Where no municipal valuer

make an investigation and an award and the award so made is final and conclusive as to the amount of damage, and the municipality, in addition to its liability to the owner of the cattle, sheep or poultry as provided by section 10, shall forthwith pay to the Commissioner the cost of such investigation as fixed by him.

Copy of award of special valuer to be sent to clerk and owner

- (7) A copy of the award of a valuer named by the Commissioner under subsection 6 shall be forwarded by the Commissioner as soon as practicable to the clerk of the local municipality and to the owner of the cattle, sheep or poultry.

Amount of damage limited

- (8) No valuer appointed by a municipality or named by the Commissioner shall make an award of an amount in respect of a head of cattle in excess of \$250 or to a head of sheep in excess of \$100.

Right of recovery from owner of dog

12. A local municipality having paid to the owner of cattle, sheep or poultry the amount of the damage ascertained under section 11 is entitled to recover the amount so paid from the owner of the dog that did the damage in any court of competent jurisdiction without proving that it was vicious or accustomed to worry cattle, sheep or poultry.

Proceedings for ascertaining owner of dog

13. In order to ascertain the owner of the dog that killed or injured the cattle, sheep or poultry, the clerk on the instructions of the head of the municipality may issue a subpoena calling upon the persons named therein to attend before the council and the member of the council presiding may administer an oath to any such person and any member of the council may examine any such person upon his knowledge of the matter.

Apportionment of damage

14. Where it appears that the damage was caused by more dogs than one, the council may apportion the damage in such manner as may be deemed just having regard to the strength, ferocity and character of such dogs.

Duty to destroy dog

- 15.—(1) Where the owner of a dog has knowledge that the dog has killed or injured cattle, sheep or poultry, he shall destroy the dog or cause the dog to be destroyed within forty-eight hours after acquiring such knowledge.

Failure to destroy dog

- (2) Where the owner of a dog refuses or neglects to destroy it in contravention of subsection 1, he may

be summoned before a magistrate who may order the dog to be destroyed and for the purpose of carrying out the order a constable may enter upon the premises of the owner and destroy the dog and the magistrate may, in addition to any other penalty provided by this Act, direct the owner of the dog to pay the costs of the proceedings and of the destruction of the dog.

16. Where in territory without municipal organization cattle, sheep or poultry are killed or injured by a dog, the owner of the dog is liable to the owner of the cattle, sheep or poultry for the amount of the damage and it is not necessary in any action to recover the amount of such damage to prove that the dog was vicious or accustomed to worry cattle, sheep or poultry. Liability of owner in un-organized territory
17. The times and procedures set out in this Part shall be regarded as directory and a proceeding that is in substantial conformity with this Part shall not be open to objection on the ground that it is not in strict compliance therewith. Times and procedures directory
18. Every person who contravenes or fails to comply with any of the provisions of this Part is guilty of an offence and on summary conviction is liable to a penalty of not more than \$50. Offence and penalties

5. This Act comes into force on the day it receives Royal Assent. Commencement

6. This Act may be cited as *The Dog Tax and the Cattle, Sheep and Poultry Protection Amendment Act, 1957*. Short title

BILL

An Act to amend
The Dog Tax and Live Stock
Protection Act

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. GOODFELLOW

No. 122

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend
The Administration of Justice Expenses Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The provision repealed, which provides a per diem fee for local registrars and deputy registrars for attending sittings of courts, is obsolete as all of these officials are now on salary.

SECTION 2—Subsection 1. This amendment is complementary to Bill No. 103, *An Act to amend The Municipal Unconditional Grants Act, 1953*.

Subsection 2. It is necessary to re-state the function of the Auditor of Criminal Justice Accounts in order to keep in line with the new system of payment of the cost of the administration of justice in the counties.

Subsection 3. See note to subsection 1.

SECTIONS 3, 4, 5 and 6. See note to section 2(1).

SECTION 7—Subsection 1. The item added is new.

Subsection 2. The clause added is new.

Subsection 3. Heretofore inquests were included in item 9 and the Crown attorney's fee for attending was \$10. The new fees are set out in items 9a and 9b.

Subsection 4. Item 6: The fee is raised from \$3 to \$6. Item 7: The fee is raised from \$2.50 to \$3. Item 8 is struck out as obsolete; it provided a fee of \$6 for exhuming and reburying a body under coroner's warrant or by direction of the Attorney-General.

SECTION 8. Schedule B, which sets out the items that the Province would reimburse the counties for, is repealed. This is complementary to Bill No. 103, *An Act to amend The Municipal Unconditional Grants Act, 1953*, and is one of the many amendments to several Acts that is necessary to bring about the new system of payment of the cost of the administration of justice in the counties.

What was formerly Schedule C becomes Schedule B.

Item 1 combines the former items 2 and 3.

Items 2 and 3 are new.

Item 4—no change.

Item 5—no change.

Item 6—no change in principle.

Item 7—the maximum rate per mile is deleted and the scope widened to include dead human bodies.

BILL

An Act to amend The Administration of Justice Expenses Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 10 of *The Administration of Justice Expenses Act* is repealed.

R.S.O. 1950,
c. 5, s. 10,
subs. 1,
repealed

2.—(1) Subsection 2 of section 17 of *The Administration of Justice Expenses Act*, as amended by section 1 of *The Administration of Justice Expenses Amendment Act, 1953*, is further amended by striking out “and the county or city, as the case may be, shall be entitled to be reimbursed out of the Consolidated Revenue Fund all of the said expenses mentioned in Schedule B which relate to prisoners who have been convicted of indictable offences or committed for trial, or who have been tried but not convicted under Part XVIII or XIX of the *Criminal Code* (Canada)” in the eleventh to seventeenth lines, so that the subsection shall read as follows:

R.S.O. 1950,
c. 5, s. 17,
subs. 2,
amended

(2) Except as in this Act or by law otherwise provided all fees payable under Part I to the officers therein mentioned, for services connected with the administration of justice, other than those mentioned in subsection 1, shall be paid in the first instance by the county, unless the county jail is owned and maintained by a city, in which case the fees in respect of prisoners convicted for offences committed within the city limits shall be paid in the first instance by the city, and so far as they relate to prisoners convicted for offences committed in the county without the limits of the city, shall be paid in the first instance by the county.

Fees payable
in first
instance
by county

(2) Subsection 3 of the said section 17 is repealed and the following substituted therefor:

R.S.O. 1950,
c. 5, s. 17,
subs. 3,
re-enacted

(3) The Lieutenant-Governor in Council may make regulations respecting the examination, audit and

Duties of
Auditor of
Criminal
Justice
Accounts

R.S.O. 1950,
c. 28

approval by the Auditor of Criminal Justice Accounts of all accounts of or relating to the administration of justice in the provisional judicial districts and, notwithstanding *The Audit Act* or any other Act, such accounts shall not be subject to further examination or audit.

R.S.O. 1950,
c. 5, s. 17,
subs. 4,
repealed

(3) Subsection 4 of the said section 17 is repealed.

R.S.O. 1950,
c. 5, s. 18,
re-enacted

3. Section 18 of *The Administration of Justice Expenses Act* is repealed and the following substituted therefor:

Fees and
expenses

18. Except as otherwise provided, in any matter concerning the administration of justice the fees and expenses set out in Schedule B shall be paid, upon the certificate or approval of the official therein indicated, by the county, unless the county jail is owned and maintained by a city, in which case the fees in respect of cases arising within the city limits shall be paid by the city and, so far as they relate to cases arising in the county without the limits of the city, shall be paid by the county.

R.S.O. 1950,
c. 5, s. 19,
repealed

4. Section 19 of *The Administration of Justice Expenses Act* is repealed.

R.S.O. 1950,
c. 5, s. 23,
subs. 1,
amended

5. Subsection 1 of section 23 of *The Administration of Justice Expenses Act* is amended by striking out "subject to Part III" in the fifth line, so that the subsection shall read as follows:

Accounts
against
county

(1) All accounts and demands preferred against a county in respect of the administration of criminal justice shall be delivered to the clerk of the peace on or before the 1st days of January, April, July and October in every year and shall be audited and approved by the board of audit.

R.S.O. 1950,
c. 5, ss. 28,
29, 32, 33-41,
repealed

6. Sections 28, 29, 32, 33, 34, 35, 36, 37, 38, 39, 40 and 41 of *The Administration of Justice Expenses Act* are repealed.

R.S.O. 1950,
c. 5,
Sched. A,
amended

7.—(1) Schedule A to *The Administration of Justice Expenses Act*, as amended by subsection 1 of section 1 of *The Statute Law Amendment Act, 1951*, is further amended by inserting the following item under the heading "CROWN ATTORNEYS":

2a. For each completed application for preventive detention before a county court judge or a magistrate..... \$35.00

R.S.O. 1950,
c. 5,
Sched. A,
amended

(2) The said Schedule A is further amended by adding the following clause to item 8 under the heading "CROWN ATTORNEYS":

(c) For each adjournment..... \$ 2.00

(3) The said Schedule A is further amended by striking out item 9 under the heading "CROWN ATTORNEYS" and inserting in lieu thereof the following: R.S.O. 1950,
c. 5,
Sched. A,
amended

- 9. Attending preliminary inquiry in the place in which the Crown Attorney resides, per inquiry..... \$10.00
- Out of city, town or village in which Crown attorney resides, additional per diem (not including expenses)..... 5.00
- 9a. Attending inquest,
 - (a) where inquest is held in part..... 15.00
 - (b) where inquest is completed..... 25.00
- 9b. For each mile necessarily travelled each way to attend an inquest..... .10

(4) The said Schedule A is further amended by striking out items 6, 7 and 8 under the heading "CONSTABLES" and inserting in lieu thereof the following: R.S.O. 1950,
c. 5,
Sched. A,
amended

- 6. Summoning jury for coroner's inquest, including attendance at inquest..... \$6.00
- 7. Attending each adjournment of a coroner's inquest..... 3.00

8. Schedule B, as amended by subsection 2 of section 1 of *The Statute Law Amendment Act, 1951*, section 2 of *The Administration of Justice Expenses Amendment Act, 1952* and Ontario Regulations 127/53, and Schedule C to *The Administration of Justice Expenses Act* are repealed and the following substituted therefor: R.S.O. 1950,
c. 5,
Sched. B,
re-enacted;
Sched. C,
repealed

SCHEDULE B

(See section 18 of the Act)

POST MORTEM EXAMINATIONS AND ANALYSES

- 1. Upon the certificate of the Attorney-General, the Deputy Attorney-General or the Crown attorney for the analysis of human blood or urine or both to determine its alcoholic content..... \$10.00
- 2. Attendance at jail or lockup for the purpose of procuring blood or urine samples or both..... 5.00
- 3. For blood stain groupings made at the request of the coroner or Crown attorney..... 25.00
- 4. Upon the certificate of the Attorney-General or Deputy Attorney-General or Crown attorney for a physical examination by any legally qualified medical practitioner.. 5.00
- 5. For any other scientific examination or analysis, such fee as the Attorney-General or the Deputy Attorney-General may in his discretion allow.
- 6. Upon the certificate of the official empowered to authorize the analysis or examination, the actual and reasonable living expenses of the person making the examination or analysis while necessarily absent from home making an examination or analysis.

7. Upon the certificate of the official empowered to authorize such examination or analysis, the expense of having the body of a deceased person or any material sent to the place where the examination or analysis is to be performed and returning it.

Commence-
ment

9.—(1) This Act, except sections 7 and 8, shall be deemed to have come into force on the 1st day of January, 1957, and applies to matters arising on or after that day.

Idem

(2) Sections 7 and 8 come into force on the 1st day of April, 1957.

Application
to past
matters

(3) *The Administration of Justice Expenses Act* continues to apply to matters that arose before the 1st day of January, 1957, as though this Act had not been passed.

Short title

10. This Act may be cited as *The Administration of Justice Expenses Amendment Act, 1957*.



BILL

An Act to amend
The Administration of Justice Expenses Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

**An Act to amend
The Administration of Justice Expenses Act**

MR. ROBERTS



BILL

An Act to amend The Administration of Justice Expenses Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 10 of *The Administration of Justice Expenses Act* is repealed.

R.S.O. 1950,
c. 5, s. 10,
subs. 1,
repealed

2.—(1) Subsection 2 of section 17 of *The Administration of Justice Expenses Act*, as amended by section 1 of *The Administration of Justice Expenses Amendment Act, 1953*, is further amended by striking out “and the county or city, as the case may be, shall be entitled to be reimbursed out of the Consolidated Revenue Fund all of the said expenses mentioned in Schedule B which relate to prisoners who have been convicted of indictable offences or committed for trial, or who have been tried but not convicted under Part XVIII or XIX of the *Criminal Code* (Canada)” in the eleventh to seventeenth lines, so that the subsection shall read as follows:

R.S.O. 1950,
c. 5, s. 17,
subs. 2,
amended

(2) Except as in this Act or by law otherwise provided all fees payable under Part I to the officers therein mentioned, for services connected with the administration of justice, other than those mentioned in subsection 1, shall be paid in the first instance by the county, unless the county jail is owned and maintained by a city, in which case the fees in respect of prisoners convicted for offences committed within the city limits shall be paid in the first instance by the city, and so far as they relate to prisoners convicted for offences committed in the county without the limits of the city, shall be paid in the first instance by the county.

Fees payable
in first
instance
by county

(2) Subsection 3 of the said section 17 is repealed and the following substituted therefor:

R.S.O. 1950,
c. 5, s. 17,
subs. 3,
re-enacted

(3) The Lieutenant-Governor in Council may make regulations respecting the examination, audit and

Duties of
Auditor of
Criminal
Justice
Accounts

approval by the Auditor of Criminal Justice Accounts of all accounts of or relating to the administration of justice in the provisional judicial districts and, notwithstanding *The Audit Act* or any other Act, such accounts shall not be subject to further examination or audit.

R.S.O. 1950,
c. 28

R.S.O. 1950,
c. 5, s. 17,
subs. 4,
repealed

(3) Subsection 4 of the said section 17 is repealed.

R.S.O. 1950,
c. 5, s. 18,
re-enacted

3. Section 18 of *The Administration of Justice Expenses Act* is repealed and the following substituted therefor:

Fees and
expenses

18. Except as otherwise provided, in any matter concerning the administration of justice the fees and expenses set out in Schedule B shall be paid, upon the certificate or approval of the official therein indicated, by the county, unless the county jail is owned and maintained by a city, in which case the fees in respect of cases arising within the city limits shall be paid by the city and, so far as they relate to cases arising in the county without the limits of the city, shall be paid by the county.

R.S.O. 1950,
c. 5, s. 19,
repealed

4. Section 19 of *The Administration of Justice Expenses Act* is repealed.

R.S.O. 1950,
c. 5, s. 23,
subs. 1,
amended

5. Subsection 1 of section 23 of *The Administration of Justice Expenses Act* is amended by striking out "subject to Part III" in the fifth line, so that the subsection shall read as follows:

Accounts
against
county

(1) All accounts and demands preferred against a county in respect of the administration of criminal justice shall be delivered to the clerk of the peace on or before the 1st days of January, April, July and October in every year, and shall be audited and approved by the board of audit.

R.S.O. 1950,
c. 5, ss. 28,
29, 32, 33-41,
repealed

6. Sections 28, 29, 32, 33, 34, 35, 36, 37, 38, 39, 40 and 41 of *The Administration of Justice Expenses Act* are repealed.

R.S.O. 1950,
c. 5,
Sched. A,
amended

7.—(1) Schedule A to *The Administration of Justice Expenses Act*, as amended by subsection 1 of section 1 of *The Statute Law Amendment Act, 1951*, is further amended by inserting the following item under the heading "CROWN ATTORNEYS":

2a. For each completed application for preventive detention before a county court judge or a magistrate..... \$35.00

R.S.O. 1950,
c. 5,
Sched. A,
amended

(2) The said Schedule A is further amended by adding the following clause to item 8 under the heading "CROWN ATTORNEYS":

(c) For each adjournment \$ 2.00

(3) The said Schedule A is further amended by striking out item 9 under the heading "CROWN ATTORNEYS" and inserting in lieu thereof the following: R.S.O. 1950,
c. 5,
Sched. A,
amended

- | | |
|--|---------|
| 9. Attending preliminary inquiry in the place in which the Crown Attorney resides, per inquiry | \$10.00 |
| Out of city, town or village in which Crown attorney resides, additional per diem (not including expenses) | 5.00 |
| 9a. Attending inquest, | |
| (a) where inquest is held in part | 15.00 |
| (b) where inquest is completed | 25.00 |
| 9b. For each mile necessarily travelled each way to attend an inquest | |
| | .10 |

(4) The said Schedule A is further amended by striking out items 6, 7 and 8 under the heading "CONSTABLES" and inserting in lieu thereof the following: R.S.O. 1950,
c. 5,
Sched. A,
amended

- | | |
|--|--------|
| 6. Summoning jury for coroner's inquest, including attendance at inquest | \$6.00 |
| 7. Attending each adjournment of a coroner's inquest | 3.00 |

8. Schedule B, as amended by subsection 2 of section 1 of *The Statute Law Amendment Act, 1951*, section 2 of *The Administration of Justice Expenses Amendment Act, 1952* and Ontario Regulations 127/53, and Schedule C to *The Administration of Justice Expenses Act* are repealed and the following substituted therefor: R.S.O. 1950,
c. 5,
Sched. B,
re-enacted;
Sched. C,
repealed

SCHEDULE B

(See section 18 of the Act)

POST MORTEM EXAMINATIONS AND ANALYSES

- | | |
|--|---------|
| 1. Upon the certificate of the Attorney-General, the Deputy Attorney-General or the Crown attorney for the analysis of human blood or urine or both to determine its alcoholic content | \$10.00 |
| 2. Attendance at jail or lockup for the purpose of procuring blood or urine samples or both | 5.00 |
| 3. For blood stain groupings made at the request of the coroner or Crown attorney | 25.00 |
| 4. Upon the certificate of the Attorney-General or Deputy Attorney-General or Crown attorney for a physical examination by any legally qualified medical practitioner | 5.00 |
| 5. For any other scientific examination or analysis, such fee as the Attorney-General or the Deputy Attorney-General may in his discretion allow. | |
| 6. Upon the certificate of the official empowered to authorize the analysis or examination, the actual and reasonable living expenses of the person making the examination or analysis while necessarily absent from home making an examination or analysis. | |

7. Upon the certificate of the official empowered to authorize such examination or analysis, the expense of having the body of a deceased person or any material sent to the place where the examination or analysis is to be performed and returning it.

Commence-
ment

9.—(1) This Act, except sections 7 and 8, shall be deemed to have come into force on the 1st day of January, 1957, and applies to matters arising on or after that day.

Idem

(2) Sections 7 and 8 come into force on the 1st day of April, 1957.

Application
to past
matters

(3) *The Administration of Justice Expenses Act* continues to apply to matters that arose before the 1st day of January, 1957, as though this Act had not been passed.

Short title

10. This Act may be cited as *The Administration of Justice Expenses Amendment Act, 1957*.



BILL

An Act to amend
The Administration of Justice Expenses Act

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 29th, 1957

MR. ROBERTS

No. 123

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Coroners Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. This amendment is complementary to Bill No. 103, *An Act to amend The Municipal Unconditional Grants Act, 1953*. It abolishes the provincial contribution to the salaries of chief coroners of cities.

SECTION 2. Instead of three schedules, one for coroners and for jurors and witnesses and one for post mortem examinations, this bill provides four schedules, one for each of the above.

The amendments bring these provisions into line with the new schedule set-up.

SECTION 3. The repeal of section 39, which provides for the Province to reimburse counties for coroners' fees, is complementary to Bill No. 103, *An Act to amend The Municipal Unconditional Grants Act, 1953*.

BILL

An Act to amend The Coroners Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 3 of *The Coroners Act* is amended by striking out "and the Corporation of the City of Toronto shall be reimbursed out of the Consolidated Revenue Fund to the extent of one-third of such salary, and the corporation of any other city having a chief coroner shall be reimbursed out of the Consolidated Revenue Fund to the extent of one-half of such salary" in the third to eighth lines, so that the subsection shall read as follows:

R.S.O. 1950,
c. 70, s. 3,
subs. 2,
amended

(2) In lieu of fees every chief coroner shall be paid half-yearly by the corporation of the city such salary as may be fixed by the Lieutenant-Governor in Council.

Salaries

2.—(1) Subsection 4 of section 37 of *The Coroners Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 70, s. 37,
subs. 4,
re-enacted

(4) Jurors' fees and mileage allowances for attending inquests shall be those set out in Schedule B.

Jurors'
fees, etc.

(4a) Witnesses' fees, mileage allowances and amounts for living expenses in connection with inquests shall be those set out in Schedule C.

Witnesses'
fees, etc.

(2) Subsection 7 of the said section 37 is repealed and the following substituted therefor:

R.S.O. 1950,
c. 70, s. 37,
subs. 7,
re-enacted

(7) The fees and mileage allowances in connection with *post mortem* examinations and analyses shall be those set out in Schedule D.

Post mortem
examina-
tions, etc.

3. Section 39 of *The Coroners Act*, as re-enacted by section 2 of *The Coroners Amendment Act, 1955*, is repealed.

R.S.O. 1950,
c. 70, s. 39
(1955,
c. 15, s. 2),
repealed

R.S.O. 1950,
c. 70, Scheds.
A, B, C,
re-enacted

4. Schedule A, as amended by section 6 of *The Coroners Amendment Act, 1951*, Schedule B and Schedule C to *The Coroners Act* are repealed and the following substituted therefor:

SCHEDULE A

Coroners

1. For all services in an investigation where no inquest is held.....\$ 10.00
2. For all services where an inquest is held in part..... 15.00
3. For all services where an inquest is held and completed.. 25.00
4. For every mile necessarily travelled in connection with an investigation or an inquest..... .10
5. For expenses necessarily incurred in connection with an investigation or inquest, such expense allowance as may be approved by the Crown attorney.

SCHEDULE B

Jurors

1. For every day of attendance at the inquest.....\$ 4.00
2. For each mile necessarily travelled between the juror's place of residence and the place where the inquest is held, a mileage allowance of 10 cents a mile each way, provided that, where the inquest is held in a city in which the juror resides, the mileage allowance shall be 75 cents.

SCHEDULE C

Witnesses

1. For every day of attendance at the inquest.....\$ 4.00
2. For every day of attendance of a legally qualified medical practitioner as a medical practitioner..... 7.00
3. For every day of attendance at the inquest of an expert witness, such fee not exceeding \$30 as the coroner deems proper or such greater fee as the Attorney-General or the Deputy Attorney-General may approve.
4. For preparing a plan, furnishing any article or doing any work for use at the inquest, in addition to the fee to which the witness would ordinarily be entitled, such special fee as the coroner may deem proper and the Crown attorney may approve.
5. For each mile necessarily travelled between the place of residence of the witness and the place where the inquest is held, a mileage allowance of 10 cents a mile each way, provided that, where the inquest is held in a city in which the witness resides, the mileage allowance shall be 75 cents.
6. Where the witness resides elsewhere and is required to remain at the place of inquest overnight, the amount reasonably and actually paid for living expenses, but not more than \$6 for each day.

