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Communiqué

Anti-Inflation Levy on Export Sales

December 18, 1975

Export revenues in excess of anti-inflation guidelines would be subject to a 100 per cent export levy under proposals announced today by Finance Minister Donald S. Macdonald. Refunds of the levy would be made under certain conditions.

As announced in the anti-inflation program on October 14, 1975, the levy will become effective from that date. The levy is described in a ways and means motion tabled in the House of Commons today. Legislation will be introduced early in the new year after further consultation with interested parties. This paper outlines the proposed legislation and regulations.

The proposals:

- recognize the value to Canada of obtaining the prices established by international markets for Canadian products;
- ensure that Canadian customers of exporting firms are adequately supplied;
- ensure that exporting firms maintain their competitive position internationally;
- direct refunds of the export levy towards national goals.

Firms Subject to the Levy

In general terms, the export levy would apply to firms in the private sector which are subject to enforcement of the anti-inflation guidelines on price and profit margins, and whose export sales in their last full fiscal year ending prior to October 14, 1975, exceed the lesser of 10 per cent of their total sales in that year or \$5 million. Where the export sales of such firms in that year were below the threshold amount, they could nevertheless elect to be subject to the export levy if they chose to do so.

The levy would also apply to Canadian branches of foreign firms which are subject to enforcement of the anti-inflation guidelines on price and profit margins. Foreign branches and subsidiaries of Canadian firms would not be subject to the levy.



Calculation

Firms subject to the levy would allocate their revenues and costs between their domestic and export business. Except for the one-price system referred to below, the export levy would apply only to the export business.

Margin Rule

The levy on export sales would generally be the excess of actual revenue over the target amount determined under the net pre-tax margin rules for the domestic program. For this purpose, however, the margin rules would be applied to the entire export business, and not on the basis of product lines as under the domestic program. Where the export revenue was less than the target amount in a year, the deficiency could be carried back one year or to subsequent years to reduce excess revenue on export sales in those other years.

As a general limitation, the export levy payable for any fiscal year could not be greater than the firm's total excess revenue (domestic and export) as determined under the net pre-tax margin guidelines on its total business for that year.

Optional Rule

As an alternative to the margin rule for export sales, a firm could elect to use the domestic guidelines in their entirety to determine its excess revenue on export business. This would entail the use of the unit cost rule for individual products, the net margin rule by product line, etc. as under the domestic system.

One-Price System

Generally speaking, firms selling in both the Canadian and foreign markets would be expected to price Canadian sales within the domestic guidelines, and to price foreign sales at international prices. Canadian prices in excess of the guidelines would be viewed as a contravention of the domestic guidelines.

However, it may be difficult for some firms to maintain different prices for a product or product line at home and abroad. If the Anti-Inflation Board finds that it is impractical or harmful to the national interest for the firm to use a two-price system, the company may use uniform pricing domestically and outside Canada. Decisions of the Board on this issue would be subject to review by the Cabinet. Under such a one-price system, the exporting firm could sell domestically at the international price without contravening

the domestic guidelines. In these circumstances, the export levy would apply to domestic sales as well as export sales, and the portion of the levy on domestic sales would not be refundable.

Payment

A corporation subject to the levy would be expected to estimate the amount of the levy for a fiscal year and to make instalment payments. The amount and timing of the payments, as well as financial penalties for non-compliance, would be the same as for the corporation income tax. Monthly instalments of the levy could therefore be based on the lesser of the previous year's levy or the estimate of the current year's levy, and the clean-up payment would be two months after the fiscal year-end. No payment would be due until one month after the passage of the export levy legislation.

Refunds earned by investments as described below could be offset against instalments of export levy payable.

The Administrator of the anti-inflation program would be responsible for handling payments, returns, investigations, assessments, and refunds. Whether an amount is payable in a year or not, a firm subject to the levy would be expected to file an annual return with the Administrator and the Board. The Administrator's assessments could be appealed to the Anti-Inflation Tribunal.

Refunds

Ninety per cent of the levy would be refundable on a \$1 for-\$1 basis for a company's investment in approved projects in Canada which

- contribute to employment,
- maintain or improve productive facilities,
- explore for or develop oil, gas and mineral resources,
- increase research facilities,
- improve the environment, or
- conserve energy.

Investments qualifying for refunds must be approved within five years of the end of the control period, and made between the commencement of the anti-inflation program on October 14, 1975, and ten years after its termination. A committee composed of the Minister of Industry, Trade and Commerce and the Minister of Energy, Mines and Resources would have authority to approve investment programs.

Seventy-five per cent of the original levy, to the extent it has not already been effectively refunded for approved investments made, would be refundable to the firm at a date to be prescribed by the Governor-in-Council. This date would not be earlier than three years after the end of control period nor later than ten years thereafter.

Approved investments made after the prescribed date and within ten years of termination of the control period could still earn the balance of the 90 per cent refund.

The potential refund could be reduced where the Administrator has reasonable grounds to believe that the firm has voluntarily cut back on supplying his Canadian customers in favour of supplying foreign customers. For example, where a firm's domestic sales decreased while its export sales increased, the refund might be reduced unless the firm could demonstrate clearly that the domestic decline was due to a factor which arose prior to introduction of the anti-inflation program, to increased competition, or to a real decline in Canadian demand.

Other Provisions

Products such as crude oil which are exempt from the domestic guidelines would be similarly excluded from the export levy.

- 1. The levy would not apply to services, such as engineering or professional services, supplied abroad by Canadian residents. However, such services would remain subject to the domestic guidelines.

Where a firm has business establishments inside and outside Canada, a delivery of commodities from Canada to the foreign establishment would be deemed to be an export sale at a price equal to fair market value.

The export levy would be deductible in determining income under the Income Tax Act, and refunds of the levy would be included in income when received.

The federal government will enter into arrangements with the provinces for sharing of revenues retained from the levy. It is proposed that the federal and provincial governments share the levy in proportion to their relative occupancy of the corporate tax field, and that the allocation of the provincial share among provinces would be based on the existing allocation of corporate taxable income.

Anti-Inflation Levy on Export Sales
Illustration of Procedure for Refunds

Export levy	\$100
Less - Non-refundable portion - 10%	<u>10</u>
Maximum potentially refundable	<u>\$ 90</u>

Assume approved investment program of \$78 to be made as follows:

During control period and thereafter, but prior to date for prescribed refund ⁽¹⁾	\$ 48
After prescribed refund ⁽¹⁾ but within 10 years of end of control program	<u>30</u>
	<u>\$ 78</u>

Refunds

Earned by investment before prescribed date -	\$ 48
Prescribed refund -	
Maximum - 75% of export levy	\$75
Less - portion earned in advance 75/90 (or 5/6) of \$48	<u>40</u>
Earned by further investment-15/90 (or 1/6) of \$30	35
	<u>5</u>
	<u>\$ 88⁽²⁾</u>

Notes:

1. The prescribed refund would be available on a day at least three years after the end of the control program, and not later than ten years thereafter.
2. If the firm had made a further approved investment of \$12 (to reach the maximum of \$90), it would have received the maximum refund.