SECTION 4:—

Schedule A

- Item 1—No change.
- 2—No change.
- 3—No change.
- 4—The present rate is 15 cents.
- 5—No change.

Schedule B

- Item 1—Increased to conform with *The Jurors Act*.
- 2—Increased from 15 cents one way.

Schedule C

- Item 1—Increased to conform with *The Crown Witnesses Act*.
- 2—Increased to conform with *The Crown Witnesses Act*.
- 3—Fee increased from \$15 and "or the Deputy Attorney-General" added.
- 4—No change.
- 5—Allowance increased from 15 cents one way.
- 6—Now conforms with *The Crown Witnesses Act*.

Schedule D

- Item 1—Increased from \$25.
2—This is new.
3—No change.
4—The present rate is 15 cents.

SCHEDULE D

Post Mortem Examinations, etc.

- 1. For a post mortem examination (including any technical assistance required).....\$ 50.00
- 2. For microscopic sections necessary to prove diagnosis... 15.00
- 3. For any other examination or analysis, such fee as is authorized under *The Administration of Justice Expenses Act*.
- 4. For each mile necessarily travelled in connection with an examination or analysis..... .10

5.—(1) This Act, except sections 2 and 4, shall be deemed ^{Commence-}ment to have come into force on the 1st day of January, 1957.

(2) Sections 2 and 4 come into force on the 1st of April, ^{Idem} 1957.

6. This Act may be cited as *The Coroners Amendment* ^{Short title} *Act, 1957*.

BILL

An Act to amend The Coroners Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 123

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Coroners Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Coroners Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 2 of section 3 of *The Coroners Act* is amended by striking out "and the Corporation of the City of Toronto shall be reimbursed out of the Consolidated Revenue Fund to the extent of one-third of such salary, and the corporation of any other city having a chief coroner shall be reimbursed out of the Consolidated Revenue Fund to the extent of one-half of such salary" in the third to eighth lines, so that the subsection shall read as follows:

R.S.O. 1950,
c. 70, s. 3,
subs. 2,
amended

(2) In lieu of fees every chief coroner shall be paid half-yearly by the corporation of the city such salary as may be fixed by the Lieutenant-Governor in Council.

Salaries

2.—(1) Subsection 4 of section 37 of *The Coroners Act* is repealed and the following substituted therefor:

R.S.O. 1950,
c. 70, s. 37,
subs. 4,
re-enacted

(4) Jurors' fees and mileage allowances for attending inquests shall be those set out in Schedule B.

Jurors' fees, etc.

(4a) Witnesses' fees, mileage allowances and amounts for living expenses in connection with inquests shall be those set out in Schedule C.

Witnesses' fees, etc.

(2) Subsection 7 of the said section 37 is repealed and the following substituted therefor:

R.S.O. 1950,
c. 70, s. 37,
subs. 7,
re-enacted

(7) The fees and mileage allowances in connection with *post mortem* examinations and analyses shall be those set out in Schedule D.

Post mortem examinations, etc.

3. Section 39 of *The Coroners Act*, as re-enacted by section 2 of *The Coroners Amendment Act, 1955*, is repealed.

R.S.O. 1950,
c. 70, s. 39
(1955,
c. 15, s. 2),
repealed

R.S.O. 1950,
c. 70, Scheds.
A, B, C,
re-enacted

4. Schedule A, as amended by section 6 of *The Coroners Amendment Act, 1951*, Schedule B and Schedule C to *The Coroners Act* are repealed and the following substituted therefor:

SCHEDULE A

Coroners

1. For all services in an investigation where no inquest is held.....\$ 10.00
2. For all services where an inquest is held in part..... 15.00
3. For all services where an inquest is held and completed.. 25.00
4. For every mile necessarily travelled in connection with an investigation or an inquest..... .10
5. For expenses necessarily incurred in connection with an investigation or inquest, such expense allowance as may be approved by the Crown attorney.

SCHEDULE B

Jurors

1. For every day of attendance at the inquest.....\$ 4.00
2. For each mile necessarily travelled between the juror's place of residence and the place where the inquest is held, a mileage allowance of 10 cents a mile each way, provided that, where the inquest is held in a city in which the juror resides, the mileage allowance shall be 75 cents.

SCHEDULE C

Witnesses

1. For every day of attendance at the inquest.....\$ 4.00
2. For every day of attendance of a legally qualified medical practitioner as a medical practitioner..... 7.00
3. For every day of attendance at the inquest of an expert witness, such fee not exceeding \$30 as the coroner deems proper or such greater fee as the Attorney-General or the Deputy Attorney-General may approve.
4. For preparing a plan, furnishing any article or doing any work for use at the inquest, in addition to the fee to which the witness would ordinarily be entitled, such special fee as the coroner may deem proper and the Crown attorney may approve.
5. For each mile necessarily travelled between the place of residence of the witness and the place where the inquest is held, a mileage allowance of 10 cents a mile each way, provided that, where the inquest is held in a city in which the witness resides, the mileage allowance shall be 75 cents.
6. Where the witness resides elsewhere and is required to remain at the place of inquest overnight, the amount reasonably and actually paid for living expenses, but not more than \$6 for each day.

SCHEDULE D

Post Mortem Examinations, etc.

- | | |
|---|----------|
| 1. For a post mortem examination (including any technical assistance required)..... | \$ 50.00 |
| 2. For microscopic sections necessary to prove diagnosis.... | 15.00 |
| 3. For any other examination or analysis, such fee as is authorized under <i>The Administration of Justice Expenses Act</i> . | |
| 4. For each mile necessarily travelled in connection with an examination or analysis..... | .10 |

5.—(1) This Act, except sections 2 and 4, shall be deemed ^{Commence-} to have come into force on the 1st day of January, 1957. _{ment}

(2) Sections 2 and 4 come into force on the 1st of April, ^{Idem} 1957.

6. This Act may be cited as *The Coroners Amendment* ^{Short title} *Act, 1957*.



BILL

An Act to amend The Coroners Act

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 29th, 1957

MR. ROBERTS

No. 124

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Crown Witnesses Act

MR. ROBERTS

EXPLANATORY NOTES

SECTION 1. Section 8 of the Act, which provides for the reimbursement of counties by the Province of one-third of witness fees paid by the county, is repealed. In place of this reimbursement system will be the unconditional grant toward the cost of the administration of justice provided for in Bill No. 103, *An Act to amend The Municipal Unconditional Grants Act, 1953*.

SECTIONS 2 and 3. Complementary to section 1.

No. 124

1957

BILL

An Act to amend The Crown Witnesses Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 8 of *The Crown Witnesses Act* is repealed. R.S.O. 1950,
c. 83, s. 8,
repealed

2. Section 11 of *The Crown Witnesses Act* is amended by striking out "and one-third accounted for by the municipality to the Crown" in the fourth and fifth lines, so that the section shall read as follows: R.S.O. 1950,
c. 83, s. 11,
amended

11. Where witness fees paid under this Act are, by virtue of the judgment of the court, afterwards recovered from the prosecutor or defendant, the same shall be repaid to the municipality. Where
municipality
to be repaid

3. Subsection 2 of section 12 of *The Crown Witnesses Act* is repealed. R.S.O. 1950,
c. 83, s. 12,
subs. 2,
repealed

4. This Act shall be deemed to have come into force on the 1st day of January, 1957. Commence-
ment

5. This Act may be cited as *The Crown Witnesses Amend-ment Act, 1957*. Short title

BILL

An Act to amend
The Crown Witnesses Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Crown Witnesses Act

MR. ROBERTS



No. 124

1957

BILL

An Act to amend The Crown Witnesses Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 8 of *The Crown Witnesses Act* is repealed.

R.S.O. 1950,
c. 83, s. 8,
repealed

2. Section 11 of *The Crown Witnesses Act* is amended by striking out "and one-third accounted for by the municipality to the Crown" in the fourth and fifth lines, so that the section shall read as follows:

R.S.O. 1950,
c. 83, s. 11,
amended

11. Where witness fees paid under this Act are, by virtue of the judgment of the court, afterwards recovered from the prosecutor or defendant, the same shall be repaid to the municipality.

Where
municipality
to be repaid

3. Subsection 2 of section 12 of *The Crown Witnesses Act* is repealed.

R.S.O. 1950,
c. 83, s. 12,
subs. 2,
repealed

4. This Act shall be deemed to have come into force on the 1st day of January, 1957.

Commence-
ment

5. This Act may be cited as *The Crown Witnesses Amendment Act, 1957*.

Short title

BILL

An Act to amend
The Crown Witnesses Act

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 29th, 1957

MR. ROBERTS

No. 125

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Crown Attorneys Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

This bill is complementary to Bill No. 122, *An Act to amend The Administration of Justice Expenses Act.*

Hereafter Crown attorneys on salary and clerks of the peace on salary will be required to collect from counties the same fees as are collected by Crown attorneys on fees and clerks of the peace on fees and remit them to the Province.

This bill terminates existing fee agreements and authorizes new agreements having regard to the new system.

This bill also authorizes a new type of agreement with respect to certain operating expenses of Crown attorneys' offices.

BILL

An Act to amend The Crown Attorneys Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 6a of *The Crown Attorneys Act*, R.S.O. 1950, c. 81, s. 6a as enacted by section 1 of *The Crown Attorneys Amendment Act, 1954*, is repealed and the following substituted therefor: (1954, c. 18, s. 1), subs. 1, re-enacted

(1) A Crown attorney and the county for which he is appointed or any local municipality in the county may make an agreement for the payment to him by the county or the local municipality, as the case may be, of a fixed annual sum in lieu of all fees to which he is entitled as Crown attorney or as clerk of the peace or in both capacities. Agreement for fixed sum in lieu of fees

2. *The Crown Attorneys Act* is amended by adding thereto the following section: R.S.O. 1950, c. 81, amended

6b.—(1) A Crown attorney on salary and the county for which he is appointed may, with the approval of the Attorney-General, make an agreement for the payment to him by the county in respect of the expenses of his office for which the county is not responsible, in respect of his salary and in respect of the salaries or other remuneration of the members of his staff in lieu of all fees to which he is entitled as Crown attorney or as clerk of the peace or in both capacities and that are chargeable by him to the county. Agreement for fixed sum for expenses

(2) Either party to an agreement under subsection 1 may terminate it on the 31st day of December in any year by giving the other party one month's notice in writing of the intention so to do. Termination

(3) If the offices of Crown attorney and clerk of the peace in the County of York are held by different persons, this section applies *mutatis mutandis* to each of them. York County

R.S.O. 1950,
c. 81, s. 12,
amended

3. Section 12 of *The Crown Attorneys Act* is amended by striking out "other than those payable by the Province either directly or by way of refund to the county" in the third and fourth lines, so that the section shall read as follows:

Collection
and
payment
over
of fees

12. Every Crown attorney, except a Crown attorney on fees, shall collect all fees payable to him as Crown attorney and clerk of the peace and remit the same to the Inspector of Legal Offices by cheque payable to the Treasurer of Ontario, quarterly on the 1st day of January, April, July and October in each year, together with a statement showing the fees collected.

Existing
agreements
terminated
R.S.O. 1950,
c. 81
1954, c. 18
R.S.O. 1950,
c. 5
1954, c. 1

4. Every agreement made by a Crown attorney on salary under section 6a of *The Crown Attorneys Act*, as enacted by section 1 of *The Crown Attorneys Amendment Act, 1954*, or made by a clerk of the peace on salary under section 5 of *The Administration of Justice Expenses Act*, as repealed by section 1 of *The Administration of Justice Expenses Amendment Act, 1954*, that was in force on the 31st day of December, 1956, shall be deemed to have terminated on that day.

Commence-
ment

5. This Act shall be deemed to have come into force on the 1st day of January, 1957.

Short title

6. This Act may be cited as *The Crown Attorneys Amendment Act, 1957*.





BILL

An Act to amend
The Crown Attorneys Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

No. 125

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Crown Attorneys Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



No. 125

1957

BILL

An Act to amend The Crown Attorneys Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 1 of section 6a of *The Crown Attorneys Act*, R.S.O. 1950, c. 81, s. 6a as enacted by section 1 of *The Crown Attorneys Amendment Act, 1954*, (1954, c. 18, s. 1), subs. 1, is repealed and the following substituted therefor: re-enacted

- (1) A Crown attorney and the county for which he is appointed or any local municipality in the county may make an agreement for the payment to him by the county or the local municipality, as the case may be, of a fixed annual sum in lieu of all fees to which he is entitled as Crown attorney or as clerk of the peace or in both capacities.

2. *The Crown Attorneys Act* is amended by adding thereto the following section: R.S.O. 1950, c. 81, amended

6b.—(1) A Crown attorney on salary and the county for which he is appointed may, with the approval of the Attorney-General, make an agreement for the payment to him by the county in respect of the expenses of his office for which the county is not responsible, in respect of his salary and in respect of the salaries or other remuneration of the members of his staff in lieu of all fees to which he is entitled as Crown attorney or as clerk of the peace or in both capacities and that are chargeable by him to the county.

- (2) Either party to an agreement under subsection 1 may terminate it on the 31st day of December in any year by giving the other party one month's notice in writing of the intention so to do. Termination
- (3) If the offices of Crown attorney and clerk of the peace in the County of York are held by different persons, this section applies *mutatis mutandis* to each of them. York County

R.S.O. 1950,
c. 81, s. 12,
amended

3. Section 12 of *The Crown Attorneys Act* is amended by striking out "other than those payable by the Province either directly or by way of refund to the county" in the third and fourth lines, so that the section shall read as follows:

Collection
and
payment
over
of fees

12. Every Crown attorney, except a Crown attorney on fees, shall collect all fees payable to him as Crown attorney and clerk of the peace and remit the same to the Inspector of Legal Offices by cheque payable to the Treasurer of Ontario, quarterly on the 1st day of January, April, July and October in each year, together with a statement showing the fees collected.

Existing
agreements
terminated
R.S.O. 1950,
c. 81,
1954, c. 18
R.S.O. 1950,
c. 5
1954, c. 1

4. Every agreement made by a Crown attorney on salary under section 6a of *The Crown Attorneys Act*, as enacted by section 1 of *The Crown Attorneys Amendment Act, 1954*, or made by a clerk of the peace on salary under section 5 of *The Administration of Justice Expenses Act*, as repealed by section 1 of *The Administration of Justice Expenses Amendment Act, 1954*, that was in force on the 31st day of December, 1956, shall be deemed to have terminated on that day.

Commence-
ment

5. This Act shall be deemed to have come into force on the 1st day of January, 1957.

Short title

6. This Act may be cited as *The Crown Attorneys Amendment Act, 1957*.







BILL

An Act to amend
The Crown Attorneys Act

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 29th, 1957

MR. ROBERTS

No. 126

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Sheriffs Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

This bill is similar in principle to Bill No. 125, *An Act to amend The Crown Attorneys Act.*

BILL

An Act to amend The Sheriffs Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Sheriffs Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 359,
amended

14a. A sheriff and the county for which he is appointed may make an agreement for the payment to him by the county of a fixed annual sum in lieu of all fees to which he is entitled as sheriff. Agreement
for fixed
sum in
lieu of
fees

2. This Act shall be deemed to have come into force on the 1st day of January, 1957. Commence-
ment

3. This Act may be cited as *The Sheriffs Amendment Act*, 1957. Short title

BILL

An Act to amend
The Sheriffs Act

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. ROBERTS

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Sheriffs Act

MR. ROBERTS

(Reprinted as amended by the Committee on Legal Bills)

EXPLANATORY NOTE

This bill is similar in principle to Bill No. 125, *An Act to amend The Crown Attorneys Act.*

No. 126

1957

BILL

An Act to amend The Sheriffs Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Sheriffs Act* is amended by adding thereto the following section: R.S.O. 1950,
c. 359,
amended

14a.—(1) A sheriff and the county for which he is appointed may make an agreement for the payment to him by the county of a fixed annual sum in lieu of all fees which as sheriff he is entitled to be paid by the county. Agreement
for fixed
sum in
lieu of
fees

(2) Either party to an agreement under subsection 1 may terminate it on the 31st day of December in any year by giving the other party one month's notice in writing of the intention so to do. 1 Termination
of agreement

2. This Act shall be deemed to have come into force on the 1st day of January, 1957. Commence-
ment

3. This Act may be cited as *The Sheriffs Amendment Act*, 1957. Short title

BILL

An Act to amend
The Sheriffs Act

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

MR. ROBERTS

*(Reprinted as amended by the
Committee on Legal Bills)*

No. 126

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Sheriffs Act

MR. ROBERTS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



No. 126

1957

BILL

An Act to amend The Sheriffs Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. *The Sheriffs Act* is amended by adding thereto the following section: R.S.O. 1950
c. 359
amended

14a.—(1) A sheriff and the county for which he is appointed may make an agreement for the payment to him by the county of a fixed annual sum in lieu of all fees which as sheriff he is entitled to be paid by the county. Agreement
for fixed
sum in
lieu of
fees

(2) Either party to an agreement under subsection 1 may terminate it on the 31st day of December in any year by giving the other party one month's notice in writing of the intention so to do. Termination
of agreement

2. This Act shall be deemed to have come into force on the 1st day of January, 1957. Commence-
ment

3. This Act may be cited as *The Sheriffs Amendment Act*, 1957. Short title

BILL

An Act to amend
The Sheriffs Act

1st Reading

February 28th, 1957

2nd Reading

March 5th, 1957

3rd Reading

April 2nd, 1957

MR. ROBERTS

No. 127

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
The Private Hospitals Act, 1957

MR. PHILLIPS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

This bill contains a general revision of *The Private Hospitals Act*, the first since 1931. The only major change in principle is the transfer of the administration and enforcement of the Act from the Minister of Health to the Hospital Services Commission of Ontario.

In addition, the initial licence fee is increased from \$15 to \$20 and the renewal fee from \$5 to \$10.

The sections of the Act are re-arranged to provide a more logical sequence and the language of many sections has been edited to bring about uniformity of expression throughout.

BILL

The Private Hospitals Act, 1957

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "Commission" means Hospital Services Commission of Ontario;
- (b) "Department" means Department of Health;
- (c) "house" means a building or other structure, whether permanent or temporary, intended for human habitation and, where two or more houses are situate on adjacent pieces of land and are occupied by the same person, they shall be deemed to constitute a single house for the purposes of this Act;
- (d) "inspector" means an officer of the Commission or of the Department designated under this Act as an inspector;
- (e) "Minister" means Minister of Health;
- (f) "patient" means a person admitted to a private hospital for the purpose of treatment;
- (g) "private hospital" means a house in which four or more patients are or may be admitted for treatment, other than,
 - (i) a hospital or other establishment or institution supported in whole or in part by provincial aid,
 - (ii) an institution in respect of which a licence under *The Private Sanitaria Act* is in force,

R.S.O. 1950,
c. 290

- R.S.O. 1950,
c. 243
- (iii) an institution for the reclamation and cure of habitual drunkards established under *The Municipal Act*,
- R.S.O. 1950,
c. 225
- (iv) a house registered under *The Maternity Boarding Houses Act*,
- (v) a lodging house licensed under a municipal by-law;
- (h) "regulations" means regulations made under this Act;
- (i) "superintendent" means the person who has for the time being the direct and actual superintendence and charge of a private hospital;
- (j) "treatment" means the maintenance, observation, nursing and medical care and supervision of a patient.
R.S.O. 1950, c. 289, s. 1, *amended*.

Administra-
tion and
enforcement
of Act

2. The Commission shall administer and enforce this Act and the regulations. R.S.O. 1950, c. 289, s. 4, *part, amended*.

Licence
for
private
hospital

3.—(1) No house shall be used by any person as a private hospital except under the authority of a licence issued by the Commission under this Act.

Penalty

(2) Where a house is used as a private hospital in contravention of subsection 1, the occupier and all persons concerned in the management of the house or in the admission to or treatment of any patient therein are severally guilty of an offence and on summary conviction are liable to a penalty of not more than \$25 for every day during which such use continued. R.S.O. 1950, c. 289, s. 7, *amended*.

Use of
term
"hospital"

4.—(1) No person shall use the term "hospital" in connection with a house unless such use is duly authorized. R.S.O. 1950, c. 289, s. 2, *amended*.

Penalty

(2) Every person who contravenes subsection 1 is guilty of an offence and on summary conviction is liable to a penalty of not more than \$500. *New*.

Approval

5. No licence shall be granted unless the house, its location with regard to neighbouring premises and its proposed facilities and equipment are approved by an inspector as suitable for the purposes indicated in the application and the Commission is satisfied as to the character and fitness of the applicant. R.S.O. 1950, c. 289, s. 9, *amended*.

6.—(1) Every application for a licence to keep a private hospital shall be made in writing to the Commission and shall contain the following particulars: ^{Application for licence}

1. The full name, place of abode, qualifications and occupation of the applicant.
2. A statement of the estate or interest of the applicant in the house in respect of which the licence is desired.
3. A statement of the number of patients proposed to be admitted to the house and to each room or apartment of the house.
4. A description of the situation of the house.
5. A plan of the house on a scale of not less than one-eighth of an inch to the foot showing the intended use of each room.
6. A statement of the sanitary arrangements, ventilation, heating and water supply of the house.
7. A full description of the fire escapes of the house and the facilities provided for use in case of fire.
8. A statement as to the classes of patients proposed to be admitted.
9. A statement as to the proposed charges to be made for each class of patients to be admitted.
10. If it is proposed to offer services in surgery, gynaecology or obstetrics, a statement as to the type of surgery, gynaecology or obstetrics to be performed and as to the facilities and equipment which are to be provided in the house for these purposes.
11. The number of staff and the qualifications of each member of the staff of the proposed hospital.

(2) Every such application shall be verified by the statutory declaration of the applicant and shall be accompanied by a fee of \$20. R.S.O. 1950, c. 289, s. 8, *amended*. ^{Verification and fee}

7.—(1) Every licence is renewable annually in accordance with the regulations. ^{Licence, renewal}

(2) The fee for renewal of a licence is \$10. R.S.O. 1950, c. 289, s. 10, *amended*. ^{fee}

Power to
refuse
renewal

(3) The Commission may refuse to renew the licence of any private hospital if it was operated in a manner that contravened any provision of this Act or the regulations.