Communiqué

le 18 décembre 1975

Prélèvement sur les ventes à l'exportation aux termes du programme anti-inflation

Les recettes à l'exportation qui dépassent les limites établies aux termes des indicateurs anti-inflation seraient assujetties à un prélèvement à l'exportation de 100 p. cent conformément aux propositions formulées aujourd'hui par le Ministre des Finances, M. Donald S. Macdonald. Des remboursements de prélèvement seraient effectués dans certains cas.

Comme le prévoyait le programme anti-inflation présenté le 14 octobre 1975, le prélèvement s'appliquera à compter de cette date. Le prélèvement est défini dans une motion des voies et moyens déposée à la Chambre des communes aujourd'hui. Un projet de loi sera présenté au début de l'an prochain après la tenue de nouvelles consultations avec les parties intéressées.

Les propositions:

- reconnaître l'importance pour le Canada de pratiquer les prix établis sur les marchés internationaux à l'égard des produits canadiens;
- s'assurer de ce que les clients canadiens d'entreprises d'exportation soient suffisamment approvisionnés;
- s'assurer de ce que les entreprises d'exportation maintiennent leur position concurrentielle sur le plan international;
- s'assurer de ce que les remboursements du prélèvement à l'exportation soient utilisés à des fins qui servent les intérêts du pays.

Entreprises assujetties au prélèvement

En règle générale, le prélèvement à l'exportation s'appliquerait aux entreprises du secteur privé qui sont assujetties à l'application des lignes directrices anti-inflation en matière de prix et de marges bénéficiaires et dont les ventes à l'exportation (pendant leur dernière année fiscale complète antérieure au 14 octobre 1975) dépassent le moins élevé des montants suivants: 10 p. cent des ventes totales de l'année en cause ou \$5 millions. Au cas où les ventes à l'exportation de ces entreprises pendant l'année en cause seraient inférieures



operating profits per unit in his base period from that individual product by the number of units of that individual product sold by him in the compliance period.

17. (1) For the purposes of this Part, a supplier's apparent excess revenue for a compliance period from that part of his business to which this section applies is the sum of his apparent excess revenue for the period in respect of the particular product lines to which he allocates costs for purposes of this Part, computed in accordance with subsection (2).

(2) For the purposes of subsection (1), a supplier's apparent excess revenue in respect of a particular product line for a compliance period is the lesser of

- (a) the amount, if any, by which the supplier's adjusted operating profits for the period from that particular product line exceeds his target operating profits for the period from that particular product line, computed in accordance with subsection (3); and
- (b) the amount, if any, by which the sum of the supplier's adjusted operating profits for the compliance period and all other completed compliance periods from that particular product line exceeds the sum of his target operating profits for the compliance period and all other completed compliance periods from that particular product line.

(3) For the purposes of subsection (2), the "target operating profits" of a supplier for a compliance period from a particular product line is the result obtained by multiplying his allowable costs that are allocated to that particular product line for the period by the target margin factor for the particular product line.

18. (1) For the purposes of this Part, a supplier's apparent excess revenue for a compliance period from that part of his business to which this section applies is the lesser of

- (a) the amount, if any, by which the supplier's adjusted operating profits for the period from that part of his business exceeds his target operating profits for the period from that part of his business, computed in accordance with subsection (2); and
- (b) the amount, if any, by which the sum of the supplier's adjusted operating profits for the compliance period and all other completed compliance periods from that part of his business exceeds the sum of his target operating profits for the compliance period and all other completed compliance periods from that part of his business.

(2) For the purposes of subsection (1), the "target operating profits" of a supplier for a compliance period from the part of his business to which this section applies is the result obtained by multiplying his allowable costs that are allocated to that part of his business for the period by the target margin factor for that part of his business.

Division 6

Interim Price Measurement Guidelines

19. In this Division,

"base category" means a base category described in subsection 21(1);

"base cost", in respect of

- (a) a product that is being sold on October 13, 1975, means the supplier's best estimate of his allowable costs per unit of production as of that date, such estimate being
 - (i) made on a reasonable basis consistent with his usual accounting practices,
 - (ii) based on the latest cost information available to him, adjusted to reflect cost changes that have occurred between the date of such latest cost information and October 13, 1975, and
 - (iii) where anticipated cost increases are reflected in the base price, assuming that those cost increases have already occurred, and
- (b) a product that is not being sold on October 13, 1975, means the supplier's best estimate of his allowable costs per unit of production as of the date the product is first sold, such costs being revised to eliminate the difference between the estimated costs and the actual costs as of the date the product is first sold
 - (i) as soon as sufficient data is available to him to so revise the costs, or
 - (ii) 90 days after the date the product is first sold,whichever occurs first;

"current cost" means the supplier's best estimate of his allowable costs per unit of production as of the date a price adjustment is required, such estimate being

- (a) made on a reasonable basis consistent with his usual accounting practices and with the method of estimating his base cost, and
- (b) based on the latest cost information available to him, adjusted to reflect cost changes that have occurred between the date of such latest cost information and the date the price adjustment is required,

and may include an anticipated cost increase, to the extent that it is reasonably certain to occur within the period in which the price is expected to remain in force, if the anticipated cost is to reflect its proration over that period.

20. (1) Where a supplier to whom subsection 21(1) applies commences to supply a product that he has not supplied before,

- (a) the product shall, if it is similar to a product or products in an existing base category of the supplier, be deemed to have been in that category on October 13, 1975; or
- (b) where paragraph (a) does not apply to the product, the maximum price that the supplier may charge for the product for the first 90 days that he supplies it shall be determined under subsection (3), and at the end of that period it shall be assigned to a base category on the basis of the gross profit realized by the supplier from the sale of that product during the 90 days.

(2) Where a supplier to whom subsection 21(2) applies commences to supply a product that he has not supplied before,

- (a) the product shall, if it is similar to a product or products in an existing product line of the supplier, be deemed to be part of that product line; or
- (b) where paragraph (a) does not apply to the product, the maximum price that the supplier may charge for the product from time to time until the end of the first compliance period that ends more than 182 days after he commenced supplying the product shall be determined under subsection (3) and the product shall be deemed to be a particular product line and the gross profit as a percentage of gross revenue from operations from sales of that product line during the base period shall be computed by reference to the results of the sales period to the end of the compliance period with such adjustments, if any, as are necessary to reflect the seasonal nature of the supplier's business.

(3) Where a supplier

- (a) who did not act as a distributor during his base period commences to act as a distributor,
- (b) to whom subsection 21(1) applies commences to supply a product that is not similar to a product or products in one of his existing base categories,
- (c) to whom subsection 21(2) applies commences to supply a product that is not similar to a product or products in one of his existing product lines, or

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- (d) to whom section 23 applies commences to supply a product described in subsection 23(3),

the maximum price that he may charge from time to time during the period described in subsection (4) shall be

- (e) the highest price charged for that product by any other supplier in the same market under circumstances similar to those of the supplier first mentioned,
- (f) where there is no price being charged by another supplier described in paragraph (e), a price that is reasonable having regard to the highest price charged at or about that time for a similar product under circumstances similar to those of the supplier first mentioned having regard to the differences between the two products, or
- (g) in any other case, such product price as is appropriate, fair and reasonable having regard to the allowable costs that are attributable to the product concerned.

(4) The period during which subsection (3) shall apply to determine the maximum prices of products in the circumstances described therein shall begin when the supplier commences to supply the product and end

- (a) in the case of a supplier described in paragraph 3(a), (c) or (d), at the end of the first compliance period that ends more than 182 days after the supplier commenced supplying the product; or
- (b) in the case of a supplier described in paragraph 3(b), 90 days later.

21. (1) Where a supplier to whom this section applies can categorize individual products so that all products sold by him with the same mark-on rate on October 13, 1975, are included in the same category (herein referred to as "base category"), he shall control his prices during a compliance period and each part thereof in such a manner that

- (a) the sum of
- (i) the results obtained when, in respect of each product that has been transferred to a category with a higher mark-on rate than applied in its base category, the difference in mark-on rate is multiplied by the laid-down cost to the supplier of that product sold during the compliance period or part thereof while the product was in the higher category,

does not exceed the sum of

(1) the results obtained when, in respect of each product that has been transferred to a category with a lower mark-on rate than applied in its base category, the difference in mark-on rates is multiplied by the laid down cost to the supplier of that product sold during the compliance period or part thereof while the product was in the lower category; and

(b) the mark-on rate on any one product does not increase by more than 10 percentage points.

(2) Where a supplier to whom this section applies cannot categorize individual products as required by subsection (1) but can divide the products sold by him into product lines, he shall control his price during the compliance period in such a manner that, for a compliance period or part thereof,

(a) the mark-on rate on any one product in the product line does not increase by more than 10 percentage points; and

(b) the gross profit as a percentage of gross revenue from operations realized from the sales of each product line during the first three months, six months and nine months of the compliance period and during the complete compliance period does not exceed the gross profit as a percentage of gross revenue from operations realized from sales of that product line during the corresponding part of the base period.

(3) Where a supplier to whom this section applies cannot categorize individual products as required by subsection (1) or divide the products sold by him into product lines as required by subsection (2), he shall control his prices during a compliance period pursuant to subsection (2) as though all of his products constituted one product line.

(4) Notwithstanding subsections (1), (2) and (3), where a supplier experiences

(a) a reduction in the ratio of his allowable costs to his cost of goods for the part of his business to which this section applies below his corresponding ratio for the base period, he shall reduce his selling prices by such amount, if any, as may be necessary to ensure that the ratio of his adjusted operating profits to his allowable costs for that part of his business for the compliance period does not exceed his corresponding ratio for the base period; or

(b) an increase in the first ratio described in paragraph (a) above his corresponding ratio for the base period, he shall not be required to maintain prices that would reduce his adjusted operating profits for the compliance

period for the part of his business to which this section applies below his adjusted operating profits for that part of his business for the base period.

22. The maximum unit price that may be charged by a supplier to whom this section applies for an individual product when a price adjustment is required shall not exceed

(a) the base price of the product,

plus

(b) the excess, if any, of the current cost of the product over the base cost of the product,

minus

(c) the excess, if any, of the base cost of the product over the current cost of the product.

23. (1) The maximum price that may be charged by a supplier in a compliance period for a product in a product line to which this section applies that he commenced to supply more than 182 days before the beginning of the compliance period shall be computed in the following manner:

(a) determine for the last period that ended before October 14, 1975, or for the first fiscal period that ended more than 182 days after he commences to supply the product line, whichever is later,

(i) the total revenue received from the sales of the product line concerned, and

(ii) the total allowable costs applicable to the product line in question broken into components, such components consisting of at least the cost of direct materials, direct labour and direct and indirect overhead;

(b) determine, for each cost component referred to in subparagraph (a)(ii), the percentage, if any, by which the cost price of the component, expressed as cost per hour of labour, cost per unit of raw material or cost per unit of other input, has increased or decreased since the last day of the later of the two fiscal periods described in paragraph (a);

(c) determine the aggregate of the numbers that result when there is added to each cost referred to in subparagraph (a)(ii) the result obtained when that cost is multiplied by the percentage determined under paragraph (b) for that cost;

(d) divide the aggregate determined under paragraph (c) by the remainder when the target net margin percentage of

the supplier in respect of the product line is subtracted from 100 per cent; and

- (c) multiply the price of the product on the last day of the later of the two fiscal periods described in paragraph (a) by the quotient obtained under paragraph (d), divide the result by the amount determined under subparagraph (a)(1) and adjust the amount so calculated for variations in fixed costs and increases in volume, where applicable, the result being the maximum price that may be charged for a product included in the product line.

(2) During a compliance period, the maximum price that may be charged by a supplier to whom this section applies for a product in a product line other than a product line to which subsection (1) applies shall, if it is a product line to which paragraph 13(2)(a) or (b) applies, be computed initially in the following manner:

- (a) determine the total revenue that may reasonably be expected to be received from sales of products in the product line during the first year of sales of the product line by the supplier at the prices tentatively chosen by the supplier,
- (b) determine the total allowable costs that may reasonably be expected to be incurred in respect of the product line by the supplier during that first year,
- (c) divide the total determined pursuant to paragraph (b) by the remainder when the target net margin percentage for the product line for the compliance period is subtracted from 100 per cent, and
- (d) the maximum price for the product is the result obtained when the tentative price for the product used for the purposes of the determination under paragraph (a) is multiplied by the quotient obtained when the result obtained under paragraph (c) is divided by the total revenue determined under paragraph (a),

and a revised computation shall be made not more than 90 days after the product line is first sold by the supplier and the maximum price shall be revised accordingly.

(3) The maximum price that may be charged by a supplier to whom this section applies for a product in a product line other than a product line to which subsection (1) or (2) applies shall be determined under subsection 20(3).

24. A supplier to whom this section applies shall control the prices of his products during a compliance period so that his gross revenue from operations

- (a) for the first three months of the compliance period,

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- (b) for the first six months of the compliance period,
 - (c) for the first nine months of the compliance period, and
 - (d) for the complete compliance period,

does not exceed an amount computed by dividing his allowable cost during that time by the remainder when his target net margin percentage is subtracted from 100 per cent.