Penalty

(4) Where the renewal of a licence is refused or where a licence has been revoked, the licence shall not be displayed in a manner that may induce a person to believe that it is still in force, and every person who so displays a licence is guilty of an offence and on summary conviction is liable to a penalty of not less than \$25 and not more than \$500. *New.*

Death of
one of
joint
licensees

8. Where a licence has been issued to two or more persons jointly and any of such persons dies leaving the other or others surviving during the currency of the licence, the licence remains in force and has the same effect as if it had been issued to the survivor or survivors. R.S.O. 1950, c. 289, s. 11, *amended.*

Transfer
of licence

9. On the application in writing signed by the licensee and by any person to whom he desires that his licence be transferred, the Commission may, by endorsement on the licence or otherwise in writing, transfer the licence to that person, and thereupon that person becomes the licensee of the private hospital with the same rights and obligations as if the licence had been issued to him in the first instance. R.S.O. 1950, c. 289, s. 12, *amended.*

Transfer
of licence
on death
of licensee

10.—(1) Where the licensee or the sole surviving licensee dies, the Commission may, by endorsement on the licence or otherwise in writing, transfer the licence to any person nominated by the executors or administrators of the deceased licensee, and the transferee thereupon becomes the licensee of the private hospital with the same rights and obligations as if the licence had been issued to him in the first instance. R.S.O. 1950, c. 289, s. 13 (1), *amended.*

Revocation
under such
circum-
stances

(2) If the licence is not transferred under subsection 1 within two months after the death of the licensee or of the sole surviving licensee, the Commission shall revoke the licence. *New.*

Revocation
of licence

11.—(1) A licence may at any time be revoked by the Commission,

- (a) if the licensee has made default for two months in paying the annual licence fee;
- (b) if the licensee or superintendent has been convicted of an offence against this Act or of any offence punishable by imprisonment; or

- (c) if, in the opinion of the Commission, the premises of the private hospital are unsanitary or without proper fire protection, or the private hospital is managed or conducted in a manner contrary to the regulations or in such a manner that the revocation of the licence is required in the public interest.

(2) Before a licence is revoked, the Commission shall give ^{Notice to licensee} notice to the licensee or superintendent of the ground or grounds on which it is proposed to revoke the licence and shall afford to him an opportunity of showing cause why the licence should not be revoked. R.S.O. 1950, c. 289, s. 14, *amended*.

12. Every private hospital has power to carry on its ^{Powers of private hospitals} undertaking as may be authorized by any general or special Act under which it was created, established, incorporated or empowered so to do, but, where the provisions of any general or special Act conflict with the provisions of this Act or the regulations, the provisions of this Act and the regulations prevail. R.S.O. 1950, c. 289, s. 6, *amended*.

13. The fiscal year of every private hospital shall com- ^{Fiscal year} mence on the 1st day of January of a year and end on the 31st day of December of the same year. *New*.

14.—(1) Every private hospital shall have at all times a ^{Resident superintendent} superintendent who may be the licensee himself, if qualified under this section, and shall be either a legally qualified medical practitioner, a registered nurse, or a person whose qualifications are acceptable to the Commission.

(2) No person other than a licensee shall be appointed as ^{Commission's approval} the superintendent of a private hospital until his name and qualifications have been furnished to the Commission and the Commission has approved of the appointment.

(3) During the temporary absence, illness or incapacity of ^{Acting superintendent} the superintendent, the licensee may, without giving notice to the Commission, appoint as acting superintendent any other person qualified in accordance with this section, and every person so appointed shall, while he so acts, be deemed for the purpose of this Act to be the superintendent, but he shall not so act, whether under the same or successive appointments, for a longer continuous period than four weeks.

(4) Where at any time a private hospital is used as such ^{Penalty} while it has no duly qualified superintendent, the licensee is guilty of an offence and on summary conviction is liable to a penalty of not more than \$25 for every day during which it is so used. R.S.O. 1950, c. 289, s. 16, *amended*.

Register
of
patients

15.—(1) The licensee of every private hospital shall keep or cause to be kept a register of patients in which shall be entered,

- (a) the name, age, sex and usual place of abode of each patient, and the date of his admission to the hospital;
- (b) each patient's diagnosis;
- (c) the name of the medical practitioner, if any, attending each patient;
- (d) the date on which each patient leaves the hospital and, if transferred to another hospital, the name of the other hospital or, in the event of the death of a patient in the hospital, the date of his death; and
- (e) such other particulars as may be prescribed by the Commission.

Entry of
particulars

(2) The particulars required by subsection 1 shall be entered in the register as soon as practicable after the occurrence of the act or event to which the entry relates.

Penalty

(3) Every person who knowingly makes an untrue entry in a register of patients is guilty of an offence and on summary conviction is liable to a penalty of not more than \$200.

Idem

(4) Every licensee who fails to make or causes to be made any entry in the register required by subsection 1 to be made therein is guilty of an offence and on summary conviction is liable to a penalty of not more than \$50. R.S.O. 1950, c. 289, s. 17, *amended*.

Structural
alterations

16.—(1) No structural alteration of or addition to any private hospital shall be made until a plan of the proposed alteration or addition has been submitted to and approved by the Commission.

Penalty

(2) Where any alteration or addition is made in contravention of subsection 1, the licensee is guilty of an offence and on summary conviction is liable to a penalty of not more than \$100. R.S.O. 1950, c. 289, s. 15, *amended*.

Inspectors

17.—(1) The Minister, on the recommendation of the Commission, may designate one or more officers of the Commission or of the Department to be inspectors for the purposes of this Act and the regulations. R.S.O. 1950, c. 289, s. 5, *part, amended*.

Inspection

(2) Every private hospital and its registers and records shall at all times be open to inspection by an inspector. R.S.O. 1950, c. 289, s. 18, *amended*.

(3) Where an inspector believes or suspects that any house is used as a private hospital without being licensed, he may at any time and from time to time by himself enter and inspect such house and every part thereof, and every person who prevents or obstructs or attempts to prevent or obstruct any such entry or inspection is guilty of an offence and on summary conviction is liable to a penalty of not more than \$200. R.S.O. 1950, c. 289, s. 19, *amended*.

18.—(1) A private hospital shall not be used for any purpose other than the purposes in respect of which the licence is issued and purposes incidental thereto.

(2) Where a private hospital is used in any manner contrary to subsection 1, the licensee and the superintendent are severally guilty of an offence and on summary conviction are liable to a penalty of not more than \$25 for every day during which it is so used. R.S.O. 1950, c. 289, s. 20, *amended*.

19. Every person who contravenes any provision of this Act or the regulations, where a penalty is not otherwise provided, is guilty of an offence and on summary conviction is liable to a penalty of not less than \$25 and not more than \$500. R.S.O. 1950, c. 289, s. 23, *amended*.

20.—(1) In a prosecution for an offence under this Act, the burden of proving that a person residing in a house and there receiving medical treatment is not a patient within the meaning of this Act is upon the person charged.

(2) In a prosecution for an offence under this Act, the burden of proving that a licence is in force and its terms and that a person apparently having the charge, control or management of a private hospital is not the superintendent thereof within the meaning of this Act is upon the person charged. R.S.O. 1950, c. 289, s. 24, *amended*.

21. Any municipality, with the approval of the Commission, may enter into an annual agreement with the licensee of a private hospital respecting the admission to and treatment in the private hospital of indigent persons and dependants of indigent persons in such municipality, and in such case the liability of the municipality to the private hospital shall be determined according to such agreement, and the Commission may terminate any such agreement at any time by thirty days notice in writing to the parties thereto. R.S.O. 1950, c. 289, s. 25, *amended*.

22.—(1) The Lieutenant-Governor in Council may make such regulations with respect to private hospitals as may be deemed necessary for,

- (a) their construction, establishment, licensing, alteration, safety, equipment, maintenance and repair;
- (b) their classifications, grades and standards;
- (c) their inspection, control, government, management, conduct, operation and use;
- (d) their superintendents, staffs, officers, servants and employees and the powers and duties thereof;
- (e) prescribing the powers and duties of inspectors;
- (f) prescribing or restricting the type and amount of surgery, gynaecology or obstetrics that may be performed in any class of private hospital and the facilities and equipment that shall be provided for such purposes;
- (g) the admission, treatment, care, conduct, discipline and discharge of patients, and for prohibiting the admission of any class of patients;
- (h) the classification of patients and the rates and charges for patients;
- (i) the records, books, accounting systems, audits, reports and returns to be made and kept;
- (j) the establishment and operation of periodic medical audits of the work performed in private hospitals;
- (k) the reports and returns to be submitted to the Commission by private hospitals; and
- (l) all other matters affecting private hospitals. R.S.O. 1950, c. 289, s. 3, *amended*.

Idem

(2) On the recommendation of the Commission, the Minister may from time to time declare all or any of the regulations to be in force with respect to all private hospitals or any one or more private hospitals or classes thereof and for such time or times as the Minister may deem expedient. R.S.O. 1950, c. 289, s. 4, *part, amended*.

Reception
of more
than
authorized
number of
patients

23. Where a private hospital is used at any time for the treatment of a greater number of patients than is permitted by the licence, except in the case of emergency, or where a patient of a class not permitted by the licence is admitted, the licensee and the superintendent are severally guilty of an offence and on summary conviction are liable to a penalty

of not more than \$25 for every day during which it is so used or the patient is so admitted. R.S.O. 1950, c. 289, s. 20, amended.

24.—(1) The superintendent of a private hospital shall be deemed to be the occupier of the house for the purpose of giving notice under *The Public Health Act* of any patient found or suspected to be suffering from any communicable disease. Who to be deemed occupier for certain purposes R.S.O. 1950, c. 306

(2) The superintendent of a private hospital shall be deemed to be the occupier thereof for the purpose of giving notice or information under *The Vital Statistics Act* of the death of any person or of the birth of any child in the hospital. R.S.O. 1950, c. 289, s. 22. Idem R.S.O. 1950, c. 412

25. *The Private Hospitals Act* is repealed. R.S.O. 1950, c. 289, repealed

26. This Act comes into force on a day to be named by the Lieutenant-Governor by his Proclamation. Commencement

27. This Act may be cited as *The Private Hospitals Act*, Short title 1957.

BILL

The Private Hospitals Act, 1957

1st Reading

February 28th, 1957

2nd Reading

3rd Reading

MR. PHILLIPS

No. 127

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
The Private Hospitals Act, 1957

MR. PHILLIPS

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

The Private Hospitals Act, 1957

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. In this Act,

Interpre-
tation

- (a) "Commission" means Hospital Services Commission of Ontario;
- (b) "Department" means Department of Health;
- (c) "house" means a building or other structure, whether permanent or temporary, intended for human habitation and, where two or more houses are situate on adjacent pieces of land and are occupied by the same person, they shall be deemed to constitute a single house for the purposes of this Act;
- (d) "inspector" means an officer of the Commission or of the Department designated under this Act as an inspector;
- (e) "Minister" means Minister of Health;
- (f) "patient" means a person admitted to a private hospital for the purpose of treatment;
- (g) "private hospital" means a house in which four or more patients are or may be admitted for treatment, other than,
 - (i) a hospital or other establishment or institution supported in whole or in part by provincial aid,
 - (ii) an institution in respect of which a licence under *The Private Sanitaria Act* is in force,

R.S.O. 1950,
c. 290

- R.S.O. 1950,
c. 243
- (iii) an institution for the reclamation and cure of habitual drunkards established under *The Municipal Act*,
- R.S.O. 1950,
c. 225
- (iv) a house registered under *The Maternity Boarding Houses Act*,
- (v) a lodging house licensed under a municipal by-law;
- (h) "regulations" means regulations made under this Act;
- (i) "superintendent" means the person who has for the time being the direct and actual superintendence and charge of a private hospital;
- (j) "treatment" means the maintenance, observation, nursing and medical care and supervision of a patient.
R.S.O. 1950, c. 289, s. 1, *amended*.

Administra-
tion and
enforcement
of Act

2. The Commission shall administer and enforce this Act and the regulations. R.S.O. 1950, c. 289, s. 4, *part, amended*.

Licence
for
private
hospital

3.—(1) No house shall be used by any person as a private hospital except under the authority of a licence issued by the Commission under this Act:

Penalty

(2) Where a house is used as a private hospital in contravention of subsection 1, the occupier and all persons concerned in the management of the house or in the admission to or treatment of any patient therein are severally guilty of an offence and on summary conviction are liable to a penalty of not more than \$25 for every day during which such use continued.
R.S.O. 1950, c. 289, s. 7, *amended*.

Use of
term
"hospital"

4.—(1) No person shall use the term "hospital" in connection with a house unless such use is duly authorized.
R.S.O. 1950, c. 289, s. 2, *amended*.

Penalty

(2) Every person who contravenes subsection 1 is guilty of an offence and on summary conviction is liable to a penalty of not more than \$500. *New*.

Approval

5. No licence shall be granted unless the house, its location with regard to neighbouring premises and its proposed facilities and equipment are approved by an inspector as suitable for the purposes indicated in the application and the Commission is satisfied as to the character and fitness of the applicant.
R.S.O. 1950, c. 289, s. 9, *amended*.

6.—(1) Every application for a licence to keep a private hospital shall be made in writing to the Commission and shall contain the following particulars: ^{Application for licence}

1. The full name, place of abode, qualifications and occupation of the applicant.
2. A statement of the estate or interest of the applicant in the house in respect of which the licence is desired.
3. A statement of the number of patients proposed to be admitted to the house and to each room or apartment of the house.
4. A description of the situation of the house.
5. A plan of the house on a scale of not less than one-eighth of an inch to the foot showing the intended use of each room.
6. A statement of the sanitary arrangements, ventilation, heating and water supply of the house.
7. A full description of the fire escapes of the house and the facilities provided for use in case of fire.
8. A statement as to the classes of patients proposed to be admitted.
9. A statement as to the proposed charges to be made for each class of patients to be admitted.
10. If it is proposed to offer services in surgery, gynaecology or obstetrics, a statement as to the type of surgery, gynaecology or obstetrics to be performed and as to the facilities and equipment which are to be provided in the house for these purposes.
11. The number of staff and the qualifications of each member of the staff of the proposed hospital.

(2) Every such application shall be verified by the statutory declaration of the applicant and shall be accompanied by a fee of \$20. R.S.O. 1950, c. 289, s. 8, *amended*. ^{Verification and fee}

7.—(1) Every licence is renewable annually in accordance with the regulations. ^{Licence, renewal}

(2) The fee for renewal of a licence is \$10. R.S.O. 1950, c. 289, s. 10, *amended*.

Power to
refuse
renewal

(3) The Commission may refuse to renew the licence of any private hospital if it was operated in a manner that contravened any provision of this Act or the regulations.

Penalty

(4) Where the renewal of a licence is refused or where a licence has been revoked, the licence shall not be displayed in a manner that may induce a person to believe that it is still in force, and every person who so displays a licence is guilty of an offence and on summary conviction is liable to a penalty of not less than \$25 and not more than \$500. *New.*

Death of
one of
joint
licensees

8. Where a licence has been issued to two or more persons jointly and any of such persons dies leaving the other or others surviving during the currency of the licence, the licence remains in force and has the same effect as if it had been issued to the survivor or survivors. R.S.O. 1950, c. 289, s. 11, *amended.*

Transfer
of licence

9. On the application in writing signed by the licensee and by any person to whom he desires that his licence be transferred, the Commission may, by endorsement on the licence or otherwise in writing, transfer the licence to that person, and thereupon that person becomes the licensee of the private hospital with the same rights and obligations as if the licence had been issued to him in the first instance. R.S.O. 1950, c. 289, s. 12, *amended.*

Transfer
of licence
on death
of licensee

10.—(1) Where the licensee or the sole surviving licensee dies, the Commission may, by endorsement on the licence or otherwise in writing, transfer the licence to any person nominated by the executors or administrators of the deceased licensee, and the transferee thereupon becomes the licensee of the private hospital with the same rights and obligations as if the licence had been issued to him in the first instance. R.S.O. 1950, c. 289, s. 13 (1), *amended.*

Revocation
under such
circum-
stances

(2) If the licence is not transferred under subsection 1 within two months after the death of the licensee or of the sole surviving licensee, the Commission shall revoke the licence. *New.*

Revocation
of licence

11.—(1) A licence may at any time be revoked by the Commission,

- (a) if the licensee has made default for two months in paying the annual licence fee;
- (b) if the licensee or superintendent has been convicted of an offence against this Act or of any offence punishable by imprisonment; or

- (c) if, in the opinion of the Commission, the premises of the private hospital are unsanitary or without proper fire protection, or the private hospital is managed or conducted in a manner contrary to the regulations or in such a manner that the revocation of the licence is required in the public interest.

(2) Before a licence is revoked, the Commission shall give ^{Notice to licensee} notice to the licensee or superintendent of the ground or grounds on which it is proposed to revoke the licence and shall afford to him an opportunity of showing cause why the licence should not be revoked. R.S.O. 1950, c. 289, s. 14, *amended*.

12. Every private hospital has power to carry on its ^{Powers of private hospitals} undertaking as may be authorized by any general or special Act under which it was created, established, incorporated or empowered so to do, but, where the provisions of any general or special Act conflict with the provisions of this Act or the regulations, the provisions of this Act and the regulations prevail. R.S.O. 1950, c. 289, s. 6, *amended*.

13. The fiscal year of every private hospital shall com- ^{Fiscal year} mence on the 1st day of January of a year and end on the 31st day of December of the same year. *New*.

14.—(1) Every private hospital shall have at all times a ^{Resident superintendent} superintendent who may be the licensee himself, if qualified under this section, and shall be either a legally qualified medical practitioner, a registered nurse, or a person whose qualifications are acceptable to the Commission.

(2) No person other than a licensee shall be appointed as ^{Commission's approval} the superintendent of a private hospital until his name and qualifications have been furnished to the Commission and the Commission has approved of the appointment.

(3) During the temporary absence, illness or incapacity of ^{Acting superintendent} the superintendent, the licensee may, without giving notice to the Commission, appoint as acting superintendent any other person qualified in accordance with this section, and every person so appointed shall, while he so acts, be deemed for the purpose of this Act to be the superintendent, but he shall not so act, whether under the same or successive appointments, for a longer continuous period than four weeks.

(4) Where at any time a private hospital is used as such ^{Penalty} while it has no duly qualified superintendent, the licensee is guilty of an offence and on summary conviction is liable to a penalty of not more than \$25 for every day during which it is so used. R.S.O. 1950, c. 289, s. 16, *amended*.

Register
of
patients

15.—(1) The licensee of every private hospital shall keep or cause to be kept a register of patients in which shall be entered,

- (a) the name, age, sex and usual place of abode of each patient, and the date of his admission to the hospital;
- (b) each patient's diagnosis;
- (c) the name of the medical practitioner, if any, attending each patient;
- (d) the date on which each patient leaves the hospital and, if transferred to another hospital, the name of the other hospital or, in the event of the death of a patient in the hospital, the date of his death; and
- (e) such other particulars as may be prescribed by the Commission.

Entry of
particulars

(2) The particulars required by subsection 1 shall be entered in the register as soon as practicable after the occurrence of the act or event to which the entry relates.

Penalty

(3) Every person who knowingly makes an untrue entry in a register of patients is guilty of an offence and on summary conviction is liable to a penalty of not more than \$200.

Idem

(4) Every licensee who fails to make or causes to be made any entry in the register required by subsection 1 to be made therein is guilty of an offence and on summary conviction is liable to a penalty of not more than \$50. R.S.O. 1950, c. 289, s. 17, *amended*.

Structural
alterations

16.—(1) No structural alteration of or addition to any private hospital shall be made until a plan of the proposed alteration or addition has been submitted to and approved by the Commission.

Penalty

(2) Where any alteration or addition is made in contravention of subsection 1, the licensee is guilty of an offence and on summary conviction is liable to a penalty of not more than \$100. R.S.O. 1950, c. 289, s. 15, *amended*.

Inspectors

17.—(1) The Minister, on the recommendation of the Commission, may designate one or more officers of the Commission or of the Department to be inspectors for the purposes of this Act and the regulations. R.S.O. 1950, c. 289, s. 5, *part, amended*.

Inspection

(2) Every private hospital and its registers and records shall at all times be open to inspection by an inspector. R.S.O. 1950, c. 289, s. 18, *amended*.

(3) Where an inspector believes or suspects that any house is used as a private hospital without being licensed, he may at any time and from time to time by himself enter and inspect such house and every part thereof, and every person who prevents or obstructs or attempts to prevent or obstruct any such entry or inspection is guilty of an offence and on summary conviction is liable to a penalty of not more than \$200. R.S.O. 1950, c. 289, s. 19, *amended*.

18.—(1) A private hospital shall not be used for any purpose other than the purposes in respect of which the licence is issued and purposes incidental thereto.

(2) Where a private hospital is used in any manner contrary to subsection 1, the licensee and the superintendent are severally guilty of an offence and on summary conviction are liable to a penalty of not more than \$25 for every day during which it is so used. R.S.O. 1950, c. 289, s. 20, *amended*.

19. Every person who contravenes any provision of this Act or the regulations, where a penalty is not otherwise provided, is guilty of an offence and on summary conviction is liable to a penalty of not less than \$25 and not more than \$500. R.S.O. 1950, c. 289, s. 23, *amended*.

20.—(1) In a prosecution for an offence under this Act, the burden of proving that a person residing in a house and there receiving medical treatment is not a patient within the meaning of this Act is upon the person charged.

(2) In a prosecution for an offence under this Act, the burden of proving that a licence is in force and its terms and that a person apparently having the charge, control or management of a private hospital is not the superintendent thereof within the meaning of this Act is upon the person charged. R.S.O. 1950, c. 289, s. 24, *amended*.

21. Any municipality, with the approval of the Commission, may enter into an annual agreement with the licensee of a private hospital respecting the admission to and treatment in the private hospital of indigent persons and dependants of indigent persons in such municipality, and in such case the liability of the municipality to the private hospital shall be determined according to such agreement, and the Commission may terminate any such agreement at any time by thirty days notice in writing to the parties thereto. R.S.O. 1950, c. 289, s. 25, *amended*.

22.—(1) The Lieutenant-Governor in Council may make such regulations with respect to private hospitals as may be deemed necessary for,

- (a) their construction, establishment, licensing, alteration, safety, equipment, maintenance and repair;
- (b) their classifications, grades and standards;
- (c) their inspection, control, government, management, conduct, operation and use;
- (d) their superintendents, staffs, officers, servants and employees and the powers and duties thereof;
- (e) prescribing the powers and duties of inspectors;
- (f) prescribing or restricting the type and amount of surgery, gynaecology or obstetrics that may be performed in any class of private hospital and the facilities and equipment that shall be provided for such purposes;
- (g) the admission, treatment, care, conduct, discipline and discharge of patients, and for prohibiting the admission of any class of patients;
- (h) the classification of patients and the rates and charges for patients;
- (i) the records, books, accounting systems, audits, reports and returns to be made and kept;
- (j) the establishment and operation of periodic medical audits of the work performed in private hospitals;
- (k) the reports and returns to be submitted to the Commission by private hospitals; and
- (l) all other matters affecting private hospitals. R.S.O. 1950, c. 289, s. 3, *amended*.

Idem

(2) On the recommendation of the Commission, the Minister may from time to time declare all or any of the regulations to be in force with respect to all private hospitals or any one or more private hospitals or classes thereof and for such time or times as the Minister may deem expedient. R.S.O. 1950, c. 289, s. 4, *part, amended*.

Reception
of more
than
authorized
number of
patients

23. Where a private hospital is used at any time for the treatment of a greater number of patients than is permitted by the licence, except in the case of emergency, or where a patient of a class not permitted by the licence is admitted, the licensee and the superintendent are severally guilty of an offence and on summary conviction are liable to a penalty

of not more than \$25 for every day during which it is so used or the patient is so admitted. R.S.O. 1950, c. 289, s. 20, *amended*.