Part 2

Guidelines for the Restraint of Professional Fees and Income

Interpretation

25. (1) In this Part, "adjusted operating profits", "allowable costs", "gross revenue from operations" and "restricted expenses" have the meanings assigned to those expressions by Part 1.

(2) In this Part,

"base period" means

- (a) the last completed fiscal period of a firm prior to October 14, 1975, that includes 183 days or more, or
- (b) where a firm has not had a completed fiscal period of 183 days or more prior to October 14, 1975, and it is a firm other than a firm referred to in section 31, the first fiscal period of the firm that includes 183 days or more;

"compliance period", in respect of

- (a) a firm the base period of which is determined under paragraph (a) of the definition "base period", means its fiscal period that includes October 14, 1975, and each fiscal period thereafter of the firm,
- (b) a firm the base period of which is determined under paragraph (b) of the definition "base period", means its fiscal period immediately following its base period and each fiscal period thereafter of the firm; and
- (c) a firm referred to in section 31, means its first fiscal period or its fiscal period that includes October 14, 1975, whichever is later, and each fiscal period thereafter of the firm;

"practitioner", in respect of a firm, means an individual who is

- (a) the proprietor of the firm,
 - (b) a partner in the firm if during the fiscal period or part thereof when he was a partner, the individual devoted to the affairs of the firm at least one-half of the normal business hours of the firm,
 - (c) a shareholder in the firm if, during the fiscal period or part thereof when he was a shareholder, the individual
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- (i) devoted to the affairs of the firm at least one-half of his normal business hours to the affairs of the firm,
 - (ii) owned a number of shares that was in reasonable proportion to the number of shares owned by other practitioners of that firm who were shareholders on the last day of the base period, or
 - (d) an employee of the firm who, during the fiscal period or part thereof when he was an employee, devoted at least one-half of the normal business hours to the affairs of the firm and derived more than one-half of his income that he derived from the firm
 - (i) in the form of profit sharing, or
 - (ii) as a result of a formula under which some or all of his income is determined by reference to the gross revenue of the firm or some portion thereof,

or both;

"practitioner number" and "adjusted practitioner number" have the meanings assigned to those expressions by subsection 29(5) or (6), whichever is applicable in the circumstances;

"second program year" has the meaning assigned to that expression by Part 4.

26. (1) This Part applies to a supplier of a service prescribed by subsection (2) to be a professional service and to those of his employees who are practitioners.

(2) The services of a supplier who is or holds himself out to be

- (a) an architect,
 - (b) a business, financial, actuarial, economic or management consultant,
 - (c) a chiropractor,
 - (d) a dentist,
 - (e) an engineer,
 - (f) a lawyer or notary,
 - (g) a medical doctor or surgeon,
 - (h) an optometrist,
 - (i) a public accountant, or
 - (j) a veterinarian,
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whether the supplier carries on business as a proprietorship, partnership, corporation or other entity, are hereby prescribed: to be professional services.

27. (1) Subject to subsection (2), a firm shall be deemed to have complied with this Part during a compliance period if,

(a) in respect of the supply of professional services the fee for which is computed as a percentage of the value of the transaction or asset involved, it has reduced its fee rate by not less than 1% of the October 13, 1975, fee rate for every three-month period completed after that date, and

(b) in the case of other professional services, it has not increased its fee rates above its October 13, 1975, fee rates by more than

(i) the amounts estimated to be necessary set net increases that accrue after October 13, 1975, in his allowable costs properly allocable to those services,

plus

(ii) the income improvement amounts computed in accordance with subsection (3).

(2) In determining its fee rates charged for professional services rendered during a compliance period, a firm shall follow its normal and habitual billing practices as evidenced by those practices employed by it in the base period, and shall have due regard to the differentials that existed at October 14, 1975, between

(a) fee rates actually charged for particular services performed and those listed for such services in any publicly available schedule, and

(b) fee rates charged for services performed by practitioners having differing experience and seniority in the firm.

(3) For the purposes of subsection (1), the income improvement amounts are the amounts of increases in fee rates estimated to be necessary to increase the annual gross revenue from operations of the firm over that of the last preceding twelve-month period ending October 13 by the proportion of the maximum increase that would be permitted under Division 1 of Part 4 in the total amount of compensation of the group of practitioners if for the purposes of that Division, they were a group and their incomes from the firm were compensation, that

(a) the gross revenue from operations of the firm estimated to be derived from services of a type described in paragraph (1)(b) during the ensuring year,

is of

- (b) the total gross revenue from operations of the firm estimated to be derived during the ensuing year.

(4) The estimates referred to in subparagraph (1)(b)(1) and subsection (3) shall be based upon the expectation that each practitioner in the firm will, in the ensuing year, work the same number of hours as he did in the immediately concluded year and render approximately the same mix of professional services.

28. The excess revenue of a firm that does not comply with the applicable conditions prescribed by section 27 and that has apparent excess revenue under section 29 for a compliance period shall, for that period be the amount, if any, by which its apparent excess revenue under section 29 exceeds the aggregate of the amounts of its excess revenue for that period that the firm can establish to be the result of

- (a) a transaction that occurred before October 14, 1975;
- (b) unusual productivity gains resulting from the efforts of the firm;
- (c) favourable cost developments that could not reasonably have been foreseen by the firm;
- (d) the continuation of an increase in the firm's income per practitioner that had occurred before October 14, 1975;
- (e) an increase in the average workload of the practitioners of the firm or an upgrading of the mix of professional services rendered by the firm; or
- (f) services rendered outside Canada by persons who are resident outside Canada.

29. (1) For the purposes of this Part, a firm's apparent excess revenue for a compliance period is the amount, if any, by which its adjusted operating profits for the period exceeds its target operating profits for the period computed in accordance with subsection (2).

(2) For the purposes of subsection (1), the "target operating profits" of a firm for a compliance period shall be computed by multiplying its adjusted operating profits for the base period by the size factor computed in accordance with subsection (4) and adding to the result the income adjustment figure computed in accordance with subsection (7).

(3) For the purposes of this Part, the adjusted operating profits of a firm shall be computed without deduction of any amount of salary, salary allowance, interest or other distribution of profit to the practitioners in respect of the period that they were practitioners.

(4) For the purposes of subsection (2), the "size factor" for a firm for a compliance period shall be the result obtained when the adjusted practitioner number for the firm for the compliance period is divided by the adjusted practitioner number for the firm for the base period, computed in accordance with subsections (5) and (6).