24.—(1) The superintendent of a private hospital shall be deemed to be the occupier of the house for the purpose of giving notice under *The Public Health Act* of any patient found or suspected to be suffering from any communicable disease. Who to be deemed occupier for certain purposes R.S.O. 1950, c. 306

(2) The superintendent of a private hospital shall be deemed to be the occupier thereof for the purpose of giving notice or information under *The Vital Statistics Act* of the death of any person or of the birth of any child in the hospital. Idem R.S.O. 1950, c. 412 R.S.O. 1950, c. 289, s. 22.

25. *The Private Hospitals Act* is repealed. R.S.O. 1950, c. 289, repealed

26. This Act comes into force on a day to be named by the Lieutenant-Governor by his Proclamation. Commencement

27. This Act may be cited as *The Private Hospitals Act*, Short title 1957.

BILL

The Private Hospitals Act, 1957

1st Reading

February 28th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. PHILLIPS

No. 128

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Brucellosis Act, 1956

MR. GOODFELLOW

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

The purpose of these amendments is to bring the Act into line with the Federal regulations recently made under the *Animal Contagious Diseases Act* (Canada) in order to integrate the Provincial and Federal programmes for the control of brucellosis.

BILL

An Act to amend The Brucellosis Act, 1956

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 9 of *The Brucellosis Act, 1956* is amended by striking out "eight" and inserting in lieu thereof "ten", so that the clause shall read as follows:

(a) calves under ten months of age.

2. Section 10 of *The Brucellosis Act, 1956* is amended by striking out "eight" in the first line and inserting in lieu thereof "ten", so that the section shall read as follows:

10. Where a female calf under ten months of age that has not been vaccinated is brought into a supervised area, the owner of such calf shall, within ten days thereafter, inform a veterinarian or an inspector of the particulars thereof.

3. Section 11 of *The Brucellosis Act, 1956* is amended by striking out "nine" in the third line and inserting in lieu thereof "eleven", so that the section shall read as follows:

11. Except as provided in the regulations, every female calf in a supervised area shall be vaccinated before it becomes eleven months of age.

4.—(1) Subsection 1 of section 12 of *The Brucellosis Act, 1956* is amended by striking out "eight" in the fourth line and inserting in lieu thereof "ten", so that the subsection shall read as follows:

(1) Every cattle owner in a supervised area who has a female calf to be vaccinated under this Act shall, during the period after the calf becomes four months of age and before it becomes ten months of age, notify a veterinarian that he has such a calf.

1956, c. 4,
s. 12, subs. 4,
amended

(2) Subsection 4 of the said section 12 is amended by striking out "nine" in the third line and inserting in lieu thereof "eleven", so that the subsection shall read as follows:

Where
vaccination
not done

(4) Where a veterinarian receives a notice under subsection 1 and for any reason the calf to which the notice relates has not been vaccinated at the time it becomes eleven months of age, the veterinarian shall forthwith notify the Commissioner or an inspector of the circumstances of the case.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Brucellosis Amendment Act, 1957*.







BILL

An Act to amend
The Brucellosis Act, 1956

1st Reading

March 1st, 1957

2nd Reading

3rd Reading

MR. GOODFELLOW

No. 128

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Brucellosis Act, 1956

MR. GOODFELLOW

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Brucellosis Act, 1956

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Clause *a* of section 9 of *The Brucellosis Act, 1956* is ^{1956, c. 4,} amended by striking out "eight" and inserting in lieu thereof ^{s. 9, cl. *a*,} "ten", so that the clause shall read as follows:

(*a*) calves under ten months of age.

2. Section 10 of *The Brucellosis Act, 1956* is amended by ^{1956, c. 4,} striking out "eight" in the first line and inserting in lieu ^{s. 10,} thereof "ten", so that the section shall read as follows:

10. Where a female calf under ten months of age that has not been vaccinated is brought into a supervised area, the owner of such calf shall, within ten days thereafter, inform a veterinarian or an inspector of the particulars thereof. ^{Bringing female calves into supervised area}

3. Section 11 of *The Brucellosis Act, 1956* is amended by ^{1956, c. 4,} striking out "nine" in the third line and inserting in lieu ^{s. 11,} thereof "eleven", so that the section shall read as follows:

11. Except as provided in the regulations, every female calf in a supervised area shall be vaccinated before it becomes eleven months of age. ^{Requirement as to vaccination of female calves}

4.—(1) Subsection 1 of section 12 of *The Brucellosis Act, 1956* is amended by striking out "eight" in the fourth line ^{1956, c. 4,} and inserting in lieu thereof "ten", so that the subsection shall read as follows: ^{s. 12, subs. 1,}

(1) Every cattle owner in a supervised area who has a female calf to be vaccinated under this Act shall, during the period after the calf becomes four months of age and before it becomes ten months of age, notify a veterinarian that he has such a calf. ^{Notice to veterinarian of calf to be vaccinated}

1956, c. 4,
s. 12, subs. 4,
amended

(2) Subsection 4 of the said section 12 is amended by striking out "nine" in the third line and inserting in lieu thereof "eleven", so that the subsection shall read as follows:

Where
vaccination
not done

(4) Where a veterinarian receives a notice under subsection 1 and for any reason the calf to which the notice relates has not been vaccinated at the time it becomes eleven months of age, the veterinarian shall forthwith notify the Commissioner or an inspector of the circumstances of the case.

Commence-
ment

5. This Act comes into force on the day it receives Royal Assent.

Short title

6. This Act may be cited as *The Brucellosis Amendment Act, 1957*.







BILL

An Act to amend
The Brucellosis Act, 1956

1st Reading

March 1st, 1957

2nd Reading

March 5th, 1957

3rd Reading

March 26th, 1957

MR. GOODFELLOW

No. 129

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend
The Junior Farmer Establishment Act, 1952

MR. GOODFELLOW

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The subsection repealed, which deals with the staff of the Corporation, is no longer appropriate as the Minister of Agriculture, not the Treasurer, administers the Act. Henceforth the staff will be appointed in the usual way under *The Public Service Act*.

The new subsection 5 fixes the quorum of the board of directors of the Corporation. The board is composed of three members.

SECTION 2. The borrowing powers of the Corporation are broadened and clarified and certain features now in the regulations are transferred to the Act.

BILL

An Act to amend The Junior Farmer Establishment Act, 1952

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 5 of section 1 of *The Junior Farmer Establishment Act, 1952* is repealed and the following substituted therefor: 1952, c. 45, s. 1, subs. 5, re-enacted

(5) Two directors shall constitute a quorum at meetings of the board of directors. Quorum

2. Sections 2, as amended by section 1 of *The Junior Farmer Establishment Amendment Act, 1956*, and sections 3, 4 and 5 of *The Junior Farmer Establishment Act, 1952* are repealed and the following substituted therefor: 1952, c. 45, ss. 2, 3, re-enacted; ss. 4, 5, repealed

2.—(1) Subject to the approval of the Lieutenant-Governor in Council, the Corporation may from time to time borrow or raise by way of loan such sums of money as the Corporation may deem requisite for any of the purposes of the Corporation in any one or more, or partly in one and partly in another, of the following ways: Borrowing powers

(a) by the issue and sale of debentures, bills or notes of the Corporation in such form or forms, in such denomination or denominations, bearing interest at such rate or rates and payable as to principal and interest at such time or times, in such currency or currencies and at such place or places as the Corporation may determine; and

(b) by temporary loan or loans from any chartered bank or banks or from any person either by way of bank overdraft or loan or in any other manner whatsoever as the Corporation may determine.

Purposes
of
Corporation

- (2) The purposes of the Corporation shall, without limiting the generality thereof, include,
- (a) the carrying out of the object of the Corporation mentioned in section 1;
 - (b) the payment, refunding or renewal from time to time of the whole or any part of any sum or sums of money raised by way of loan or of any securities issued by the Corporation;
 - (c) the repayment in whole or in part of any advances made by Ontario to the Corporation or of any securities of the Corporation issued and delivered to the Treasurer of Ontario in respect of any advances; and
 - (d) the payment of the whole or any part of any obligation, liability or indebtedness of the Corporation.

Sale, etc.,
of Cor-
poration's
securities

- (3) Subject to the approval of the Lieutenant-Governor in Council, the Corporation may sell any debentures, bills or notes of the Corporation either at, or at less or more than, the par value thereof and may charge, pledge or otherwise deal with any such debentures, bills or notes as collateral security.

Authoriza-
tion

- (4) A recital or declaration in any resolution or minute of the Corporation authorizing the issue and sale of debentures, bills or notes of the Corporation to the effect that it is necessary to issue and sell such debentures, bills or notes for the purposes of the Corporation in the amount authorized is conclusive evidence to that effect.

Sealing,
signing,
etc.

- (5) Debentures, bills or notes of the Corporation shall be sealed with the seal of the Corporation and may be signed by the chairman or vice-chairman of the Corporation and by the secretary or other officer of the Corporation and any interest coupon that may be attached to any debenture, bill or note of the Corporation may be signed by the secretary or other officer of the Corporation.

Mechanical
reproduction
of seal and
signature
authorized

- (6) The seal of the Corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any debenture, bill or note and any signature upon any debenture, bill or note and upon any coupon, may be engraved, lithographed, printed or otherwise mechanically reproduced, and the seal



SECTION 3. Self-explanatory.

SECTION 4. Self-explanatory.

SECTION 5. The new subsection 4 clarifies the power of the Corporation to dispose of property acquired by release of the equity of redemption.

The new subsections 5 and 6 provide for the consolidation of indebtedness and the increase of loans.

of the Corporation when so reproduced has the same force and effect as if manually affixed and any such signature is for all purposes valid and binding upon the Corporation notwithstanding that any person whose signature is so reproduced has ceased to hold office.

3. Any debenture, bill or note of the Corporation may be made redeemable in advance of maturity at such time or times, at such price or prices and on such terms and conditions as the Corporation may determine at the time of the issue thereof. Securities of Corporation may be made redeemable in advance

3. Subsection 3 of section 14 of *The Junior Farmer Establishment Act, 1952* is amended by adding at the end thereof "or for such lesser amount as may be acceptable to the Corporation", so that the subsection shall read as follows: 1952, c. 45, s. 14, subs. 3, amended

- (3) The buildings upon the lands shall be insured to their full insurable value or for such lesser amount as may be acceptable to the Corporation. Buildings to be insured

4. Section 15 of *The Junior Farmer Establishment Act, 1952* is amended by striking out "80" in the fourth line and inserting in lieu thereof "65", so that the section shall read as follows: 1952, c. 45, s. 15, amended

15. Where the Corporation is satisfied that the conditions of this Act and the regulations have been complied with, the Corporation may make a loan to the applicant to the extent of 65 per cent of the value of the security as shown by the valuator's report. Extent of loan

5. Subsections 4 and 5 of section 18 of *The Junior Farmer Establishment Act, 1952* are repealed and the following substituted therefor: 1952, c. 45, s. 18, subss. 4, 5, re-enacted

- (4) The Corporation may accept a release of the equity of redemption existing by virtue of a mortgage to it and may sell any property that it has thus acquired to any person at such price and upon such terms as it may deem proper. Sale of property acquired by release of equity of redemption
- (5) The Corporation may grant such extension of time for the payment of principal and interest to any borrower and to any purchaser under an agreement for sale as the Corporation may deem advisable and may, at any time at its discretion, consolidate the total indebtedness owing by any mortgagor or purchaser to the Corporation, inclusive of accrued interest and moneys paid for taxes, insurance, fees Consolidation of indebtedness

and disbursements to the date of consolidation, and alter the provisions of the mortgage and the agreement for sale so that the consolidated indebtedness with interest may be repayable in annual instalments for the balance of the term of the mortgage and agreement for sale or for such longer term, but not more than twenty years from the date of the mortgage or agreement for sale, as the Corporation may deem proper.

Increase
in loan

- (6) Where a loan has been made under this Act and the borrower applies for an increase in the loan upon the same security, the Corporation may, if it is satisfied that the conditions of this Act and the regulations have been complied with, make a new loan to the applicant to the extent of 65 per cent of the value of the security as shown by the valuator's report.

1952, c. 45,
amended

6. *The Junior Farmer Establishment Act, 1952* is amended by adding thereto the following section:

Sale of Cor-
poration's
securities
to Province
and
provincial
advances
to
Corporation
authorized

23a.—(1) The Lieutenant-Governor in Council may authorize the Treasurer of Ontario,

- (a) to purchase any debentures, bills or notes of the Corporation; and
- (b) to make advances to the Corporation in such amounts, at such times and on such terms and conditions as the Lieutenant-Governor in Council may deem expedient.

Idem

- (2) The moneys required for the purposes of subsection 1 shall be paid out of the Consolidated Revenue Fund.

1952, c. 45,
s. 24, cls.
b, f,
repealed

7. Clauses *b, c, d, e* and *f* of section 24 of *The Junior Farmer Establishment Act, 1952* are repealed.

Commence-
ment

8. This Act comes into force on the day it receives Royal Assent.

Short title

9. This Act may be cited as *The Junior Farmer Establishment Amendment Act, 1957*.

SECTION 6. Self-explanatory.

SECTION 7. The clauses repealed are now obsolete by reason of section 2 of this bill.



BILL

An Act to amend
The Junior Farmer Establishment Act,
1952

1st Reading

March 1st, 1957

2nd Reading

3rd Reading

MR. GOODFELLOW

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend
The Junior Farmer Establishment Act, 1952

MR. GOODFELLOW



BILL

An Act to amend The Junior Farmer Establishment Act, 1952

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Subsection 5 of section 1 of *The Junior Farmer Establishment Act, 1952* is repealed and the following substituted therefor: 1952, c. 45, s. 1, subs. 5, re-enacted

(5) Two directors shall constitute a quorum at meetings of the board of directors. Quorum

2. Section 2, as amended by section 1 of *The Junior Farmer Establishment Amendment Act, 1956*, and sections 3, 4 and 5 of *The Junior Farmer Establishment Act, 1952* are repealed and the following substituted therefor: 1952, c. 45, ss. 2, 3, re-enacted; ss. 4, 5, repealed

2.—(1) Subject to the approval of the Lieutenant-Governor in Council, the Corporation may from time to time borrow or raise by way of loan such sums of money as the Corporation may deem requisite for any of the purposes of the Corporation in any one or more, or partly in one and partly in another, of the following ways: Borrowing powers

(a) by the issue and sale of debentures, bills or notes of the Corporation in such form or forms, in such denomination or denominations, bearing interest at such rate or rates and payable as to principal and interest at such time or times, in such currency or currencies and at such place or places as the Corporation may determine; and

(b) by temporary loan or loans from any chartered bank or banks or from any person either by way of bank overdraft or loan or in any other manner whatsoever as the Corporation may determine.

Purposes
of
Corporation

(2) The purposes of the Corporation shall, without limiting the generality thereof, include,

- (a) the carrying out of the object of the Corporation mentioned in section 1;
- (b) the payment, refunding or renewal from time to time of the whole or any part of any sum or sums of money raised by way of loan or of any securities issued by the Corporation;
- (c) the repayment in whole or in part of any advances made by Ontario to the Corporation or of any securities of the Corporation issued and delivered to the Treasurer of Ontario in respect of any advances; and
- (d) the payment of the whole or any part of any obligation, liability or indebtedness of the Corporation.

Sale, etc.,
of Cor-
poration's
securities

(3) Subject to the approval of the Lieutenant-Governor in Council, the Corporation may sell any debentures, bills or notes of the Corporation either at, or at less or more than, the par value thereof and may charge, pledge or otherwise deal with any such debentures, bills or notes as collateral security.

Authoriza-
tion

(4) A recital or declaration in any resolution or minute of the Corporation authorizing the issue and sale of debentures, bills or notes of the Corporation to the effect that it is necessary to issue and sell such debentures, bills or notes for the purposes of the Corporation in the amount authorized is conclusive evidence to that effect.

Sealing,
signing,
etc.

(5) Debentures, bills or notes of the Corporation shall be sealed with the seal of the Corporation and may be signed by the chairman or vice-chairman of the Corporation and by the secretary or other officer of the Corporation and any interest coupon that may be attached to any debenture, bill or note of the Corporation may be signed by the secretary or other officer of the Corporation.

Mechanical
reproduction
of seal and
signature
authorized

(6) The seal of the Corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any debenture, bill or note and any signature upon any debenture, bill or note and upon any coupon} may be engraved, lithographed, printed or otherwise mechanically reproduced, and the seal

of the Corporation when so reproduced has the same force and effect as if manually affixed and any such signature is for all purposes valid and binding upon the Corporation notwithstanding that any person whose signature is so reproduced has ceased to hold office.

3. Any debenture, bill or note of the Corporation may be made redeemable in advance of maturity at such time or times, at such price or prices and on such terms and conditions as the Corporation may determine at the time of the issue thereof. Securities of Corporation may be made redeemable in advance

3. Subsection 3 of section 14 of *The Junior Farmer Establishment Act, 1952* is amended by adding at the end thereof 1952, c. 45, s. 14, subs. 3, amended "or for such lesser amount as may be acceptable to the Corporation", so that the subsection shall read as follows:

- (3) The buildings upon the land shall be insured to their full insurable value or for such lesser amount as may be acceptable to the Corporation. Buildings to be insured

4. Section 15 of *The Junior Farmer Establishment Act, 1952* is amended by striking out "80" in the fourth line and inserting in lieu thereof "65", so that the section shall read as follows: 1952, c. 45, s. 15, amended

15. Where the Corporation is satisfied that the conditions of this Act and the regulations have been complied with, the Corporation may make a loan to the applicant to the extent of 65 per cent of the value of the security as shown by the valuator's report. Extent of loan

5. Subsections 4 and 5 of section 18 of *The Junior Farmer Establishment Act, 1952* are repealed and the following substituted therefor: 1952, c. 45, s. 18, subss. 4, 5, re-enacted

- (4) The Corporation may accept a release of the equity of redemption existing by virtue of a mortgage to it and may sell any property that it has thus acquired to any person at such price and upon such terms as it may deem proper. Sale of property acquired by release of equity of redemption
- (5) The Corporation may grant such extension of time for the payment of principal and interest to any borrower and to any purchaser under an agreement for sale as the Corporation may deem advisable and may, at any time at its discretion, consolidate the total indebtedness owing by any mortgagor or purchaser to the Corporation, inclusive of accrued interest and moneys paid for taxes, insurance, fees Consolidation of indebtedness

and disbursements to the date of consolidation, and alter the provisions of the mortgage and the agreement for sale so that the consolidated indebtedness with interest may be repayable in annual instalments for the balance of the term of the mortgage and agreement for sale or for such longer term, but not more than twenty years from the date of the mortgage or agreement for sale, as the Corporation may deem proper.

Increase
in loan

- (6) Where a loan has been made under this Act and the borrower applies for an increase in the loan upon the same security, the Corporation may, if it is satisfied that the conditions of this Act and the regulations have been complied with, make a new loan to the applicant to the extent of 65 per cent of the value of the security as shown by the valuator's report.

1952, c. 45,
amended

6. *The Junior Farmer Establishment Act, 1952* is amended by adding thereto the following section:

Sale of Cor-
poration's
securities
to Province
and
provincial
advances
to
Corporation
authorized

23a.—(1) The Lieutenant-Governor in Council may authorize the Treasurer of Ontario,

- (a) to purchase any debentures, bills or notes of the Corporation; and
- (b) to make advances to the Corporation in such amounts, at such times and on such terms and conditions as the Lieutenant-Governor in Council may deem expedient.

Idem

- (2) The moneys required for the purposes of subsection 1 shall be paid out of the Consolidated Revenue Fund.

1952, c. 45,
s. 24, cls.
b-f,
repealed

7. Clauses *b, c, d, e* and *f* of section 24 of *The Junior Farmer Establishment Act, 1952* are repealed.

Commence-
ment

8. This Act comes into force on the day it receives Royal Assent.

Short title

9. This Act may be cited as *The Junior Farmer Establishment Amendment Act, 1957*.



BILL

An Act to amend
The Junior Farmer Establishment Act,
1952

1st Reading

March 1st, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. GOODFELLOW

No. 130

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Farm Products Marketing Act

MR. GOODFELLOW

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. What are now known as "schemes" will hereafter be known as "plans". These amendments provide for this change in terminology.

SECTION 2—Subsection 1. The powers of The Farm Products Marketing Board are restated. As restated they contain only the powers that do not require supplemental regulations. The powers that do require supplemental regulations are transferred to the regulation section. See section 4 of this bill.

No. 130

1957

BILL

An Act to amend The Farm Products Marketing Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Farm Products Marketing Act* is amended by adding thereto the following clause: R.S.O. 1950, c. 131, s. 1, amended

(f) “plan” means plan to provide for the marketing or regulating of any farm product that is in force under this Act.

(2) Clause *i* of the said section 1 is repealed and the following substituted therefor: R.S.O. 1950, c. 131, s. 1, cl. i, re-enacted

(i) “scheme” means plan.

2.—(1) Subsection 1 of section 3 of *The Farm Products Marketing Act*, as re-enacted by subsection 1 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950, c. 131, s. 3, subs. 1 (1955, c. 21, s. 2, subs. 1), re-enacted

(1) The Board may,

Authority of Board

(a) investigate, arbitrate, adjust or otherwise settle any dispute between persons engaged in producing, processing, distributing or transporting any regulated product or between any two classes of such persons;

(b) investigate the cost of producing, processing and marketing any farm product, prices, price spreads, trade practices, methods of financing, management policies and other matters relating to the marketing of farm products;

- (c) require persons engaged in producing or marketing a regulated product to register their names, addresses and occupations with the Board or local board, require such persons to furnish such information in regard to the regulated product as the Board or the local board may determine, and appoint persons to inspect the books, records and premises of such persons;
- (d) stimulate, increase and improve the marketing of farm products by such means as it may deem proper;
- (e) co-operate with a marketing board, a local board or a marketing agency of any other province for the purpose of marketing any regulated product;
- (f) do such acts and make such orders and issue such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations or any plan.

R.S.O. 1950,
c. 131, s. 3
subss. 1a, 1b
(1955, s. 21,
s. 2, subs. 2),
repealed

(2) Subsection 1a, as re-enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, and subsection 1b, as enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, of the said section 3 are repealed.

R.S.O. 1950,
c. 131, s. 4,
subss. 2, cl. c
(1955, c. 21,
s. 3, subs. 4),
re-enacted

3. Clause c of subsection 2 of section 4 of *The Farm Products Marketing Act*, as re-enacted by subsection 4 of section 3 of *The Farm Products Marketing Amendment Act, 1955*, is repealed and the following substituted therefor:

1953, c. 19

- (c) give to any local board any or all of the powers of a co-operative corporation under Part V of *The Corporations Act, 1953* as amended from time to time.