(5) Subject to subsection (6), the "practitioner number" for a firm for a compliance period shall be the number of individuals who were practitioners in the firm during that period, and the "adjusted practitioner number" for a firm for a compliance period shall be the sum of

- (a) the number of individuals who were practitioners in the firm both during the compliance period and the two immediately preceding fiscal periods;
- (b) the product obtained by multiplying the number of individuals who were practitioners in the firm during the compliance period and during the immediately preceding fiscal period, but not during the second preceding fiscal period, by 75% or such larger percentage as is reasonable having regard to the previous income level of the practitioners; and
- (c) the product obtained by multiplying the number of individuals who were practitioners in the firm during the compliance period but not during the immediately preceding fiscal period by 50% or such larger percentage as is reasonable having regard to the previous income level of the practitioners.

(6) Where

- (a) a fiscal period contains less than 365 days, the practitioner number and the adjusted practitioner number determined pursuant to subsection (5) shall be reduced proportionately; and
- (b) an individual is a practitioner for less than the full fiscal period, he shall, for the purposes of subsection (5), be counted as a fraction of a practitioner equal to the number of months during which he was a practitioner, divided by the number of months in the fiscal period.

(7) For the purposes of subsection (2), the "income adjustment figure" for a firm for a compliance period shall

- (a) if the computation is being made in respect of a compliance period that ended before October 14, 1976, be the lesser of
 - (i) the product obtained when the practitioner number for the firm for the compliance period is multiplied by \$2,400, and

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- (ii) the product obtained when the adjusted practitioner number for the firm for the compliance period is multiplied by 10% of the amount (hereinafter referred to as the "base period income per practitioner") obtained when the adjusted operating profits of the firm for the base period is divided by the adjusted practitioner number for the firm for the base period;
 - (b) if the computation is being made in respect of a compliance period that ended after October 13, 1976, and before October 14, 1977, be the lesser of
 - (i) the product obtained when the practitioner number for the firm for the compliance period is multiplied by \$4,800, and
 - (ii) the product obtained when the adjusted practitioner number for the firm for the compliance period is multiplied by the product obtained by multiplying the base period income per practitioner by the sum of 18% and the percentage increase, if any, in the Consumer Price Index in the first program year that is in excess of eight per cent; and
 - (c) if the computation is being made in respect of a compliance period that ended after October 13, 1977, and before October 14, 1978, be the lesser of
 - (i) the product obtained when the practitioner number for the firm for the compliance period is multiplied by \$7,200, and
 - (ii) the product obtained when the adjusted practitioner number for the firm for the compliance period is multiplied by the product obtained by multiplying the base period income per practitioner by the sum of 24%, the percentage increase, if any, in the Consumer Price Index in the first program year that is in excess of eight per cent and the percentage increase, if any, in the Consumer Price Index in the second program year that is in excess of six per cent.

30. (1) Except as otherwise provided by this Part, all computations, calculations and determinations under this Part in respect of a firm shall be made using financial data that is the result of the consistent application of the accounting principles and practices used in the preparation of the firm's financial statements for the base period.

(2) Subject to subsection (3), if a firm's financial statements for the base period were not prepared in accordance with generally accepted accounting principles, such changes shall, for the purposes of this Part, be made in the accounting principles and practices as are necessary to conform them to generally

accepted accounting principles and all computations, calculations and determinations shall be made in accordance with those amended principles and practices.

(3) If the only financial statements of a firm for the base period were statements prepared in accordance with section 34 of the Income Tax Act, they shall be considered, for the purposes of this Part, in respect of those principles and practices that are prescribed by that section, to be in accordance with generally accepted accounting principles.

31. Where a firm has not had one completed fiscal period of 183 days or more before October 14, 1975, and the firm may reasonably be regarded as being the continuation of another firm in a new form, or as having been formed as a result of the subdivision of another firm or the merger of two or more firms, the adjusted operating profits of the firm for the base period, the practitioner number of the firm for the base period, the adjusted practitioner number of the firm for the base period and any other number relating to the base period that is required for the operation of this Part, shall be such numbers as are reasonable, having regard to all of the circumstances of the continuation, subdivision or merger, as the case may be, and the history or histories of the other firm or firms.

Part 3

Dividends

First Compliance Period

32. For the purposes of this Part the "first compliance period" is the twelve months ending October 13, 1976, and the "dividend factor" for that period is 100%.

Limitation on Amount Generally

33. (1) A corporation shall not, during a compliance period, declare or pay dividends on any share of a particular class that in total exceed the product obtained when the corporation's dividend base for a share of that class is multiplied by the dividend factor for the compliance period.

(2) For the purposes of subsection (1) a corporation's "dividend base" for a share of a class is an amount equal to the greater of

(a) dividends paid on a share of that class during the last fiscal year of the corporation that ended prior to October 14, 1975; and

(b) the annual dividend, twice the last semi-annual dividend or four times the last quarterly dividend paid on a share of that class during the twelve-month period immediately preceding October 14, 1975, if the corporation had a demonstrable record of paying annual, semi-annual or quarterly dividends.

(3) Notwithstanding subsection (1), a corporation may, during the first compliance period, declare and pay dividends on all classes of its shares that in total do not exceed 25% of its earnings computed in accordance with generally accepted accounting principles

(a) where its first fiscal year ended after October 13, 1975, for its first fiscal year; or

(b) in any other case, for its last fiscal year that ended prior to October 14, 1975.

Amalgamated Company Dividends

34. (1) Notwithstanding section 33, where two or more corporations (each of which corporation is hereinafter in this section referred to as a "predecessor corporation") amalgamate at any time after October 13, 1974, the corporation formed by the

amalgamation (hereinafter in this section referred to as the "new corporation") shall not, during a compliance period declare or pay dividends on its shares that, in total, exceed the product obtained when the base amount computed in accordance with sub-section (2) is multiplied by the dividend factor for that compliance period.

(2) For the purposes of subsection (1), the "base amount" is the amount by which

- (a) the sum of the dividends paid by the new corporation and each of the predecessor corporations during the twelve-month period ending on October 13, 1975, excluding therefrom any dividends paid by one predecessor corporation to another;

exceeds

- (b) the sum of the dividends paid by the predecessor corporations in the compliance period, excluding therefrom any dividends paid by one predecessor corporation to another.

(3) Notwithstanding subsection (1), a new corporation may, during the first compliance period, declare and pay dividends that in total do not exceed the amount by which

- (a) 25% of the earnings of the predecessor corporations for their last fiscal years ending prior to October 14, 1975, computed in accordance with generally accepted accounting principles;

exceeds

- (b) the sum of the dividends declared and paid by the predecessor corporations after October 13, 1975.

Subdivision and Consolidations of Shares

35. Where at any time after the beginning of the fiscal year referred to in paragraph 33(2) a class of shares has been

- (a) subdivided into a greater number of shares, or
(b) consolidated into a lesser number of shares,

the amount of the dividends per share permitted to be declared and paid by virtue of section 33 or 34 shall be proportionately adjusted.