R.S.O. 1950,
c. 131, s. 4a
(1955, c. 21,
s. 4), s. 5,
s. 6 (1954,
c. 29, s. 5),
s. 7,
re-enacted

4. Section 4a, as enacted by section 4 of *The Farm Products Marketing Amendment Act, 1955*, section 5, as amended by section 4 of *The Farm Products Marketing Amendment Act, 1954* and section 5 of *The Farm Products Marketing Amendment Act, 1955*, section 6, as re-enacted by section 5 of *The Farm Products Marketing Amendment Act, 1954* and amended by section 6 of *The Farm Products Marketing Amendment Act, 1955*, and section 7, as amended by section 7 of *The Farm Products Marketing Amendment Act, 1955*, of *The Farm Products Marketing Act* are repealed and the following substituted therefor:

Subsection 2. The provisions repealed re-appear as section 6 (2) (3) of the Act in section 4 of this bill.

SECTION 3. The re-enacted clause will empower the Lieutenant-Governor in Council to give local marketing boards powers appropriate to their purposes.

SECTION 4. Subsections 1 and 2 of the new section 5 of the Act contain no new principles. Subsection 3 is new.

The new section 6 of the Act contains no new principles. It is a consolidation of section 3 (1) and the part of the present section 7 of the Act that deals with matters other than the powers of marketing agencies.

The new section 7 of the Act contains no new principles. It takes the place of the part of the present section 7 that deals with the powers of marketing agencies.



- 5.—(1) Every person, when requested so to do by an ^{Production} officer of the Board or a local board or by a person ^{of records,} appointed by the Board or a local board to inspect ^{etc.} the books, records and premises of persons engaged in the producing or marketing of a regulated product, shall in respect of the regulated product produce such books and records and permit inspection thereof and supply extracts therefrom and permit inspection of such premises.
- (2) No person shall hinder or obstruct an officer of the ^{Obstruction} Board or a local board, or a person appointed by ^{of officers} the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product, in the performance of his duties or refuse to permit him to carry out his duties or refuse to furnish him with information or furnish him with false information.
- (3) The production by any person of a certificate of his ^{Certificate} appointment by the Board or a local board to ^{of} inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product purporting to be signed by the chairman and secretary of the Board or the local board shall be accepted by any person engaged in the producing or marketing of the regulated product as *prima facie* proof of such appointment
- 6.—(1) The Board may make regulations generally or ^{Regulations} with respect to any regulated product marketed locally within Ontario,
1. providing for the licensing of any or all persons before commencing or continuing to engage in the producing, marketing or processing of a regulated product;
 2. prohibiting persons from engaging in the producing, marketing or processing of any regulated product except under the authority of a licence;
 3. providing for the refusal to grant a licence where the applicant is not qualified by experience, financial responsibility and equipment to engage in properly the business for which the application was made, or for any other reason which the Board may deem proper;

4. providing for the suspension or revocation of, or the refusal to renew, a licence for failure to observe, perform or carry out the provisions of this Act, the regulations, any plan or any order or direction of the Board or local board or marketing agency;
5. providing for the right of any person whose licence was refused, suspended or revoked or was not renewed to show cause why such licence should not be refused, suspended or revoked or why such renewal should not be refused, as the case may be;
6. providing for the fixing of licence fees payable yearly, half-yearly, quarterly or monthly at different amounts or in instalments from any or all persons producing or marketing the regulated product and the collecting of the licence fees and the recovering of such licence fees by suit in any court of competent jurisdiction;
7. prescribing the form of licences;
8. providing for the exemption from the regulations under any plan of any class, variety, grade or size of regulated product, or any person or class of persons engaged in the producing or marketing of the regulated product or any class, variety, grade or size of regulated product;
9. requiring the furnishing of security or proof of financial responsibility by any person engaged in the marketing of a regulated product and providing for the administration and disposition of any moneys or securities so furnished;
10. providing for the fixing and allotment of quotas for any regulated product and for the marketing of any regulated product on a quota basis and for prohibiting any producer from marketing any of the regulated product in excess of the quota allotted to such producer;
11. providing for the regulating and the controlling of the marketing of any regulated product including the times and places at which the regulated product may be marketed;

12. authorizing a local board to use any class of licence fees and other moneys payable to it, for the purposes of paying the expenses of the local board, carrying out and enforcing this Act and the regulations and carrying out the purposes of the plan under which the local board is established;
13. authorizing a local board to establish a fund in connection with any plan for the payment of any moneys that may be required for the purposes mentioned in clause 12;
14. providing for the establishment in connection with any plan, negotiating agencies which may be empowered to adopt or settle by agreement any or all of the following matters:
 - (i) minimum prices for the regulated product or for any class, variety, grade or size of the regulated product,
 - (ii) terms, conditions and forms of agreements relating to the producing or marketing of the regulated product,
 - (iii) any charges, costs or expenses relating to the production or marketing of the regulated product;
15. providing for the arbitration by a board of any matter not adopted or settled by agreement under clause 14;
16. providing for the arbitration by an arbitrator or by a board of any dispute arising out of any agreement adopted or settled under clause 14 or any award made under clause 15;
17. determining the constitution of such negotiating agencies and boards of arbitration and regulating the practice and procedure of such agencies and boards;
18. authorizing any local board or marketing agency to conduct a pool or pools for the distribution of all moneys received from the sale of the regulated product locally within Ontario and requiring such local board or marketing agency, after deducting all necessary and proper disbursements and expenses,

to distribute the remainder of the moneys received from the sale in such manner that every producer receives a share of the remainder of the moneys received from the sale in relation to the amount, class, variety, grade and size of the regulated product delivered by him, and to make an initial payment on delivery of the regulated product and subsequent payments until all of the remainder of the moneys received from the sale is distributed to the producers;

19. authorizing any local board to require the price or prices payable or owing to the producers for the regulated product to be paid to or through the local board;
20. providing for the carrying out of any plan declared by the Lieutenant-Governor in Council to be in force;
21. designating as a farm product any article of food or drink manufactured or derived in whole or in part from a farm product or any natural product of agriculture;
22. prescribing the manner of taking votes of persons engaged in the production of a farm product and the percentages of votes required under section 4;
23. upon the recommendation of the local board, designating a marketing agency by or through which a regulated product shall be marketed and requiring the regulated product to be marketed by or through such marketing agency;
24. providing for the revocation of appointment of a marketing agency designated under clause 23, and upon the recommendation of the local board, the designation of a marketing agency to act in its stead;
25. providing for the holding of public hearings on matters respecting a vote of producers before the adoption or amendment or revocation of a plan is recommended by the Board under section 4, and respecting notices, advertising, procedures, reports and other matters relating to the public hearings;

26. providing for the making of such orders and the issuing of such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations, any plan or any order or direction of the Board or a local board or a marketing agency; and
27. respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act.
- (2) Every agreement made under clause 14 of subsection 1 and every award made under clause 15 or 16 of subsection 1, Agreements and awards
- (a) shall be filed forthwith after the making thereof with the Board and the Board may by order declare the agreement or award or part thereof to come into force on the day it is so filed or on such later day as may be named in the agreement or award, as the case may be, and subject to clause *b* shall remain in force for one year or for such period as is provided in the agreement or award; and Filing
- (b) may at any time, upon application to the Board of all parties thereto, be re-negotiated in whole or in part and in such manner as the Board may determine. Re-negotiation
- (3) *The Regulations Act* does not apply to any order of the Board made under subsection 2. Where R.S.O. 1950, c. 337, not to apply
- (4) Any regulation made under this section may be limited as to time and place. Regulations may be limited
- (5) The Board may delegate to a local board such of its powers under clauses 1 to 11 of subsection 1 as it deems necessary, and may at any time terminate such delegation of power. Delegation of powers to local board
7. The Board may make regulations vesting in any marketing agency any powers that the Board deems necessary or advisable to enable such marketing agency effectively to promote, regulate and control the marketing of the regulated product locally within Ontario, and without limiting the generality of the foregoing, may make regulations, Regulations vesting powers in marketing agency

- (a) vesting in any marketing agency designated under clause 23 or 24 of subsection 1 of section 6 any or all of the following powers:
- (i) to direct and control, by order or direction, either as principal or agent, the marketing of the regulated product including the times and places at which the regulated product may be marketed,
 - (ii) to determine the quantity of each class, variety, grade and size of the regulated product that shall be marketed by each producer,
 - (iii) to prohibit the marketing of any class, variety, grade or size of the regulated product,
 - (iv) to fix from time to time the price or prices that shall be paid to producers for the regulated product or any class, variety, grade or size of the regulated product and to fix different prices for different parts of Ontario,
 - (v) to impose such service charges as may from time to time be fixed by the local board for the marketing of the regulated product,
 - (vi) to pay to the local board from service charges imposed under subclause v its expenses in carrying out the purposes of the plan,
 - (vii) to require the price or prices payable or owing to the producer for the regulated product to be paid to or through the marketing agency,
 - (viii) to collect from any person by suit in any court of competent jurisdiction the price or prices or any part thereof of the regulated product owing to the producer;
- (b) vesting in any local board power to fix from time to time the service charges to be imposed by its marketing agency for the marketing of the regulated product;

SECTION 5. Section 9 of the Act is new.

Sections 10 and 11 are similar in principle to the present sections 5 and 6, respectively, of the Act.

Sections 12 and 13 are new.

- (c) vesting in any marketing agency power to pay to the producers the price or prices for the regulated product less service charges imposed under subclause v of clause *a* and less moneys to be paid to the local board for its expenses under subclause vi of clause *a* and to fix the times at which or within which such payments shall be made;
- (d) providing for statements to be given by any marketing agency to producers showing the class, variety, grade or size and the number or quantity of the regulated product marketed, the price or prices paid and the particulars of the service charges imposed by it.

5. *The Farm Products Marketing Act* is amended by adding thereto the following sections: R.S.O. 1950,
c. 131,
amended

- 9.—(1) Where an association of producers of a farm product, other than a regulated product, that is incorporated under *The Agricultural Associations Act* or *The Corporations Act, 1953* or any predecessor of either of such Acts and that has as objects the stimulating, increasing and improving of the marketing locally within Ontario of the farm product by advertising, education, research or other means, requests for the purpose of defraying the expenses of the association in the carrying out of its objects that every producer of the farm product be required to pay fees to the association, the board may, if it is satisfied that 60 per cent of the producers are in favour, make an order, Establish-
ment of
fund for
producers'
association
R.S.O. 1950,
c. 8
1953, c. 19
- (a) requiring producers so engaged in the production of the farm product to pay fees to the association;
 - (b) designating the amounts of fees, and requiring payment of the fees in different amounts or in instalments;
 - (c) requiring persons who buy the farm product from a producer to deduct the amounts of the fees payable by such producer from moneys payable to the producer and to pay such amounts to the association;
 - (d) authorizing the association to use the fees for the purposes of defraying the expenses of the association in the carrying out of its objects;

(e) requiring the association to furnish to the Board such information and financial statements as the Board may determine.

Limitations
and
exemptions

(2) Any order under subsection 1 may be limited as to time and place and may exempt from the order any person or class of persons or any class, variety, grade or size of the farm product and may fix fees of different amounts for different classes, varieties, grades or sizes of the farm product.

Inspection
of records

(3) Where an order is made under subsection 1, the association may appoint any person to inspect the books, records and premises of persons who produce or buy the farm product and section 5 applies *mutatis mutandis* in respect of a person so appointed.

Penalty

10. Every person who violates any of the provisions of this Act, or of the regulations, or of any plan declared to be in force under this Act, or of any order or direction of the Board or any local board or any marketing agency, or of any agreement or award filed with the Board, is guilty of an offence and on summary conviction is liable for a first offence to a fine of not more than \$50 and for a second or subsequent offence to a fine of not less than \$50 and not more than \$500.

Failure to
to pay
minimum
price

11.—(1) Every person who fails to pay at least the minimum price established for any regulated product in any agreement or award filed with the Board shall, in addition to the fine provided for in section 10, be liable to a penalty of an amount equal to the amount of such minimum price less any amount paid by such person as payment in full or in part for such regulated product.

Disposition
of penalty

(2) Every penalty imposed under subsection 1 shall be paid to the local board and the local board shall,

(a) distribute the money so paid *pro rata* among the persons who failed to receive at least the minimum price; or

(b) use the money to stimulate, increase and improve the marketing of the regulated product.

Evidence

12. In any action or prosecution under this Act where production of any agreement, award, order, direction, rule, resolution, determination, or minute of the



SECTION 6. Self-explanatory.

Board, a local board or a marketing agency is required, any document purporting to be a copy of such agreement, award, order, direction, rule, resolution, determination or minute, certified to be a true copy thereof by the chairman or secretary of the Board, the local board or marketing agency, as the case may be, is *prima facie* proof of the making and the text thereof without production of the original document and without proof of the signature of the person purporting to have certified it.

- 13.—(1) In any action or prosecution under this Act, the onus is upon the defendant or the accused, as the case may be, to prove that the product in respect of which the action or prosecution is brought is not a regulated product within the meaning of this Act. Onus in action or prosecution
- (2) In any prosecution under the *Agricultural Products Marketing Act* (Canada), the justice, if he finds that the offence is not proved under that Act but the evidence establishes an offence of a similar kind in relation to the control or regulation of the marketing of the regulated product locally within Ontario under section 10 or 11, may convict the accused under this Act notwithstanding that no information has been laid under this Act. Evidence applicable R.S.C. 1952, c. 6

6. Every scheme heretofore approved, every regulation heretofore made, every order heretofore made by the Board, any local board or any marketing agency, and every agreement and every award heretofore made under *The Farm Products Marketing Act* that are in force on the day this Act comes into force remain in force until revoked, amended or replaced and shall be deemed to have been made under *The Farm Products Marketing Act* as amended by this Act. Existing schemes, regulations, orders, etc., continued R.S.O. 1950, c. 131

7. This Act comes into force on the day it receives Royal Assent. Commencement

8. This Act may be cited as *The Farm Products Marketing Amendment Act, 1957*. Short title

BILL

An Act to amend
The Farm Products Marketing Act

1st Reading

March 5th, 1957

2nd Reading

3rd Reading

MR. GOODFELLOW

No. 130

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Farm Products Marketing Act

MR. GOODFELLOW

(Reprinted as amended by the Committee on Agriculture)

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. What are now known as "schemes" will hereafter be known as "plans". These amendments provide for this change in terminology.

SECTION 2—Subsection 1. The powers of The Farm Products Marketing Board are restated. As restated they contain only the powers that do not require supplemental regulations. The powers that do require supplemental regulations are transferred to the regulation section. See section 4 of this bill.

BILL

An Act to amend The Farm Products Marketing Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Farm Products Marketing Act* is amended by adding thereto the following clause: R.S.O. 1950, c. 131, s. 1, amended

(*ff*) “plan” means plan to provide for the marketing or regulating of any farm product that is in force under this Act.

(2) Clause *i* of the said section 1 is repealed and the following substituted therefor: R.S.O. 1950, c. 131, s. 1, cl. *i*, re-enacted

(*i*) “scheme” means plan.

2.—(1) Subsection 1 of section 3 of *The Farm Products Marketing Act*, as re-enacted by subsection 1 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, is repealed and the following substituted therefor: R.S.O. 1950, c. 131, s. 3, subs. 1 (1955, c. 21, s. 2, subs. 1), re-enacted

(1) The Board may,

Authority
of Board

(*a*) investigate, arbitrate, adjust or otherwise settle any dispute between persons engaged in producing, processing, distributing or transporting any regulated product or between any two classes of such persons;

(*b*) investigate the cost of producing, processing and marketing any farm product, prices, price spreads, trade practices, methods of financing, management policies and other matters relating to the marketing of farm products;

- (c) require persons engaged in producing or marketing a regulated product to register their names, addresses and occupations with the Board or local board, require such persons to furnish such information in regard to the regulated product as the Board or the local board may determine, and appoint persons to inspect the books, records and premises of such persons;
- (d) stimulate, increase and improve the marketing of farm products by such means as it may deem proper;
- (e) co-operate with a marketing board, a local board or a marketing agency of any other province for the purpose of marketing any regulated product;
- (f) do such acts and make such orders and issue such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations or any plan.

R.S.O. 1950,
c. 131, s. 3
subss. 1a, 1b
(1955, s. 21,
s. 2, subs. 2),
repealed

(2) Subsection 1a, as re-enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, and subsection 1b, as enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, of the said section 3 are repealed.

R.S.O. 1950,
c. 131, s. 4,
subs. 2, cl. c
(1955, c. 21,
s. 3, subs. 4),
re-enacted

3. Clause c of subsection 2 of section 4 of *The Farm Products Marketing Act*, as re-enacted by subsection 4 of section 3 of *The Farm Products Marketing Amendment Act, 1955*, is repealed and the following substituted therefor:

1953, c. 19

- (c) give to any local board any or all of the powers of a co-operative corporation under Part V of *The Corporations Act, 1953* as amended from time to time.

R.S.O. 1950,
c. 131, s. 4a
(1955, c. 21,
s. 4), s. 5,
s. 6 (1954,
c. 29, s. 5),
s. 7,
re-enacted

4. Section 4a, as enacted by section 4 of *The Farm Products Marketing Amendment Act, 1955*, section 5, as amended by section 4 of *The Farm Products Marketing Amendment Act, 1954* and section 5 of *The Farm Products Marketing Amendment Act, 1955*, section 6, as re-enacted by section 5 of *The Farm Products Marketing Amendment Act, 1954* and amended by section 6 of *The Farm Products Marketing Amendment Act, 1955*, and section 7, as amended by section 7 of *The Farm Products Marketing Amendment Act, 1955*, of *The Farm Products Marketing Act* are repealed and the following substituted therefor:

Subsection 2. The provisions repealed re-appear as section 6 (2) (3) of the Act in section 4 of this bill.

SECTION 3. The re-enacted clause will empower the Lieutenant-Governor in Council to give local marketing boards powers appropriate to their purposes.

SECTION 4. Subsections 1 and 2 of the new section 5 of the Act contain no new principles. Subsection 3 is new.

The new section 6 of the Act contains no new principles. It is a consolidation of section 3 (1) and the part of the present section 7 of the Act that deals with matters other than the powers of marketing agencies.

The new section 7 of the Act contains no new principles. It takes the place of the part of the present section 7 that deals with the powers of marketing agencies.

- 5.—(1) Every person, when requested so to do by an officer of the Board or a local board or by a person appointed by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product, shall in respect of the regulated product produce such books and records and permit inspection thereof and supply extracts therefrom and permit inspection of such premises. ^{Production of records, etc.}
- (2) No person shall hinder or obstruct an officer of the Board or a local board, or a person appointed by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product, in the performance of his duties or refuse to permit him to carry out his duties or refuse to furnish him with information or furnish him with false information. ^{Obstruction of officers}
- (3) The production by any person of a certificate of his appointment by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product purporting to be signed by the chairman and secretary of the Board or the local board shall be accepted by any person engaged in the producing or marketing of the regulated product as *prima facie* proof of such appointment. ^{Certificate of appointment}
- 6.—(1) The Board may make regulations generally or with respect to any regulated product marketed locally within Ontario, ^{Regulations}
1. providing for the licensing of any or all persons before commencing or continuing to engage in the producing, marketing or processing of a regulated product;
 2. prohibiting persons from engaging in the producing, marketing or processing of any regulated product except under the authority of a licence;
 3. providing for the refusal to grant a licence where the applicant is not qualified by experience, financial responsibility and equipment to engage in properly the business for which the application was made, or for any other reason which the Board may deem proper;

4. providing for the suspension or revocation of, or the refusal to renew, a licence for failure to observe, perform or carry out the provisions of this Act, the regulations, any plan or any order or direction of the Board or local board or marketing agency;
5. providing for the right of any person whose licence was refused, suspended or revoked or was not renewed to show cause why such licence should not be refused, suspended or revoked or why such renewal should not be refused, as the case may be;
6. providing for the fixing of licence fees payable yearly, half-yearly, quarterly or monthly at different amounts or in instalments from any or all persons producing or marketing the regulated product and the collecting of the licence fees and the recovering of such licence fees by suit in any court of competent jurisdiction;
7. prescribing the form of licences;
8. providing for the exemption from the regulations under any plan of any class, variety, grade or size of regulated product, or any person or class of persons engaged in the producing or marketing of the regulated product or any class, variety, grade or size of regulated product;
9. requiring the furnishing of security or proof of financial responsibility by any person engaged in the marketing of a regulated product and providing for the administration and disposition of any moneys or securities so furnished;
10. providing for the fixing and allotment of quotas for any regulated product and for the marketing of any regulated product on a quota basis and for prohibiting any producer from marketing any of the regulated product in excess of the quota allotted to such producer;
11. providing for the regulating and the controlling of the marketing of any regulated product including the times and places at which the regulated product may be marketed;

12. authorizing a local board to use any class of licence fees and other moneys payable to it, for the purposes of paying the expenses of the local board, carrying out and enforcing this Act and the regulations and carrying out the purposes of the plan under which the local board is established;
13. authorizing a local board to establish a fund in connection with any plan for the payment of any moneys that may be required for the purposes mentioned in clause 12;
14. providing for the establishment in connection with any plan, negotiating agencies which may be empowered to adopt or settle by agreement any or all of the following matters:
 - (i) minimum prices for the regulated product or for any class, variety, grade or size of the regulated product,
 - (ii) terms, conditions and forms of agreements relating to the producing or marketing of the regulated product,
 - (iii) any charges, costs or expenses relating to the production or marketing of the regulated product;
15. providing for the arbitration by a board of any matter not adopted or settled by agreement under clause 14;
16. providing for the arbitration by an arbitrator or by a board of any dispute arising out of any agreement adopted or settled under clause 14 or any award made under clause 15;
17. determining the constitution of such negotiating agencies and boards of arbitration and regulating the practice and procedure of such agencies and boards;
18. authorizing any local board or marketing agency to conduct a pool or pools for the distribution of all moneys received from the sale of the regulated product locally within Ontario and requiring such local board or marketing agency, after deducting all necessary and proper disbursements and expenses,

to distribute the remainder of the moneys received from the sale in such manner that every producer receives a share of the remainder of the moneys received from the sale in relation to the amount, class, variety, grade and size of the regulated product delivered by him, and to make an initial payment on delivery of the regulated product and subsequent payments until all of the remainder of the moneys received from the sale is distributed to the producers;

19. authorizing any local board to require the price or prices payable or owing to the producers for the regulated product to be paid to or through the local board;
20. except where a marketing agency has been designated for the marketing of a regulated product, authorizing any local board to prohibit the marketing of any class, variety, grade or size of any regulated product;
21. providing for the carrying out of any plan declared by the Lieutenant-Governor in Council to be in force;
22. designating as a farm product any article of food or drink manufactured or derived in whole or in part from a farm product or any natural product of agriculture;
23. prescribing the manner of taking votes of persons engaged in the production of a farm product and the percentages of votes required under section 4;
24. upon the recommendation of the local board, designating a marketing agency by or through which a regulated product shall be marketed and requiring the regulated product to be marketed by or through such marketing agency;
25. providing for the revocation of appointment of a marketing agency designated under clause 24, and upon the recommendation of the local board, the designation of a marketing agency to act in its stead;
26. providing for the holding of public hearings on matters respecting a vote of producers before the adoption or amendment or revocation of a plan is recommended by the Board

under section 4, and respecting notices, advertising, procedures, reports and other matters relating to the public hearings;

27. providing for the making of such orders and the issuing of such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations, any plan or any order or direction of the Board or a local board or a marketing agency; and
28. respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act.