Application of Part

36. (1) Subject to subsection (2), this Part applies to every corporation that is incorporated in Canada and that

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- (a) is listed on a stock exchange as prescribed in Part XXXII of the Income Tax Regulations;
 - (b) employs five hundred or more persons in Canada on October 14, 1975, or any day thereafter;
 - (c) carries on business in the construction industry and employs 20 or more persons in Canada on October 14, 1975, or any day thereafter;
 - (d) is associated, within the meaning of section 256 of the Income Tax Act, with a company referred to in paragraph (b) or (c); or
 - (e) is a corporation to which Part 2 applies.
- (2) This Part does not apply to
- (a) mortgage investment corporations, investment corporations, mutual fund corporations or non-resident owned investment corporations, as defined in the Income Tax Act;
 - (b) a corporation during its first fiscal year, other than a corporation that is
 - (i) formed as the result of an amalgamation, or
 - (ii) associated, within the meaning of section 256 of the Income Tax Act with another corporation that was in existence on October 13, 1975;
 - (c) credit unions and co-operative corporations;
 - (d) dividends paid by a corporation on a class of shares at least 90% of which are beneficially owned by one or more other corporations if each of those other corporations is referred to in subsection (1) and none of those corporations is a corporation referred to in paragraph (a), (b) or (c);
 - (e) policy dividends paid by life insurance companies;
 - (f) dividends on preferred stock that were in arrears on October 13, 1975; or
 - (g) dividends paid in respect of a new class of shares during a twelve-month period after issue if the new class is owned entirely by persons with whom the corporation deals at arm's length within the meaning of section 251 of the Income Tax Act, or is otherwise created for a bona fide purpose.
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37. For the purpose of this Part, a dividend declared on a share of a class of shares prior to October 14, 1975, and that is subsequently paid, shall be deemed to have been paid on the date on which it was so declared.

Part 4

Guidelines for the Restraint of Compensation

Interpretation

38. In this Part,

"bargaining unit" means a group of employees recognized under any applicable law to be a unit appropriate for collective bargaining;

"base date", with respect to a group, means the day before the date on which the first compensation plan of the group established or entered into on or after October 14, 1975, becomes effective,

"base year", with respect to a guideline year, means a period of 365, or where the period includes February 29, 1976, 366 consecutive days immediately preceding the first day of the guideline year;

"compensation plan" means an arrangement for the determination and administration of the compensation of employees;

"Consumer Price Index" means the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the Statistics Act;

"direct incentive plan" means an arrangement under which the whole or any portion of the compensation of an employee, in respect of whom the arrangement is applicable, is determined by the application of a formula comprising a number of variables such as hours worked, mileage or by units of output, or the volume or value of sales achieved by the employee;

"employer", with respect to a group, means the employer of the employees in the group;

"executive group" means a group referred to in paragraph 39(a);

"executive officer" means an employee of a corporation

- (a) who is the president, a vice-president, secretary, comptroller, treasurer or other officer of the corporation designated as such by by-law or resolution of the directors of the corporation, or
- (b) other than an officer referred to in paragraph (a), who is a member of an executive or senior management committee;

"first program year" means the period of 366 consecutive days beginning on October 14, 1975;

"group" means

- (a) a bargaining unit,
- (b) two or more bargaining units composed of employees of the same employer that, in association with one another, bargain collectively with the employer,
- (c) one or more bargaining units composed of employees of one or more employers that bargain collectively with an association of employers,
- (d) a group of employees the composition of which is unilaterally established by the employer for the purpose of determining or administering the compensation of the employees in the group,
- (e) a group the composition of which is determined in accordance with paragraph 39(b), or
- (f) an executive group;

"guideline year", with respect to a group, means a period of 365, or where the period includes February 29, 1976, 366 consecutive days beginning on the later of

- (a) the day immediately following the base date,
- or
- (b) the day immediately following the last anniversary of the base date;

"indirect incentive plan" means an indirect incentive plan as defined in subsection 57(1);

"second program year" means the period of 365 consecutive days beginning on October 14, 1976;

"third program year" means the period of 365 consecutive days beginning on October 14, 1977.

39. For the purpose of this Part,

- (a) the executive officers of a corporation shall be included in a group that does not include any other employees of that corporation; and
- (b) where an employer has established a single compensation plan that is applicable to all employees of that employer other than the employees in a bargaining unit

or in an executive group, the employer shall include the employees that are not members of a bargaining unit or of an executive group in two or more other groups, the composition of which shall be determined

(1) by reference to the practices followed by other employers of comparable size in the same or in a related industry, or

(11) on the basis of the occupations of the employees of the employer.

40. For the purpose of this Part, compensation does not include any amount paid to the employees in a group for the number of hours of overtime worked in a guideline year that are in excess of the total hours of overtime worked during the base year by the employees in the group, where the excess hours of overtime were necessitated by special or unusual circumstances and were essential to the effective conduct of the business of the employer.

41. For the purposes of this Part,

(a) the normal or standard hours of work of an employee in an executive group shall be deemed to be the same as the normal or standard hours of an administrative or office employee of the same employer who is not included in an executive group; or

(b) where the payment of compensation payable in a guideline year is deferred, that compensation shall be deemed to have been paid in that guideline year unless the payment was deferred in accordance with a provision that formed part of the terms and conditions of a compensation plan in effect on October 14, 1975.

42. (1) For the purposes of this Part, the percentage increase in the Consumer Price Index for any period shall be computed in the following manner:

(a) subtract the Consumer Price Index for the month immediately preceding the month during which the period begins from the Consumer Price Index for the month during which the period ends;

(b) divide the result obtained under paragraph (a), by the Consumer Price Index for the month immediately preceding the month during which the period begins;

(c) adjust the quotient obtained under paragraph (b), in accordance with subsection (2); and

(d) multiply the adjusted quotient by one-hundred, the result being the percentage increase in the Consumer Price Index for that period.

(2) Where the quotient obtained under paragraph (1)(b) contains three digits after the decimal point,

- (a) the third digit after the decimal point shall be dropped if that digit is less than five; or
- (b) the second digit after the decimal point shall be increased by one and the third digit dropped if the third digit is five or greater than five.

Division 1

Guidelines for Groups

43. (1) Subject to subsection (2) and section 44, an employer shall not in any guideline year increase the total compensation of all the employees in a group, in relation to the total compensation of all the employees in the group in the base year, by an amount that results

- (a) in an annual percentage rate of increase that is greater than the permissible percentage rate of increase determined for the group under section 45; or
- (b) in an increase in the average compensation for the group for the guideline year that is greater than twenty-four hundred dollars,

whichever is the lesser amount.

(2) The compensation of an employee in any guideline year may be increased

- (a) to three dollars and fifty cents an hour; or
- (b) six hundred dollars or, where the compensation is paid for less than a year, by an amount that bears the same proportion to six hundred dollars, that the period for which the compensation is paid bears to a year,

whichever results in the greater increase.

44. (1) Where a group

- (a) in respect of which
 - (i) a compensation plan entered into or established on or before January 1, 1974, expired prior to October 14, 1975, and
 - (ii) a new compensation plan was not entered into or established prior to October 14, 1975, or
- (b) has an historical relationship with another group,

the employer may in a guideline year increase the total amount of the compensation of all the employees in the group, by an amount that is not greater than the sum of

- (c) the amount permitted under subsection 43(1), and,
- (d) such further amount that in the opinion of the Anti-Inflation Board is consistent with the objectives of the Act.

(2) For the purposes of paragraph (1)(b), a group has an historical relationship with another group

(a) where

(i) for a period of two or more years prior to October 14, 1975, the level, timing and rates of increase of compensation of the employees in the groups have borne a demonstrable relationship with each other, or

(ii) prior to October 14, 1975, the rates for the benchmark jobs in each group were identical; and

(b) where the employees in the groups

(i) have the same employer, are employed in the same industry, or are in the same local labour market, and

(ii) perform work that is related to the same product, process or service.

Permissible Percentage Rate of
Increase in Compensation

45. The permissible percentage rate of increase in compensation for a group for any guideline year is,

(a) where the result determined under paragraph 48(1)(b) is greater than the result determined under paragraph 48(1)(a), the sum of

(i) the basic protection factor for that year determined under section 46,

(ii) the national productivity factor set forth in section 47, and

(iii) the experience adjustment factor for that year computed under subsection 48(1); or

(b) where the result determined under paragraph 48(1)(b) is less than the result determined under paragraph 48(1)(a), the result obtained by

(i) adding the basic protection factor for that year determined under section 46 and the national productivity factor set forth in section 47, and

(ii) subtracting from the result obtained in subparagraph (i) the experience adjustment factor for that year computed under subsection 48(2).

Basic Protection Factor

46. The basic protection factor for a guideline year commencing
- (a) prior to October 14, 1975, is, where the guideline year commences in a month set forth in Column I of Schedule A, the basic protection factor set forth in Column II of that Schedule;
 - (b) in the first program year, is eight per cent;
 - (c) in the second program year, is the aggregate of
 - (i) six per cent, and
 - (ii) the amount, if any, by which the percentage increase in the Consumer Price Index during the first program year exceeds eight per cent; and
 - (d) in the third program year, is the aggregate of
 - (i) four per cent, and
 - (ii) the amount, if any, by which the percentage increase in the Consumer Price Index during the second program year exceeds six per cent.

National Productivity Factor

47. The national productivity factor for a guideline year is two per cent.

Experience Adjustment Factor

48. (1) Subject to subsection (2), the experience adjustment factor for a group for a guideline year shall be computed in the following manner:
- (a) determine the annual average percentage increase in the hourly compensation rate for the group during the greater of
 - (i) the period of twenty-four months ending on the base date of the group, and
 - (ii) the period covered by the compensation plan of the group that terminates on the base date of the group;
 - (b) determine the aggregate of
 - (i) the average annual percentage rate of increase in the Consumer Price Index during the greater of the periods referred to in paragraph (a), and

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- (ii) the national productivity factor;
 - (c) where the result determined under paragraph (b) is greater than the result determined under paragraph (a), the experience adjustment factor for the first guideline year for the group is the lesser of
 - (i) the percentage obtained by subtracting the result determined under paragraph (a) from the result determined under paragraph (b), and
 - (ii) two per cent;
 - (d) where the percentage obtained under subparagraph (c)(i) is greater than two, the experience adjustment factor for the second guideline year for the group is the lesser of
 - (i) that percentage, less two per cent, and
 - (ii) two per cent; and
 - (e) where the percentage obtained under subparagraph (c)(i) is greater than four, the experience adjustment factor for the third guideline year for the group is the lesser of
 - (i) that percentage, less four per cent; and
 - (ii) two per cent.
- (2) Where the result determined under paragraph (1)(b) is less than the result determined under paragraph (1)(a), the experience adjustment factor for a guideline year shall be computed in the manner described in paragraphs (c) to (e) except that the result determined under paragraph (1)(b) shall, in each case, be subtracted from the result determined under paragraph (1)(a).
- (3) For the purposes of paragraph 48(1)(a), the hourly compensation rate for a group for the greater of the periods referred to therein shall be determined in the manner described in paragraph 50(a), except that the computations referred to in paragraph 50(a) shall be made for the greater of the periods referred to in paragraph 48(1)(a), and on the basis of the number and distribution of employees in the group on the base date.
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Division 2

COMPUTATION OF COMPENSATION FOR GROUPS

Interpretation

49. (1) In this Division,

"benefit" means a benefit as defined in Schedule B;

"increment", with respect to a job or position, means the difference between the compensation payable for a rate in the scale of rates applicable to the job or position and the next higher rate in that scale.

(2) For the purposes of this Division, the total amount of any increment paid by an employer to an employee in a group during a guideline year shall be included in the computation of the straight time average hourly rate for the group for that year unless

- (a) the compensation plan under which the increment is payable provides, as a condition of the payment of the increment, that it shall only be paid if the employee to whom it is payable has improved or added to the skills or knowledge required by the employee in the performance of the duties of the job or position; and
- (b) the opportunities available to the employee receiving the increment for the promotion to another job or position are strictly limited by the number of jobs or positions with the employer at higher levels.

Computations

50. The following provisions apply for the purposes of computing the compensation for a group

- (a) determine the hourly compensation rate for the group for a base year by adding
 - (i) the straight time average hourly rate for the base year computed under section 51;
 - (ii) the average hourly benefit rate for that year computed under section 52;
 - (iii) the average hourly direct incentive rate, if any, for that year computed under section 53; and
 - (iv) the average hourly indirect incentive rate, if any, for that year computed under subsection 60(1);

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- (b) determine the hourly compensation rate for the group for a guideline year by adding
 - (i) the straight time average hourly rate for the guideline year computed under section 54;
 - (ii) the average hourly benefit rate for that year computed under section 55;
 - (iii) the average hourly direct incentive rate, if any, for that year computed under section 56; and
 - (iv) the average hourly indirect incentive rate, if any, for that year computed under subsection 60(2);
 - (c) calculate the amount, if any, by which the result determined under paragraph (b) exceeds the result determined under paragraph (a); and
 - (d) calculate the annual percentage rate of increase in compensation in the guideline year for the group by dividing
 - (i) the amount determined under paragraph (c) by
 - (ii) the amount determined under paragraph (a), and multiplying the quotient by one hundred.