- (2) Every agreement made under clause 14 of subsection 1 and every award made under clause 15 or 16 of subsection 1,
 - (a) shall be filed forthwith after the making thereof with the Board and the Board may by order declare the agreement or award or part thereof to come into force on the day it is so filed or on such later day as may be named in the agreement or award, as the case may be, and subject to clause *b* shall remain in force for one year or for such period as is provided in the agreement or award; and
 - (b) may at any time, upon application to the Board of all parties thereto, be re-negotiated in whole or in part and in such manner as the Board may determine.
- (3) *The Regulations Act* does not apply to any order of the Board made under subsection 2.
- (4) Any regulation made under this section may be limited as to time and place.
- (5) The Board may delegate to a local board such of its powers under clauses 1 to 11 of subsection 1 as it deems necessary, and may at any time terminate such delegation of power.
7. The Board may make regulations vesting in any marketing agency any powers that the Board deems necessary or advisable to enable such marketing agency effectively to promote, regulate and control the marketing of the regulated product locally within Ontario, and without limiting the generality of the foregoing, may make regulations,

Agreements
and awards

Filing

Re-
negotiation

Where
R.S.O. 1950,
c. 337, not
to apply

Regulations
may be
limited

Delegation
of powers
to local
board

Regulations
vesting
powers in
marketing
agency

- (a) vesting in any marketing agency designated under clause 24 or 25 of subsection 1 of section 6 any or all of the following powers:
- (i) to direct and control, by order or direction, either as principal or agent, the marketing of the regulated product including the times and places at which the regulated product may be marketed,
 - (ii) to determine the quantity of each class, variety, grade and size of the regulated product that shall be marketed by each producer,
 - (iii) to prohibit the marketing of any class, variety, grade or size of the regulated product,
 - (iv) to fix from time to time the price or prices that shall be paid to producers for the regulated product or any class, variety, grade or size of the regulated product and to fix different prices for different parts of Ontario,
 - (v) to impose such service charges as may from time to time be fixed by the local board for the marketing of the regulated product,
 - (vi) to pay to the local board from service charges imposed under subclause v its expenses in carrying out the purposes of the plan,
 - (vii) to require the price or prices payable or owing to the producer for the regulated product to be paid to or through the marketing agency,
 - (viii) to collect from any person by suit in any court of competent jurisdiction the price or prices or any part thereof of the regulated product owing to the producer;
- (b) vesting in any local board power to fix from time to time the service charges to be imposed by its marketing agency for the marketing of the regulated product;

SECTION 5. Section 9 of the Act is new.

Sections 10 and 11 are similar in principle to the present sections 5 and 6, respectively, of the Act.

Sections 12 and 13 are new.

- (c) vesting in any marketing agency power to pay to the producers the price or prices for the regulated product less service charges imposed under subclause v of clause *a* and less moneys to be paid to the local board for its expenses under subclause vi of clause *a* and to fix the times at which or within which such payments shall be made;
- (d) providing for statements to be given by any marketing agency to producers showing the class, variety, grade or size and the number or quantity of the regulated product marketed, the price or prices paid and the particulars of the service charges imposed by it.

5. *The Farm Products Marketing Act* is amended by adding thereto the following sections: R.S.O. 1950,
c. 131,
amended

9.—(1) Where an association of producers of a farm product, other than a regulated product, that is incorporated under *The Agricultural Associations Act* or *The Corporations Act, 1953* or any predecessor of either of such Acts and that has as objects the stimulating, increasing and improving of the marketing locally within Ontario of the farm product by advertising, education, research or other means, requests for the purpose of defraying the expenses of the association in the carrying out of its objects that every producer of the farm product be required to pay fees to the association, the Board may, if it is satisfied that 60 per cent of the producers are in favour, make an order, Establish-
ment of
fund for
producers'
association
R.S.O. 1950,
c. 8
1953, c. 19

- (a) requiring producers so engaged in the production of the farm product to pay fees to the association;
- (b) designating the amounts of fees, and requiring payment of the fees in different amounts or in instalments;
- (c) requiring persons who buy the farm product from a producer to deduct the amounts of the fees payable by such producer from moneys payable to the producer and to pay such amounts to the association;
- (d) authorizing the association to use the fees for the purposes of defraying the expenses of the association in the carrying out of its objects;

(e) requiring the association to furnish to the Board such information and financial statements as the Board may determine.

Limitations
and
exemptions

(2) Any order under subsection 1 may be limited as to time and place and may exempt from the order any person or class of persons or any class, variety, grade or size of the farm product and may fix fees of different amounts for different classes, varieties, grades or sizes of the farm product.

Inspection
of records

(3) Where an order is made under subsection 1, the association may appoint any person to inspect the books, records and premises of persons who produce or buy the farm product and section 5 applies *mutatis mutandis* in respect of a person so appointed.

Penalty

10. Every person who violates any of the provisions of this Act, or of the regulations, or of any plan declared to be in force under this Act, or of any order or direction of the Board or any local board or any marketing agency, or of any agreement or award filed with the Board, is guilty of an offence and on summary conviction is liable for a first offence to a fine of not more than \$50 and for a second or subsequent offence to a fine of not less than \$50 and not more than \$500.

Failure to
to pay
minimum
price

11.—(1) Every person who fails to pay at least the minimum price established for any regulated product in any agreement or award filed with the Board shall, in addition to the fine provided for in section 10, be liable to a penalty of an amount equal to the amount of such minimum price less any amount paid by such person as payment in full or in part for such regulated product.

Disposition
of penalty

(2) Every penalty imposed under subsection 1 shall be paid to the local board and the local board shall,

(a) distribute the money so paid *pro rata* among the persons who failed to receive at least the minimum price; or

(b) use the money to stimulate, increase and improve the marketing of the regulated product.

Evidence

12. In any action or prosecution under this Act where production of any agreement, award, order, direction, rule, resolution, determination, or minute of the

SECTION 6. Self-explanatory.

Board, a local board or a marketing agency is required, any document purporting to be a copy of such agreement, award, order, direction, rule, resolution, determination or minute, certified to be a true copy thereof by the chairman or secretary of the Board, the local board or marketing agency, as the case may be, is *prima facie* proof of the making and the text thereof without production of the original document and without proof of the signature of the person purporting to have certified it.

13.—(1) In any action or prosecution under this Act, the onus is upon the defendant or the accused, as the case may be, to prove that the product in respect of which the action or prosecution is brought is not a regulated product within the meaning of this Act. Onus in action or prosecution

(2) In any prosecution under the *Agricultural Products Marketing Act* (Canada), the justice, if he finds that the offence is not proved under that Act but the evidence establishes an offence of a similar kind in relation to the control or regulation of the marketing of the regulated product locally within Ontario under section 10 or 11, may convict the accused under this Act notwithstanding that no information has been laid under this Act. Evidence applicable R.S.C. 1952, c. 6

6. Every scheme heretofore approved, every regulation heretofore made, every order heretofore made by the Board, any local board or any marketing agency, and every agreement and every award heretofore made under *The Farm Products Marketing Act* that are in force on the day this Act comes into force remain in force until revoked, amended or replaced and shall be deemed to have been made under *The Farm Products Marketing Act* as amended by this Act. Existing schemes, regulations, orders, etc., continued R.S.O. 1950, c. 131

7. This Act comes into force on the day it receives Royal Assent. Commencement

8. This Act may be cited as *The Farm Products Marketing Amendment Act, 1957*. Short title

BILL

An Act to amend
The Farm Products Marketing Act

1st Reading

March 5th, 1957

2nd Reading

March 11th, 1957

3rd Reading

MR. GOODFELLOW

*(Reprinted as amended by the
Committee on Agriculture)*

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Farm Products Marketing Act

MR. GOODFELLOW

(Reprinted as amended by the Committee of the Whole House)

EXPLANATORY NOTES

SECTION 1. What are now known as "schemes" will hereafter be known as "plans". These amendments provide for this change in terminology.

SECTION 2—Subsection 1. The powers of The Farm Products Marketing Board are restated. As restated they contain only the powers that do not require supplemental regulations. The powers that do require supplemental regulations are transferred to the regulation section. See section 4 of this bill.

BILL

An Act to amend The Farm Products Marketing Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Farm Products Marketing Act* is R.S.O. 1950, amended by adding thereto the following clause: c. 131, s. 1, amended

(ff) “plan” means plan to provide for the marketing or regulating of any farm product that is in force under this Act.

(2) Clause *i* of the said section 1 is repealed and the following substituted therefor: R.S.O. 1950, c. 131, s. 1, cl. *i*, re-enacted

(i) “scheme” means plan.

2.—(1) Subsection 1 of section 3 of *The Farm Products Marketing Act*, as re-enacted by subsection 1 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, is R.S.O. 1950, c. 131, s. 3, subs. 1, (1955, c. 21, s. 2, subs. 1), repealed and the following substituted therefor: re-enacted

(1) The Board may,

Authority
of Board

- (a) investigate, arbitrate, adjust or otherwise settle any dispute between persons engaged in producing, processing, distributing or transporting any regulated product or between any two classes of such persons;
- (b) investigate the cost of producing, processing and marketing any farm product, prices, price spreads, trade practices, methods of financing, management policies and other matters relating to the marketing of farm products;

- (c) require persons engaged in producing or marketing a regulated product to register their names, addresses and occupations with the Board or local board, require such persons to furnish such information in regard to the regulated product as the Board or the local board may determine, and appoint persons to inspect the books, records and premises of such persons;
- (d) stimulate, increase and improve the marketing of farm products by such means as it may deem proper;
- (e) co-operate with a marketing board, a local board or a marketing agency of any other province for the purpose of marketing any regulated product;
- (f) do such acts and make such orders and issue such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations or any plan.

R.S.O. 1950,
c. 131, s. 3,
subs. 1a, 1b
(1955, s. 21,
s. 2, subs. 2),
repealed

(2) Subsection 1a, as re-enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, and subsection 1b, as enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, of the said section 3 are repealed.

R.S.O. 1950,
c. 131, s. 4,
subs. 2, cl. c
(1955, c. 21,
s. 3, subs. 4),
re-enacted

3. Clause c of subsection 2 of section 4 of *The Farm Products Marketing Act*, as re-enacted by subsection 4 of section 3 of *The Farm Products Marketing Amendment Act, 1955*, is repealed and the following substituted therefor:

1953, c. 19

- (c) give to any local board any or all of the powers of a co-operative corporation under Part V of *The Corporations Act, 1953* as amended from time to time.

R.S.O. 1950,
c. 131, s. 4a
(1955, c. 21,
s. 4), s. 5,
s. 6 (1954,
c. 29, s. 5),
s. 7,
re-enacted

4. Section 4a, as enacted by section 4 of *The Farm Products Marketing Amendment Act, 1955*, section 5, as amended by section 4 of *The Farm Products Marketing Amendment Act, 1954* and section 5 of *The Farm Products Marketing Amendment Act, 1955*, section 6, as re-enacted by section 5 of *The Farm Products Marketing Amendment Act, 1954* and amended by section 6 of *The Farm Products Marketing Amendment Act, 1955*, and section 7, as amended by section 7 of *The Farm Products Marketing Amendment Act, 1955*, of *The Farm Products Marketing Act* are repealed and the following substituted therefor:

Subsection 2. The provisions repealed re-appear as section 6 (2) (3) of the Act in section 4 of this bill.

SECTION 3. The re-enacted clause will empower the Lieutenant-Governor in Council to give local marketing boards powers appropriate to their purposes.

SECTION 4. Subsections 1 and 2 of the new section 5 of the Act contain no new principles. Subsection 3 is new.

The new section 6 of the Act contains no new principles. It is a consolidation of section 3 (1) and the part of the present section 7 of the Act that deals with matters other than the powers of marketing agencies.

The new section 7 of the Act contains no new principles. It takes the place of the part of the present section 7 that deals with the powers of marketing agencies.

- 5.—(1) Every person, when requested so to do by an officer of the Board or a local board or by a person appointed by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product, shall in respect of the regulated product produce such books and records and permit inspection thereof and supply extracts therefrom and permit inspection of such premises. Production of records, etc.
- (2) No person shall hinder or obstruct an officer of the Board or a local board, or a person appointed by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product, in the performance of his duties or refuse to permit him to carry out his duties or refuse to furnish him with information or furnish him with false information. Obstruction of officers
- (3) The production by any person of a certificate of his appointment by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product purporting to be signed by the chairman and secretary of the Board or the local board shall be accepted by any person engaged in the producing or marketing of the regulated product as *prima facie* proof of such appointment. Certificate of appointment
- 6.—(1) The Board may make regulations generally or with respect to any regulated product marketed locally within Ontario, Regulations
1. providing for the licensing of any or all persons before commencing or continuing to engage in the producing, marketing or processing of a regulated product;
 2. prohibiting persons from engaging in the producing, marketing or processing of any regulated product except under the authority of a licence;
 3. providing for the refusal to grant a licence where the applicant is not qualified by experience, financial responsibility and equipment to engage in properly the business for which the application was made, or for any other reason which the Board may deem proper;

4. providing for the suspension or revocation of, or the refusal to renew, a licence for failure to observe, perform or carry out the provisions of this Act, the regulations, any plan or any order or direction of the Board or local board or marketing agency;
5. providing for the right of any person whose licence was refused, suspended or revoked or was not renewed to show cause why such licence should not be refused, suspended or revoked or why such renewal should not be refused, as the case may be;
6. providing for the fixing of licence fees payable yearly, half-yearly, quarterly or monthly at different amounts or in instalments from any or all persons producing or marketing the regulated product and the collecting of the licence fees and the recovering of such licence fees by suit in any court of competent jurisdiction;
7. prescribing the form of licences;
8. providing for the exemption from the regulations under any plan of any class, variety, grade or size of regulated product, or any person or class of persons engaged in the producing or marketing of the regulated product or any class, variety, grade or size of regulated product;
9. requiring the furnishing of security or proof of financial responsibility by any person engaged in the marketing of a regulated product and providing for the administration and disposition of any moneys or securities so furnished;
10. providing for the fixing and allotment of quotas for any regulated product and for the marketing of any regulated product on a quota basis and for prohibiting any producer from marketing any of the regulated product in excess of the quota allotted to such producer;
11. providing for the regulating and the controlling of the marketing of any regulated product including the times and places at which the regulated product may be marketed;

12. authorizing a local board to use any class of licence fees and other moneys payable to it, for the purposes of paying the expenses of the local board, carrying out and enforcing this Act and the regulations and carrying out the purposes of the plan under which the local board is established;
13. authorizing a local board to establish a fund in connection with any plan for the payment of any moneys that may be required for the purposes mentioned in clause 12;
14. providing for the establishment in connection with any plan, negotiating agencies which may be empowered to adopt or settle by agreement any or all of the following matters:
 - (i) minimum prices for the regulated product or for any class, variety, grade or size of the regulated product,
 - (ii) terms, conditions and forms of agreements relating to the producing or marketing of the regulated product,
 - (iii) any charges, costs or expenses relating to the production or marketing of the regulated product;
15. providing for the arbitration by a board of any matter not adopted or settled by agreement under clause 14;
16. providing for the arbitration by an arbitrator or by a board of any dispute arising out of any agreement adopted or settled under clause 14 or any award made under clause 15;
17. determining the constitution of such negotiating agencies and boards of arbitration and regulating the practice and procedure of such agencies and boards;
18. authorizing any local board or marketing agency to conduct a pool or pools for the distribution of all moneys received from the sale of the regulated product locally within Ontario and requiring such local board or marketing agency, after deducting all necessary and proper disbursements and expenses,

to distribute the remainder of the moneys received from the sale in such manner that every producer receives a share of the remainder of the moneys received from the sale in relation to the amount, class, variety, grade and size of the regulated product delivered by him, and to make an initial payment on delivery of the regulated product and subsequent payments until all of the remainder of the moneys received from the sale is distributed to the producers;

19. authorizing any local board to require the price or prices payable or owing to the producers for the regulated product to be paid to or through the local board;
20. except where a marketing agency has been designated for the marketing of a regulated product, authorizing any local board to prohibit the marketing of any class, variety, grade or size of any regulated product;
21. providing for the carrying out of any plan declared by the Lieutenant-Governor in Council to be in force;
22. designating as a farm product any article of food or drink manufactured or derived in whole or in part from a farm product or any natural product of agriculture;
23. prescribing the manner of taking votes of persons engaged in the production of a farm product and the percentages of votes required under section 4;
24. upon the recommendation of the local board, designating a marketing agency by or through which a regulated product shall be marketed and requiring the regulated product to be marketed by or through such marketing agency;
25. providing for the revocation of appointment of a marketing agency designated under clause 24, and upon the recommendation of the local board, the designation of a marketing agency to act in its stead;
26. providing for the holding of public hearings on matters respecting a vote of producers before the adoption or amendment or revocation of a plan is recommended by the Board

- under section 4, and respecting notices, advertising, procedures, reports and other matters relating to the public hearings;
27. providing for the making of such orders and the issuing of such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations, any plan or any order or direction of the Board or a local board or a marketing agency; and
 28. respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act.
- (2) Every agreement made under clause 14 of subsection 1 and every award made under clause 15 or 16 of subsection 1, ^{Agreements and awards}
- (a) shall be filed forthwith after the making thereof with the Board and the Board may by order declare the agreement or award or part thereof to come into force on the day it is so filed or on such later day as may be named in the agreement or award, as the case may be, and subject to clause *b* shall remain in force for one year or for such period as is provided in the agreement or award; and ^{Filing}
 - (b) may at any time, upon application to the Board of all parties thereto, be re-negotiated in whole or in part and in such manner as the Board may determine. ^{Re-negotiation}
- (3) *The Regulations Act* does not apply to any order of the Board made under subsection 2. ^{Where R.S.O. 1950, c. 337, not to apply}
- (4) Any regulation made under this section may be limited as to time and place. ^{Regulations may be limited}
- (5) The Board may delegate to a local board such of its powers under clauses 1 to 11 of subsection 1 as it deems necessary, and may at any time terminate such delegation of power. ^{Delegation of powers to local board}
7. The Board may make regulations vesting in any marketing agency any powers that the Board deems necessary or advisable to enable such marketing agency effectively to promote, regulate and control the marketing of the regulated product locally within Ontario, and without limiting the generality of the foregoing, may make regulations, ^{Regulations vesting in marketing agency}

- (a) vesting in any marketing agency designated under clause 24 or 25 of subsection 1 of section 6 any or all of the following powers:
- (i) to direct and control, by order or direction, either as principal or agent, the marketing of the regulated product including the times and places at which the regulated product may be marketed,
 - (ii) to determine the quantity of each class, variety, grade and size of the regulated product that shall be marketed by each producer,
 - (iii) to prohibit the marketing of any class, variety, grade or size of the regulated product,
 - (iv) to determine from time to time the price or prices that shall be paid to producers for the regulated product or any class, variety, grade or size of the regulated product and to determine different prices for different parts of Ontario,
 - (v) to impose such service charges as may from time to time be fixed by the local board for the marketing of the regulated product,
 - (vi) to pay to the local board from service charges imposed under subclause v its expenses in carrying out the purposes of the plan,
 - (vii) to require the price or prices payable or owing to the producer for the regulated product to be paid to or through the marketing agency,
 - (viii) to collect from any person by suit in any court of competent jurisdiction the price or prices or any part thereof of the regulated product owing to the producer;
- (b) vesting in any local board power to fix from time to time the service charges to be imposed by its marketing agency for the marketing of the regulated product;



SECTION 5. Section 9 of the Act is new.

Sections 10 and 11 are similar in principle to the present sections 5 and 6, respectively, of the Act.

Sections 12 and 13 are new.

- (c) vesting in any marketing agency power to pay to the producers the price or prices for the regulated product less service charges imposed under subclause v of clause a and less moneys to be paid to the local board for its expenses under subclause vi of clause a and to fix the times at which or within which such payments shall be made;
- (d) providing for statements to be given by any marketing agency to producers showing the class, variety, grade or size and the number or quantity of the regulated product marketed, the price or prices paid and the particulars of the service charges imposed by it.

5. *The Farm Products Marketing Act* is amended by adding thereto the following sections: R.S.O. 1950,
c. 131,
amended

9.—(1) Where an association of producers of a farm product, other than a regulated product, that is incorporated under *The Agricultural Associations Act* or *The Corporations Act, 1953* or any predecessor of either of such Acts and that has as objects the stimulating, increasing and improving of the marketing locally within Ontario of the farm product by advertising, education, research or other means, requests for the purpose of defraying the expenses of the association in the carrying out of its objects that every producer of the farm product be required to pay fees to the association, the Board may, if it is satisfied that 60 per cent of the producers are in favour, make an order, Establishment of fund for producers' association
R.S.O. 1950,
c. 8
1953, c. 19

- (a) requiring producers so engaged in the production of the farm product to pay fees to the association;
- (b) designating the amounts of fees, and requiring payment of the fees in different amounts or in instalments;
- (c) requiring persons who buy the farm product from a producer to deduct the amounts of the fees payable by such producer from moneys payable to the producer and to pay such amounts to the association;
- (d) authorizing the association to use the fees for the purposes of defraying the expenses of the association in the carrying out of its objects;

(e) requiring the association to furnish to the Board such information and financial statements as the Board may determine.

Limitations
and
exemptions

(2) Any order under subsection 1 may be limited as to time and place and may exempt from the order any person or class of persons or any class, variety, grade or size of the farm product and may fix fees of different amounts for different classes, varieties, grades or sizes of the farm product.

Inspection
of records

(3) Where an order is made under subsection 1, the association may appoint any person to inspect the books, records and premises of persons who produce or buy the farm product and section 5 applies *mutatis mutandis* in respect of a person so appointed.

Penalty

10. Every person who violates any of the provisions of this Act, or of the regulations, or of any plan declared to be in force under this Act, or of any order or direction of the Board or any local board or any marketing agency, or of any agreement or award filed with the Board, is guilty of an offence and on summary conviction is liable for a first offence to a fine of not more than \$50 and for a second or subsequent offence to a fine of not less than \$50 and not more than \$500.

Failure to
to pay
minimum
price

11.—(1) Every person who fails to pay at least the minimum price established for any regulated product in any agreement or award filed with the Board shall, in addition to the fine provided for in section 10, be liable to a penalty of an amount equal to the amount of such minimum price less any amount paid by such person as payment in full or in part for such regulated product.

Disposition
of penalty

(2) Every penalty imposed under subsection 1 shall be paid to the local board and the local board shall,

(a) distribute the money so paid *pro rata* among the persons who failed to receive at least the minimum price; or

(b) use the money to stimulate, increase and improve the marketing of the regulated product.

Evidence

12. In any action or prosecution under this Act where production of any agreement, award, order, direction, rule, resolution, determination, or minute of the



SECTION 6. Self-explanatory.

Board, a local board or a marketing agency is required, any document purporting to be a copy of such agreement, award, order, direction, rule, resolution, determination or minute, certified to be a true copy thereof by the chairman or secretary of the Board, the local board or marketing agency, as the case may be, is *prima facie* proof of the making and the text thereof without production of the original document and without proof of the signature of the person purporting to have certified it.

13.—(1) In any action or prosecution under this Act, the onus is upon the defendant or the accused, as the case may be, to prove that the product in respect of which the action or prosecution is brought is not a regulated product within the meaning of this Act. Onus in action or prosecution

(2) In any prosecution under the *Agricultural Products Marketing Act* (Canada), the justice, if he finds that the offence is not proved under that Act but the evidence establishes an offence of a similar kind in relation to the control or regulation of the marketing of the regulated product locally within Ontario under section 10 or 11, may convict the accused under this Act notwithstanding that no information has been laid under this Act. Evidence applicable R.S.C. 1952, c. 6

6. Every scheme heretofore approved, every regulation heretofore made, every order heretofore made by the Board, any local board or any marketing agency, and every agreement and every award heretofore made under *The Farm Products Marketing Act* that are in force on the day this Act comes into force remain in force until revoked, amended or replaced and shall be deemed to have been made under *The Farm Products Marketing Act* as amended by this Act. Existing schemes, regulations, orders, etc., continued R.S.O. 1950, c. 131

7. This Act comes into force on the day it receives Royal Assent. Commencement

8. This Act may be cited as *The Farm Products Marketing Amendment Act, 1957*. Short title

BILL

An Act to amend
The Farm Products Marketing Act

1st Reading

March 5th, 1957

2nd Reading

March 11th, 1957

3rd Reading

MR. GODFELLOW

*(Reprinted as amended by the
Committee of the Whole House)*

No. 130

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Farm Products Marketing Act

MR. GOODFELLOW

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



No. 130

1957

BILL

An Act to amend The Farm Products Marketing Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Section 1 of *The Farm Products Marketing Act* is R.S.O. 1950, amended by adding thereto the following clause: c. 131, s. 1, amended

(f) “plan” means plan to provide for the marketing or regulating of any farm product that is in force under this Act.

(2) Clause *i* of the said section 1 is repealed and the following substituted therefor: R.S.O. 1950, c. 131, s. 1, cl. *i*, re-enacted

(i) “scheme” means plan.

2.—(1) Subsection 1 of section 3 of *The Farm Products Marketing Act*, as re-enacted by subsection 1 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, is R.S.O. 1950, c. 131, s. 3, subs. 1, (1955, c. 21, s. 2, subs. 1), re-enacted repealed and the following substituted therefor:

(1) The Board may,

Authority
of Board

- (a) investigate, arbitrate, adjust or otherwise settle any dispute between persons engaged in producing, processing, distributing or transporting any regulated product or between any two classes of such persons;
- (b) investigate the cost of producing, processing and marketing any farm product, prices, price spreads, trade practices, methods of financing, management policies and other matters relating to the marketing of farm products;

- (c) require persons engaged in producing or marketing a regulated product to register their names, addresses and occupations with the Board or local board, require such persons to furnish such information in regard to the regulated product as the Board or the local board may determine, and appoint persons to inspect the books, records and premises of such persons;
- (d) stimulate, increase and improve the marketing of farm products by such means as it may deem proper;
- (e) co-operate with a marketing board, a local board or a marketing agency of any other province for the purpose of marketing any regulated product;
- (f) do such acts and make such orders and issue such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations or any plan.

R.S.O. 1950,
c. 131, s. 3,
subss. 1a, 1b
(1955, s. 21,
s. 2, subs. 2),
repealed

(2) Subsection 1a, as re-enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, and subsection 1b, as enacted by subsection 2 of section 2 of *The Farm Products Marketing Amendment Act, 1955*, of the said section 3 are repealed.

R.S.O. 1950,
c. 131, s. 4,
subs. 2, cl. c
(1955, c. 21,
s. 3, subs. 4),
re-enacted

3. Clause c of subsection 2 of section 4 of *The Farm Products Marketing Act*, as re-enacted by subsection 4 of section 3 of *The Farm Products Marketing Amendment Act, 1955*, is repealed and the following substituted therefor:

- (c) give to any local board any or all of the powers of a co-operative corporation under Part V of *The Corporations Act, 1953* as amended from time to time.

R.S.O. 1950,
c. 131, s. 4a
(1955, c. 21,
s. 4), s. 5,
s. 6 (1954,
c. 29, s. 5),
s. 7,
re-enacted

4. Section 4a, as enacted by section 4 of *The Farm Products Marketing Amendment Act, 1955*, section 5, as amended by section 4 of *The Farm Products Marketing Amendment Act, 1954* and section 5 of *The Farm Products Marketing Amendment Act, 1955*, section 6, as re-enacted by section 5 of *The Farm Products Marketing Amendment Act, 1954* and amended by section 6 of *The Farm Products Marketing Amendment Act, 1955*, and section 7, as amended by section 7 of *The Farm Products Marketing Amendment Act, 1955*, of *The Farm Products Marketing Act* are repealed and the following substituted therefor:

- 5.—(1) Every person, when requested so to do by an officer of the Board or a local board or by a person appointed by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product, shall in respect of the regulated product produce such books and records and permit inspection thereof and supply extracts therefrom and permit inspection of such premises. ^{Production of records, etc.}
- (2) No person shall hinder or obstruct an officer of the Board or a local board, or a person appointed by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product, in the performance of his duties or refuse to permit him to carry out his duties or refuse to furnish him with information or furnish him with false information. ^{Obstruction of officers}
- (3) The production by any person of a certificate of his appointment by the Board or a local board to inspect the books, records and premises of persons engaged in the producing or marketing of a regulated product purporting to be signed by the chairman and secretary of the Board or the local board shall be accepted by any person engaged in the producing or marketing of the regulated product as *prima facie* proof of such appointment. ^{Certificate of appointment}
- 6.—(1) The Board may make regulations generally or with respect to any regulated product marketed locally within Ontario, ^{Regulations}
1. providing for the licensing of any or all persons before commencing or continuing to engage in the producing, marketing or processing of a regulated product;
 2. prohibiting persons from engaging in the producing, marketing or processing of any regulated product except under the authority of a licence;
 3. providing for the refusal to grant a licence where the applicant is not qualified by experience, financial responsibility and equipment to engage in properly the business for which the application was made, or for any other reason which the Board may deem proper;

4. providing for the suspension or revocation of, or the refusal to renew, a licence for failure to observe, perform or carry out the provisions of this Act, the regulations, any plan or any order or direction of the Board or local board or marketing agency;
5. providing for the right of any person whose licence was refused, suspended or revoked or was not renewed to show cause why such licence should not be refused, suspended or revoked or why such renewal should not be refused, as the case may be;
6. providing for the fixing of licence fees payable yearly, half-yearly, quarterly or monthly at different amounts or in instalments from any or all persons producing or marketing the regulated product and the collecting of the licence fees and the recovering of such licence fees by suit in any court of competent jurisdiction;
7. prescribing the form of licences;
8. providing for the exemption from the regulations under any plan of any class, variety, grade or size of regulated product, or any person or class of persons engaged in the producing or marketing of the regulated product or any class, variety, grade or size of regulated product;
9. requiring the furnishing of security or proof of financial responsibility by any person engaged in the marketing of a regulated product and providing for the administration and disposition of any moneys or securities so furnished;
10. providing for the fixing and allotment of quotas for any regulated product and for the marketing of any regulated product on a quota basis and for prohibiting any producer from marketing any of the regulated product in excess of the quota allotted to such producer;
11. providing for the regulating and the controlling of the marketing of any regulated product including the times and places at which the regulated product may be marketed;

12. authorizing a local board to use any class of licence fees and other moneys payable to it, for the purposes of paying the expenses of the local board, carrying out and enforcing this Act and the regulations and carrying out the purposes of the plan under which the local board is established;
13. authorizing a local board to establish a fund in connection with any plan for the payment of any moneys that may be required for the purposes mentioned in clause 12;
14. providing for the establishment in connection with any plan, negotiating agencies which may be empowered to adopt or settle by agreement any or all of the following matters:
 - (i) minimum prices for the regulated product or for any class, variety, grade or size of the regulated product,
 - (ii) terms, conditions and forms of agreements relating to the producing or marketing of the regulated product,
 - (iii) any charges, costs or expenses relating to the production or marketing of the regulated product;
15. providing for the arbitration by a board of any matter not adopted or settled by agreement under clause 14;
16. providing for the arbitration by an arbitrator or by a board of any dispute arising out of any agreement adopted or settled under clause 14 or any award made under clause 15;
17. determining the constitution of such negotiating agencies and boards of arbitration and regulating the practice and procedure of such agencies and boards;
18. authorizing any local board or marketing agency to conduct a pool or pools for the distribution of all moneys received from the sale of the regulated product locally within Ontario and requiring such local board or marketing agency, after deducting all necessary and proper disbursements and expenses,

to distribute the remainder of the moneys received from the sale in such manner that every producer receives a share of the remainder of the moneys received from the sale in relation to the amount, class, variety, grade and size of the regulated product delivered by him, and to make an initial payment on delivery of the regulated product and subsequent payments until all of the remainder of the moneys received from the sale is distributed to the producers;

19. authorizing any local board to require the price or prices payable or owing to the producers for the regulated product to be paid to or through the local board;
20. except where a marketing agency has been designated for the marketing of a regulated product, authorizing any local board to prohibit the marketing of any class, variety, grade or size of any regulated product;
21. providing for the carrying out of any plan declared by the Lieutenant-Governor in Council to be in force;
22. designating as a farm product any article of food or drink manufactured or derived in whole or in part from a farm product or any natural product of agriculture;
23. prescribing the manner of taking votes of persons engaged in the production of a farm product and the percentages of votes required under section 4;
24. upon the recommendation of the local board, designating a marketing agency by or through which a regulated product shall be marketed and requiring the regulated product to be marketed by or through such marketing agency;
25. providing for the revocation of appointment of a marketing agency designated under clause 24, and upon the recommendation of the local board, the designation of a marketing agency to act in its stead;
26. providing for the holding of public hearings on matters respecting a vote of producers before the adoption or amendment or revocation of a plan is recommended by the Board

- under section 4, and respecting notices, advertising, procedures, reports and other matters relating to the public hearings;
27. providing for the making of such orders and the issuing of such directions as are necessary to enforce the due observance and carrying out of the provisions of this Act, the regulations, any plan or any order or direction of the Board or a local board or a marketing agency; and
 28. respecting any other matter necessary or advisable to carry out effectively the intent and purpose of this Act.
- (2) Every agreement made under clause 14 of subsection 1 and every award made under clause 15 or 16 of subsection 1, Agreements and awards
- (a) shall be filed forthwith after the making thereof with the Board and the Board may by order declare the agreement or award or part thereof to come into force on the day it is so filed or on such later day as may be named in the agreement or award, as the case may be, and subject to clause *b* shall remain in force for one year or for such period as is provided in the agreement or award; and Filing
 - (b) may at any time, upon application to the Board of all parties thereto, be re-negotiated in whole or in part and in such manner as the Board may determine. Re-negotiation
- (3) *The Regulations Act* does not apply to any order of the Board made under subsection 2. Where R.S.O. 1950, c. 337, not to apply
- (4) Any regulation made under this section may be limited as to time and place. Regulations may be limited
- (5) The Board may delegate to a local board such of its powers under clauses 1 to 11 of subsection 1 as it deems necessary, and may at any time terminate such delegation of power. Delegation of powers to local board
7. The Board may make regulations vesting in any marketing agency any powers that the Board deems necessary or advisable to enable such marketing agency effectively to promote, regulate and control the marketing of the regulated product locally within Ontario, and without limiting the generality of the foregoing, may make regulations, Regulations vesting powers in marketing agency

- (a) vesting in any marketing agency designated under clause 24 or 25 of subsection 1 of section 6 any or all of the following powers:
- (i) to direct and control, by order or direction, either as principal or agent, the marketing of the regulated product including the times and places at which the regulated product may be marketed,
 - (ii) to determine the quantity of each class, variety, grade and size of the regulated product that shall be marketed by each producer,
 - (iii) to prohibit the marketing of any class, variety, grade or size of the regulated product,
 - (iv) to determine from time to time the price or prices that shall be paid to producers for the regulated product or any class, variety, grade or size of the regulated product and to determine different prices for different parts of Ontario,
 - (v) to impose such service charges as may from time to time be fixed by the local board for the marketing of the regulated product,
 - (vi) to pay to the local board from service charges imposed under subclause v its expenses in carrying out the purposes of the plan,
 - (vii) to require the price or prices payable or owing to the producer for the regulated product to be paid to or through the marketing agency,
 - (viii) to collect from any person by suit in any court of competent jurisdiction the price or prices or any part thereof of the regulated product owing to the producer;
- (b) vesting in any local board power to fix from time to time the service charges to be imposed by its marketing agency for the marketing of the regulated product;

- (c) vesting in any marketing agency power to pay to the producers the price or prices for the regulated product less service charges imposed under subclause v of clause *a* and less moneys to be paid to the local board for its expenses under subclause vi of clause *a* and to fix the times at which or within which such payments shall be made;
- (d) providing for statements to be given by any marketing agency to producers showing the class, variety, grade or size and the number or quantity of the regulated product marketed, the price or prices paid and the particulars of the service charges imposed by it.

5. *The Farm Products Marketing Act* is amended by adding thereto the following sections: R.S.O. 1950,
c. 131,
amended

9.—(1) Where an association of producers of a farm product, other than a regulated product, that is incorporated under *The Agricultural Associations Act* or *The Corporations Act, 1953* or any predecessor of either of such Acts and that has as objects the stimulating, increasing and improving of the marketing locally within Ontario of the farm product by advertising, education, research or other means, requests for the purpose of defraying the expenses of the association in the carrying out of its objects that every producer of the farm product be required to pay fees to the association, the Board may, if it is satisfied that 60 per cent of the producers are in favour, make an order, Establish-
ment of
fund for
producers'
association
R.S.O. 1950,
c. 8
1953, c. 19

- (a) requiring producers so engaged in the production of the farm product to pay fees to the association;
- (b) designating the amounts of fees, and requiring payment of the fees in different amounts or in instalments;
- (c) requiring persons who buy the farm product from a producer to deduct the amounts of the fees payable by such producer from moneys payable to the producer and to pay such amounts to the association;
- (d) authorizing the association to use the fees for the purposes of defraying the expenses of the association in the carrying out of its objects;

(e) requiring the association to furnish to the Board such information and financial statements as the Board may determine.

Limitations
and
exemptions

(2) Any order under subsection 1 may be limited as to time and place and may exempt from the order any person or class of persons or any class, variety, grade or size of the farm product and may fix fees of different amounts for different classes, varieties, grades or sizes of the farm product.

Inspection
of records

(3) Where an order is made under subsection 1, the association may appoint any person to inspect the books, records and premises of persons who produce or buy the farm product and section 5 applies *mutatis mutandis* in respect of a person so appointed.

Penalty

10. Every person who violates any of the provisions of this Act, or of the regulations, or of any plan declared to be in force under this Act, or of any order or direction of the Board or any local board or any marketing agency, or of any agreement or award filed with the Board, is guilty of an offence and on summary conviction is liable for a first offence to a fine of not more than \$50 and for a second or subsequent offence to a fine of not less than \$50 and not more than \$500.

Failure to
to pay
minimum
price

11.—(1) Every person who fails to pay at least the minimum price established for any regulated product in any agreement or award filed with the Board shall, in addition to the fine provided for in section 10, be liable to a penalty of an amount equal to the amount of such minimum price less any amount paid by such person as payment in full or in part for such regulated product.

Disposition
of penalty

(2) Every penalty imposed under subsection 1 shall be paid to the local board and the local board shall,

(a) distribute the money so paid *pro rata* among the persons who failed to receive at least the minimum price; or

(b) use the money to stimulate, increase and improve the marketing of the regulated product.

Evidence

12. In any action or prosecution under this Act where production of any agreement, award, order, direction, rule, resolution, determination, or minute of the

Board, a local board or a marketing agency is required, any document purporting to be a copy of such agreement, award, order, direction, rule, resolution, determination or minute, certified to be a true copy thereof by the chairman or secretary of the Board, the local board or marketing agency, as the case may be, is *prima facie* proof of the making and the text thereof without production of the original document and without proof of the signature of the person purporting to have certified it.

13.—(1) In any action or prosecution under this Act, the onus is upon the defendant or the accused, as the case may be, to prove that the product in respect of which the action or prosecution is brought is not a regulated product within the meaning of this Act. Onus in action or prosecution

(2) In any prosecution under the *Agricultural Products Marketing Act* (Canada), the justice, if he finds that the offence is not proved under that Act but the evidence establishes an offence of a similar kind in relation to the control or regulation of the marketing of the regulated product locally within Ontario under section 10 or 11, may convict the accused under this Act notwithstanding that no information has been laid under this Act. Evidence applicable R.S.C. 1952, c. 6

6. Every scheme heretofore approved, every regulation heretofore made, every order heretofore made by the Board, any local board or any marketing agency, and every agreement and every award heretofore made under *The Farm Products Marketing Act* that are in force on the day this Act comes into force remain in force until revoked, amended or replaced and shall be deemed to have been made under *The Farm Products Marketing Act* as amended by this Act. Existing schemes, regulations, orders, etc., continued R.S.O. 1950, c. 131

7. This Act comes into force on the day it receives Royal Assent. Commencement

8. This Act may be cited as *The Farm Products Marketing Amendment Act, 1957*. Short title

BILL

An Act to amend
The Farm Products Marketing Act

1st Reading

March 5th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 22nd, 1957

MR. GOODFELLOW

No. 131

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Local Improvement Act

MR. WARRENDER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. Clauses *g* and *r*, as re-enacted, provide for the construction of gutters and retaining walls as local improvements. Clause *q*, as re-enacted, provides for widening a pavement as a local improvement without a petition in all municipalities. Formerly this could only be done without a petition in cities having a population of over 300,000.

SECTION 2. The amendment authorizes the widening of a pavement on a street with a two-thirds vote of council as a local improvement.

BILL

An Act to amend The Local Improvement Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *g* of subsection 1 of section 2 of *The Local Improvement Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 215, s. 2, subs. 1, cl. *g*, re-enacted

(*g*) constructing a curbing, gutter or sidewalk in, upon or along a street.

(2) Clauses *q* and *r* of subsection 1 of the said section 2 are repealed and the following substituted therefor: R.S.O. 1950, c. 215, s. 2, subs. 1, cls. *q*, *r*, re-enacted

(*q*) widening a pavement on a street;

(*r*) constructing a retaining wall with or without a sidewalk or pavement on a street.

2. Subsection 1 of section 8 of *The Local Improvement Act* is amended by inserting after "street" in the sixth line "or the widening of a pavement", so that the subsection shall read as follows: R.S.O. 1950, c. 215, s. 8, subs. 1, amended

(1) Where the council determines and by by-law or resolution passed at any meeting by a vote of two-thirds of all the members thereof declares it is desirable that the construction of a curbing, pavement, sidewalk, sewer, watermain or bridge, or the opening, widening, extending, grading, altering the grade of, diverting or improving a street, or the widening of a pavement, or the extension of a system of water works, or of private drain connections or water service pipes under section 4, should be undertaken as a local improvement, the council may with the approval of the Board pass a by-law to undertake the work. Local improvements with approval of Board

R.S.O. 1950,
c. 215, s. 21,
amended

3. Section 21 of *The Local Improvement Act* is amended by adding thereto the following subsection:

Contributions for
excess cost
of work

- (3) Notwithstanding subsections 1 and 2, where a contribution is to be applied towards any excess cost of a work caused by reason of the work being constructed with a greater capacity than is required for the purposes of the lots abutting on the work, the amount of the contribution shall be applied to reduce the corporation's portion of the cost.

R.S.O. 1950,
c. 215, s. 26,
subs. 1,
amended

4.—(1) Subsection 1 of section 26 of *The Local Improvement Act* is amended by striking out "in a city of over 300,000 population" in the first line, so that the subsection shall read as follows:

Widening
costs in
certain
cases

- (1) Where the work to be undertaken is the widening of a pavement on a street without a petition, the by-law for undertaking the work shall provide that in addition to the corporation's portion of the cost including the portions otherwise provided for in this Act there shall also be included in such portion so much of the cost of the work as is incurred in the construction or reconstruction of the pavement to a width greater than the width of the pavement then existing on the street.

R.S.O. 1950,
c. 215, s. 26,
subs. 2,
repealed

- (2) Subsection 2 of the said section 26 is repealed.

R.S.O. 1950,
c. 215, s. 29,
subs. 3,
amended

5. Subsection 3 of section 29 of *The Local Improvement Act* is amended by striking out "and no exemptions or reductions mentioned in subsection 1 shall be made other than those provided for in a by-law approved by the Board" in the third, fourth and fifth lines, so that the subsection shall read as follows:

Board's
approval

- (3) None of the works mentioned in subsection 1 shall be proceeded with until the by-law for undertaking the work is approved by the Board.

R.S.O. 1950,
c. 215, s. 30,
subs. 2,
amended

6. Subsection 2 of section 30 of *The Local Improvement Act* is amended by striking out "in a township" in the second line, so that the subsection shall read as follows:

Assessment
of cost of
sidewalks
on petition

- (2) On petition, sufficiently signed, of the owners on both sides of a street praying that a sidewalk be constructed on one side only of the street and that a certain portion not exceeding one-third of the owners' share of the cost be assessed on the lots fronting or abutting on the other side of the street the council may specially assess the lands on the

SECTION 3. The amendment provides that where a municipality receives a contribution to be applied to any excess cost of a work constructed with a greater capacity than is required for the abutting lots, the contribution is to be used to reduce the corporation's portion of the cost.

SECTION 4. The amendments are complementary to section 2 of the bill.

SECTION 5. The amendment does away with the necessity of obtaining the approval of the Municipal Board to exemptions or reductions in special assessments with regard to works for opening and widening lanes. These matters will hereafter be dealt with by courts of revision under section 45 of the Act.

SECTION 6. At present in a township if property owners on both sides of a street petition for construction of a sidewalk on one side of the street only the property owners on the other side may be required to pay a portion, not exceeding one-third of the cost. This provision is made applicable in all municipalities.

SECTION 7. The amendment is complementary to section 1 of the bill.

SECTION 8. The amendment is complementary to section 5 of this bill.

other side of the street in conformity with the petition and if a sidewalk is thereafter constructed on the other side of the street the owners' portion of the cost shall be specially assessed in like manner.

7. Subsection 1 of section 31 of *The Local Improvement Act* R.S.O. 1950, c. 215, s. 31, subs. 1, amended is amended by inserting after "m" in the seventh line "or r", so that the subsection shall read as follows:

- (1) Where the work is the acquisition, establishment, laying out and improving of a park or square or the construction of a bridge or the construction of a sewer or watermain of a larger capacity than is required for the purpose of the abutting land, or the opening, widening, extending, grading, altering the grade of, diverting or improving a street, or the construction of any work mentioned in clause *m* or *r* of subsection 1 of section 2, and the council is of opinion that for any reason it would be inequitable to charge the cost of the work on the land abutting directly thereon, the council may, in the by-law for undertaking the work passed by the vote of three-fourths of all the members, provide for the payment by the corporation of such part of the cost as to the council may seem just, and so much of the residue thereof as may seem just may be specially assessed upon the land abutting directly on the work, and so much of such residue as may seem just on such other land as is immediately benefited by the work.

8. Clause *a* of subsection 1 of section 45 of *The Local Improvement Act* R.S.O. 1950, c. 215, s. 45, subs. 1, cl. a, amended is amended by striking out "and" in subclause *v*, by adding "and" at the end of subclause *vi* and by adding thereto the following subclause:

- (vii) the exemption or amount of reduction to be made under section 29 in respect of any lot.

9. This Act comes into force on the day it receives Royal Assent. Commencement

10. This Act may be cited as *The Local Improvement Amendment Act, 1957*. Short title

BILL

An Act to amend
The Local Improvement Act

1st Reading

March 6th, 1957

2nd Reading

3rd Reading

MR. WARRENDER

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Local Improvement Act

MR. WARRENDER

(Reprinted as amended by the Committee on Municipal Law)

EXPLANATORY NOTES

SECTION 1. Clauses *g* and *r*, as re-enacted, provide for the construction of gutters and retaining walls as local improvements. Clause *q*, as re-enacted, provides for widening a pavement as a local improvement without a petition in all municipalities. Formerly this could only be done without a petition in cities having a population of over 300,000.

SECTION 2. The amendment authorizes the widening of a pavement on a street with a two-thirds vote of council as a local improvement.

No. 131

1957

BILL

An Act to amend The Local Improvement Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *g* of subsection 1 of section 2 of *The Local Improvement Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 215, s. 2, subs. 1, cl. *g*, re-enacted

(*g*) constructing a curbing, gutter or sidewalk in, upon or along a street.

(2) Clauses *q* and *r* of subsection 1 of the said section 2 are repealed and the following substituted therefor: R.S.O. 1950, c. 215, s. 2, subs. 1, cls. *q*, *r*, re-enacted

(*q*) widening a pavement on a street;

(*r*) constructing a retaining wall with or without a sidewalk or pavement on a street.

2. Subsection 1 of section 8 of *The Local Improvement Act* is amended by inserting after "street" in the sixth line "Or the widening of a pavement", so that the subsection shall read as follows: R.S.O. 1950, c. 215, s. 8, subs. 1, amended

(1) Where the council determines and by by-law or resolution passed at any meeting by a vote of two-thirds of all the members thereof declares it is desirable that the construction of a curbing, pavement, sidewalk, sewer, watermain or bridge, or the opening, widening, extending, grading, altering the grade of, diverting or improving a street, or the widening of a pavement, or the extension of a system of water works, or of private drain connections or water service pipes under section 4, should be undertaken as a local improvement, the council may with the approval of the Board pass a by-law to undertake the work. Local improvements with approval of Board

R.S.O. 1950, c. 215, s. 21, amended **3.** Section 21 of *The Local Improvement Act* is amended by adding thereto the following subsection:

Contributions for excess cost of work

- (3) Notwithstanding subsections 1 and 2, where a contribution is to be applied towards any excess cost of a work caused by reason of the work being constructed with a greater capacity than is required for the purposes of the lots abutting on the work, the amount of the contribution shall be applied to reduce the corporation's portion of the cost.

R.S.O. 1950, c. 215, s. 26, subs. 1, amended

4.—(1) Subsection 1 of section 26 of *The Local Improvement Act* is amended by striking out “in a city of over 300,000 population” in the first line, so that the subsection shall read as follows:

Widening costs in certain cases

- (1) Where the work to be undertaken is the widening of a pavement on a street without a petition, the by-law for undertaking the work shall provide that in addition to the corporation's portion of the cost including the portions otherwise provided for in this Act there shall also be included in such portion so much of the cost of the work as is incurred in the construction or reconstruction of the pavement to a width greater than the width of the pavement then existing on the street.

R.S.O. 1950, c. 215, s. 26, subs. 2, repealed

- (2) Subsection 2 of the said section 26 is repealed.

R.S.O. 1950, c. 215, s. 29, subs. 3, amended

5. Subsection 3 of section 29 of *The Local Improvement Act* is amended by striking out “and no exemptions or reductions mentioned in subsection 1 shall be made other than those provided for in a by-law approved by the Board” in the third, fourth and fifth lines, so that the subsection shall read as follows:

Board's approval

- (3) None of the works mentioned in subsection 1 shall be proceeded with until the by-law for undertaking the work is approved by the Board.

R.S.O. 1950, c. 215, s. 30, amended

6. Subsection 2 of section 30 of *The Local Improvement Act* is amended by striking out “in a township” in the second line, so that the subsection shall read as follows:

Assessment of cost of sidewalks on petition

- (2) On petition, sufficiently signed, of the owners on both sides of a street praying that a sidewalk be constructed on one side only of the street and that a certain portion not exceeding one-third of the owners' share of the cost be assessed on the lots fronting or abutting on the other side of the street the council may specially assess the lands on the

SECTION 3. The amendment provides that where a municipality receives a contribution to be applied to any excess cost of a work constructed with a greater capacity than is required for the abutting lots, the contribution is to be used to reduce the corporation's portion of the cost.

SECTION 4. The amendments are complementary to section 2 of the bill.

SECTION 5. The amendment does away with the necessity of obtaining the approval of the Municipal Board to exemptions or reductions in special assessments with regard to works for opening and widening lanes. These matters will hereafter be dealt with by courts of revision under section 45 of the Act.

SECTION 6. At present in a township if property owners on both sides of a street petition for construction of a sidewalk on one side of the street only the property owners on the other side may be required to pay a portion, not exceeding one-third of the cost. This provision is made applicable in all municipalities.

SECTION 7. The amendment is complementary to section 1 of the bill.

SECTION 8. The amendment is complementary to section 5 of this bill.

SECTION 9. The Act provides for an appeal from the court of revision to the county judge with no further appeal from the judge. The amendment provides for further appeals from the county judge in the same manner as appeals under *The Assessment Act*.

other side of the street in conformity with the petition and if a sidewalk is thereafter constructed on the other side of the street the owners' portion of the cost shall be specially assessed in like manner.

7. Subsection 1 of section 31 of *The Local Improvement Act* is amended by inserting after "m" in the seventh line "or r", so that the subsection shall read as follows: R.S.O. 1950, c. 215, s. 31, subs. 1, amended

- (1) Where the work is the acquisition, establishment, laying out and improving of a park or square or the construction of a bridge or the construction of a sewer or watermain of a larger capacity than is required for the purpose of the abutting land, or the opening, widening, extending, grading, altering the grade of, diverting or improving a street, or the construction of any work mentioned in clause *m* or *r* of subsection 1 of section 2, and the council is of opinion that for any reason it would be inequitable to charge the cost of the work on the land abutting directly thereon, the council may, in the by-law for undertaking the work passed by the vote of three-fourths of all the members, provide for the payment by the corporation of such part of the cost as to the council may seem just, and so much of the residue thereof as may seem just may be specially assessed upon the land abutting directly on the work, and so much of such residue as may seem just on such other land as is immediately benefited by the work. Apportionment of cost of a bridge, the opening of a street, etc.

8. Clause *a* of subsection 1 of section 45 of *The Local Improvement Act* is amended by striking out "and" in sub-clause *v*, by adding "and" at the end of sub-clause *vi* and by adding thereto the following subclause: R.S.O. 1950, c. 215, s. 45, subs. 1, cl. a, amended

- (vii) the exemption or amount of reduction to be made under section 29 in respect of any lot.

9. Section 48 of *The Local Improvement Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 215, s. 48, amended

- (4) A further appeal shall lie from the decision of the judge to the Board or the Court of Appeal in the same manner as an appeal from a decision of a county judge under *The Assessment Act* and the provisions of that Act with respect to an appeal from a county judge shall apply *mutatis mutandis*. Further appeal

Commence-
ment

10. This Act comes into force on the day it receives Royal Assent.

Short title

11. This Act may be cited as *The Local Improvement Amendment Act, 1957*.

THE UNIVERSITY OF CHICAGO
LIBRARY

1911

BILL

An Act to amend
The Local Improvement Act

1st Reading

March 6th, 1957

2nd Reading

March 11th, 1957

3rd Reading

MR. WARRENDER

*(Reprinted as amended by the
Committee on Municipal Law)*

No. 131

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Local Improvement Act

MR. WARRENDER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

BILL

An Act to amend The Local Improvement Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1.—(1) Clause *g* of subsection 1 of section 2 of *The Local Improvement Act* is repealed and the following substituted therefor: R.S.O. 1950, c. 215, s. 2, subs. 1, cl. *g*, re-enacted

(*g*) constructing a curbing, gutter or sidewalk in, upon or along a street.

(2) Clauses *q* and *r* of subsection 1 of the said section 2 are repealed and the following substituted therefor: R.S.O. 1950, c. 215, s. 2, subs. 1, cls. *q*, *r*, re-enacted

(*q*) widening a pavement on a street;

(*r*) constructing a retaining wall with or without a sidewalk or pavement on a street.

2. Subsection 1 of section 8 of *The Local Improvement Act* is amended by inserting after "street" in the sixth line "or the widening of a pavement", so that the subsection shall read as follows: R.S.O. 1950, c. 215, s. 3, subs. 1, amended

(1) Where the council determines and by by-law or resolution passed at any meeting by a vote of two-thirds of all the members thereof declares it is desirable that the construction of a curbing, pavement, sidewalk, sewer, watermain or bridge, or the opening, widening, extending, grading, altering the grade of, diverting or improving a street, or the widening of a pavement, or the extension of a system of water works, or of private drain connections or water service pipes under section 4, should be undertaken as a local improvement, the council may with the approval of the Board pass a by-law to undertake the work. Local improvements with approval of Board

R.S.O. 1950,
c. 215, s. 21,
amended

3. Section 21 of *The Local Improvement Act* is amended by adding thereto the following subsection:

Contribu-
tions for
excess cost
of work

- (3) Notwithstanding subsections 1 and 2, where a contribution is to be applied towards any excess cost of a work caused by reason of the work being constructed with a greater capacity than is required for the purposes of the lots abutting on the work, the amount of the contribution shall be applied to reduce the corporation's portion of the cost.

R.S.O. 1950,
c. 215, s. 26,
subs. 1,
amended

4.—(1) Subsection 1 of section 26 of *The Local Improvement Act* is amended by striking out "in a city of over 300,000 population" in the first line, so that the subsection shall read as follows:

Widening
costs in
certain
cases

- (1) Where the work to be undertaken is the widening of a pavement on a street without a petition, the by-law for undertaking the work shall provide that in addition to the corporation's portion of the cost including the portions otherwise provided for in this Act there shall also be included in such portion so much of the cost of the work as is incurred in the construction or reconstruction of the pavement to a width greater than the width of the pavement then existing on the street.

R.S.O. 1950,
c. 215, s. 26,
subs. 2,
repealed

- (2) Subsection 2 of the said section 26 is repealed.

R.S.O. 1950,
c. 215, s. 29,
subs. 3,
amended

5. Subsection 3 of section 29 of *The Local Improvement Act* is amended by striking out "and no exemptions or reductions mentioned in subsection 1 shall be made other than those provided for in a by-law approved by the Board" in the third, fourth and fifth lines, so that the subsection shall read as follows:

Board's
approval

- (3) None of the works mentioned in subsection 1 shall be proceeded with until the by-law for undertaking the work is approved by the Board.

R.S.O. 1950,
c. 215, s. 30,
subs. 2,
amended

6. Subsection 2 of section 30 of *The Local Improvement Act* is amended by striking out "in a township" in the second line, so that the subsection shall read as follows:

Assessment
of cost of
sidewalks
on petition

- (2) On petition, sufficiently signed, of the owners on both sides of a street praying that a sidewalk be constructed on one side only of the street and that a certain portion not exceeding one-third of the owners' share of the cost be assessed on the lots fronting or abutting on the other side of the street the council may specially assess the lands on the

other side of the street in conformity with the petition and if a sidewalk is thereafter constructed on the other side of the street the owners' portion of the cost shall be specially assessed in like manner.

7. Subsection 1 of section 31 of *The Local Improvement Act* R.S.O. 1950, c. 215, s. 31, is amended by inserting after "m" in the seventh line "or r", subs. 1, amended so that the subsection shall read as follows:

- (1) Where the work is the acquisition, establishment, laying out and improving of a park or square or the construction of a bridge or the construction of a sewer or watermain of a larger capacity than is required for the purpose of the abutting land, or the opening, widening, extending, grading, altering the grade of, diverting or improving a street, or the construction of any work mentioned in clause *m* or *r* of subsection 1 of section 2, and the council is of opinion that for any reason it would be inequitable to charge the cost of the work on the land abutting directly thereon, the council may, in the by-law for undertaking the work passed by the vote of three-fourths of all the members, provide for the payment by the corporation of such part of the cost as to the council may seem just, and so much of the residue thereof as may seem just may be specially assessed upon the land abutting directly on the work, and so much of such residue as may seem just on such other land as is immediately benefited by the work.
- Apportionment of cost of a bridge, the opening of a street, etc.

8. Clause *a* of subsection 1 of section 45 of *The Local Improvement Act* is amended by striking out "and" in sub-clause *v*, by adding "and" at the end of subclause *vi* and by adding thereto the following subclause:

R.S.O. 1950, c. 215, s. 45, subs. 1, cl. *a*, amended

- (vii) the exemption or amount of reduction to be made under section 29 in respect of any lot.

9. Section 48 of *The Local Improvement Act* is amended by adding thereto the following subsection:

R.S.O. 1950, c. 215, s. 48, amended

- (4) A further appeal shall lie from the decision of the judge to the Board or the Court of Appeal in the same manner as an appeal from a decision of a county judge under *The Assessment Act* and the provisions of that Act with respect to an appeal from a county judge shall apply *mutatis mutandis*.
- Further appeal

Commence-
ment

10. This Act comes into force on the day it receives Royal Assent.

Short title

11. This Act may be cited as *The Local Improvement Amendment Act, 1957*.



BILL

An Act to amend
The Local Improvement Act

1st Reading

March 6th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. WARRENDER

No. 132

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Fire Guardians Act

MR. WARRENDER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTE

The amendments authorize a township council on petition of one-third of the ratepayers to extend the period within which no fires may be set in the municipality without permission in writing from a fire guardian.

BILL

An Act to amend The Fire Guardians Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Fire Guardians Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 139, s. 1, amended

(3) The council in any such by-law may provide that the period within which no person shall set out fire or set fire to any brush heap or other combustible material in any field, clearance or place in such township where the same would be likely to spread shall be between the 1st day of April and the 31st day of October in any year. Extended period for setting out fires

2. Section 2 of *The Fire Guardians Act* is amended by inserting after "year" in the fifth line "or between the 1st day of April and the 31st day of October in any year if so provided by by-law of the township", so that the section shall read as follows: R.S.O. 1950, c. 139, s. 2, amended

2. No person shall, after the passing of such by-law, set out fire, or set fire to any brush heap or other combustible material, in any field, clearance or place in such township where the same would be likely to spread, between the 1st day of July and the 1st day of October in any year, or between the 1st day of April and the 31st day of October in any year if so provided by by-law of the township, without having first obtained permission in writing from one of the fire guardians. Leave to be obtained before setting out fires

3. This Act comes into force on the day it receives Royal Assent. Commencement

4. This Act may be cited as *The Fire Guardians Amendment Act, 1957*. Short title

BILL

An Act to amend
The Fire Guardians Act

1st Reading

March 6th, 1957

2nd Reading

3rd Reading

MR. WARRENDER

No. 132

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Fire Guardians Act

MR. WARRENDER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY



BILL

An Act to amend The Fire Guardians Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Section 1 of *The Fire Guardians Act* is amended by adding thereto the following subsection: R.S.O. 1950, c. 139, s. 1, amended

(3) The council in any such by-law may provide that the period within which no person shall set out fire or set fire to any brush heap or other combustible material in any field, clearance or place in such township where the same would be likely to spread shall be between the 1st day of April and the 31st day of October in any year. Extended period for setting out fires

2. Section 2 of *The Fire Guardians Act* is amended by inserting after "year" in the fifth line "or between the 1st day of April and the 31st day of October in any year if so provided by by-law of the township", so that the section shall read as follows: R.S.O. 1950, c. 139, s. 2, amended

2. No person shall, after the passing of such by-law, set out fire, or set fire to any brush heap or other combustible material, in any field, clearance or place in such township where the same would be likely to spread, between the 1st day of July and the 1st day of October in any year, or between the 1st day of April and the 31st day of October in any year if so provided by by-law of the township, without having first obtained permission in writing from one of the fire guardians. Leave to be obtained before setting out fires

3. This Act comes into force on the day it receives Royal Assent. Commencement

4. This Act may be cited as *The Fire Guardians Amendment Act, 1957*. Short title

BILL

An Act to amend
The Fire Guardians Act

1st Reading

March 6th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. WARRENDER

No. 133

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL

An Act to amend The Public Utilities Act

MR. WARRENDER

TORONTO
PRINTED AND PUBLISHED BY BAPTIST JOHNSTON
PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

EXPLANATORY NOTES

SECTION 1. The amendments are to clarify the powers of municipal public utilities with regard to carrying pipes, wires, etc., on highways and through buildings and passageways.

BILL

An Act to amend The Public Utilities Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Sections 21, 22 and 23 of *The Public Utilities Act* are repealed and the following substituted therefor:

R.S.O. 1950,
c. 320,
ss. 21-23,
re-enacted

21. The corporation, for the purpose of any municipal public utility works, has and always has had authority to put down, carry, install, construct, erect and maintain such conduits, pipes, wires, poles, rods, cables, transformers, machinery apparatus, devices, appliances, equipment, materials, structures or works as it deems necessary or desirable, on, over, under or across any highway, lane or other public communication or, with the consent of the owner of private property, on, over, under or across such private property and has and always has had authority to remove or replace any of them.
- 22.—(1) The corporation may carry conduits, pipes, wires, rods, cables and other apparatus, devices, appliances and equipment to any part of any building within the municipality parts of which belong to different owners, or are in possession of different tenants or occupants, passing over the property of any owner or of any tenant or occupant to convey the public utility to the part of the building to which it is to be conveyed.
- 22.—(2) Such conduits, pipes, wires, rods, cables and other apparatus, devices, appliances and equipment shall be carried up and attached to the outside of the building unless consent is obtained from the owner, tenant or occupant concerned to carry them in the inside of the building.
23. The corporation may also break up and uplift all passages common to neighbouring owners, tenants or occupants, and dig or cut trenches therein, for

Corporation
may carry
pipes, etc.,
on highways

May carry
pipes, etc.,
through
buildings
to serve
other parts
of buildings

Method

May break
up passages
common to
neighbouring
owners, etc.

the purpose of laying down conduits, pipes, wires, rods, cables and other apparatus, devices, appliances and equipment, or taking up, examining or repairing the same, and shall do as little damage as possible in the execution of the powers hereby conferred, and shall restore such passages to their original condition without unnecessary delay.

2. Clause *a* of subsection 2 of section 35 of *The Public Utilities Act* is amended by inserting after "expenditures" in the second line "of the utility", so that the clause shall read as follows:

R.S.O. 1950,
c. 320, s. 35,
subs. 2,
cl. *a*,
amended

- (a) in payment of temporary advances required for current expenditures of the utility pending the collection of revenue; or

.

3. This Act comes into force on the day it receives Royal Assent.

Commence-
ment

4. This Act may be cited as *The Public Utilities Amendment Act, 1957*.

Short title

SECTION 2. The proposed amendment is to make it clear that utility receipts paid over to a municipal treasurer may be used only for temporary advances for current expenditures of the utility.



BILL

An Act to amend
The Public Utilities Act

1st Reading

March 7th, 1957

2nd Reading

3rd Reading

MR. WARRENDER

No. 133

3RD SESSION, 25TH LEGISLATURE, ONTARIO
5-6 ELIZABETH II, 1957

BILL
An Act to amend The Public Utilities Act

MR. WARRENDER

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An Act to amend The Public Utilities Act

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. Sections 21, 22 and 23 of *The Public Utilities Act* are repealed and the following substituted therefor:

- R.S.O. 1950,
c. 320,
ss. 21-23,
re-enacted
21. The corporation, for the purpose of any municipal public utility works, has and always has had authority to put down, carry, install, construct, erect and maintain such conduits, pipes, wires, poles, rods, cables, transformers, machinery apparatus, devices, appliances, equipment, materials, structures or works as it deems necessary or desirable, on, over, under or across any highway, lane or other public communication or, with the consent of the owner of private property, on, over, under or across such private property and has and always has had authority to remove or replace any of them.
- Corporation
may carry
pipes, etc.,
on highways
- 22.—(1) The corporation may carry conduits, pipes, wires, rods, cables and other apparatus, devices, appliances and equipment to any part of any building within the municipality parts of which belong to different owners, or are in possession of different tenants or occupants, passing over the property of any owner or of any tenant or occupant to convey the public utility to the part of the building to which it is to be conveyed.
- May carry
pipes, etc.,
through
buildings
to serve
other parts
of buildings
- (2) Such conduits, pipes, wires, rods, cables and other apparatus, devices, appliances and equipment shall be carried up and attached to the outside of the building unless consent is obtained from the owner, tenant or occupant concerned to carry them in the inside of the building.
- Method
23. The corporation may also break up and uplift all passages common to neighbouring owners, tenants or occupants, and dig or cut trenches therein, for
- May break
up passages
common to
neighbouring
owners, etc.

the purpose of laying down conduits, pipes, wires, rods, cables and other apparatus, devices, appliances and equipment, or taking up, examining or repairing the same, and shall do as little damage as possible in the execution of the powers hereby conferred, and shall restore such passages to their original condition without unnecessary delay.

R.S.O. 1950,
c. 320, s. 35,
subs. 2,
cl. a,
amended

2. Clause *a* of subsection 2 of section 35 of *The Public Utilities Act* is amended by inserting after "expenditures" in the second line "of the utility", so that the clause shall read as follows:

(a) in payment of temporary advances required for current expenditures of the utility pending the collection of revenue; or

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Commence-
ment

3. This Act comes into force on the day it receives Royal Assent.

Short title

4. This Act may be cited as *The Public Utilities Amendment Act, 1957*.





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An Act to amend
The Public Utilities Act

1st Reading

March 7th, 1957

2nd Reading

March 11th, 1957

3rd Reading

March 26th, 1957

MR. WARRENDER