Base Straight Time Average Hourly Rate

51. (1) Subject to subsection (2), the straight time average hourly rate for a group for a base year shall be computed in the following manner:

- (a) where the wages or salary of any employee in the group are not paid on an hourly rate basis, convert that wage or salary in effect on the last day of the base year to an hourly rate using the normal or standard hours of work for the employees in effect on that day;
- (b) multiply the amount of each different straight time hourly rate applicable to employees in the group by the number of employees in the group paid at each such rate on the last day of the base year;
- (c) add the products obtained under paragraph (b) and divide the result by the total number of employees in the group on the last day of the base year; and

(d) add the result obtained under paragraph (c) to the hourly rate of the cost of living allowance, if any, payable to the employees in the group on the last day of the base year, the result being the straight time average hourly rate for the base year.

(2) Where an employer has paid ninety per cent or more of the employees in a group at a single hourly rate, the straight time average hourly rate for the group is the sum of

(a) that single hourly rate; and

(b) the hourly rate of the cost of living allowance, if any, payable to the employees in the group on the last day of the base year.

(3) Where the composition of a group on the last day of a base year is not representative of the numbers or of the trades and occupations of the employees in the group during the base year, a composition that is more representative of such numbers or trades and occupations during the base year may be used in the computations under paragraphs (1)(b) and (c).

Base Average Hourly Benefit Rate

52. (1) Subject to subsection (2), the average hourly benefit rate for a group for a base year shall be computed in the following manner:

(a) determine the total amount of expenditures by the employer during the base year in respect of compensation for employees in the group in the form of benefits; and

(b) divide the amount determined under paragraph (a) by the total of the normal or standard hours of work for which all the employees in the group were paid during the year, the result being the average hourly benefit rate for the base year.

(2) Where an employer contributes a predetermined amount for each hour worked by the employees in a group in respect of any benefit, the average hourly benefit rate for the group for the base year is the sum of

(a) the total of such contributions for an hour worked on the last day of the base year; and

(b) the total of the expenditures incurred by the employer in providing benefits, if any, other than the benefits in respect of which a predetermined amount has been contributed, divided by the total of the normal or standard hours of work for which all the employees in the group were paid during the base year.

(3) The expenditures referred to in paragraphs (1)(a) and 2(b) shall be computed on the basis that the benefits applicable to the employees in the group in effect on the last day of the base year were in effect throughout that year.

Base Average Hourly Direct Incentive Rate

53. (1) The average hourly direct incentive rate for a group for a base year shall be computed in the following manner:

- (a) determine the total amount of the payments made to the employees in the group during the base year under all direct incentive plans applicable to the employees; and
- (b) divide the result determined under paragraph (a) by the total of the normal or standard hours worked by all the employees in the group during the base year, the result being the average hourly direct incentive rate for the base year.

(2) For the purposes of paragraph (1)(a), where an amendment to a direct incentive plan results in an increase in the payments under the plan, the aggregate of such payments shall be computed by applying the provisions of the plan in effect on the last day of the base year

- (a) to the units of output of, or the volume or value of sales achieved by the employees in the group during the base year; and
- (b) to any other variable under the plan that determined the amount of the payments to the employees under the plan during the base year.

Guideline Straight Time Average Hourly Rate

54. (1) Subject to subsection (2), the straight time average hourly rate for a group for a guideline year shall be computed in the following manner:

- (a) where the wages or salary of any employee in the group are not paid on an hourly rate basis, convert that wage or salary to an hourly rate using the normal or standard hours of work for the employees in the group in effect on the last day of the guideline year;
- (b) multiply the amount of each different straight time hourly rate in effect on the last day of the guideline year that is applicable to employees in the group by the number of employees that on the last day of the base year were paid at the hourly rate corresponding to each such straight time hourly rate;

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- (c) add the products obtained under paragraph (b) and divide the result by the total number of employees in the group on the last day of the base year;
 - (d) calculate the hourly rate of the cost of living allowance, if any, payable to employees in the group on the last day of the guideline year, assuming for the purposes of such calculation, that the percentage rate of increase in the Consumer Price Index for the guideline year is equal to the basic protection factor for that year;
 - (e) determine the total amount of the increments, if any, paid to employees in the group in the guideline year and subtract from that amount the difference by which
 - (i) the total of the wages and salaries paid in the year to the employees who ceased to be members of the group during the year

exceeds

- (ii) the total of the wages and salaries paid in the year to the employees who became members of the group during the year;
- (f) divide the result obtained under paragraph (e) by the total of the normal or standard hours of work for which all the employees in the group were paid during the base year;
 - (g) divide the total of such of the payments referred to in Schedule C as are made by the employer in the guideline year by the total of the normal or standard hours of work for which all the employees in the group were paid during the base year; and
 - (h) add the results determined under paragraph (c), (d) and (f) and subtract from the sum obtained, the amount determined under paragraph (g), the result being the straight time average hourly rate for the guideline year.
- (2) Where an employer pays ninety per cent or more of the employees in a group at a single hourly rate, the straight time average hourly rate for the group shall be computed as follows:
- (a) add the amount of the single hourly rate payable on the last day of the guideline year to the hourly rate of the cost of living allowance computed in accordance with paragraph (1)(d);
 - (b) divide the total of such of the payments referred to in Schedule C as are made by the employer in the guideline year by the total of the normal or standard hours of work for which all the employees in the group were paid during the base year and
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- (c) subtract from the result obtained under paragraph (a), the sum determined under paragraph (b), the result being the straight time average hourly rate for the guideline year.

Guideline Average Hourly Benefit Rate

55. (1) Subject to subsection (2), the average hourly benefit rate for a group for a guideline year shall be computed in the following manner:

- (a) determine the amount of expenditures incurred by the employer during the year in respect of compensation for employees in the group in the form of benefits by applying the benefit provisions in effect on the last day of the guideline year to the benefit usage experienced in the base year and including in such determination the expenditures incurred as the result of the benefits arising from increases during the year in the straight time average hourly rate; and
- (b) divide the result obtained under paragraph (a) by the total of the normal or standard hours of work for which all employees in the group were paid during the base year, the result being the average hourly benefit rate for the guideline year.
- (2) Where in any guideline year an employer contributes a predetermined amount for each hour worked by the employees in a group in respect of any benefits, the average hourly benefit rate for the group for that guideline year is the sum of
- (a) the total of such contributions for an hour worked on the last day of the guideline year; and
- (b) the total of the expenditures incurred by the employer in providing benefits, if any, (other than the benefits in respect of which a predetermined amount has been contributed) divided by the total of the normal or standard hours of work for which all the employees in the group were paid during the base year.

Guideline Average Hourly Direct Incentive Rate

56. (1) The average hourly direct incentive rate for a group for a guideline year is the same as the average hourly direct incentive rate computed for the base year under section 53, where no amendment is made to any direct incentive plan applicable to the employees in the group on the last day of the base year, to affect the payments thereunder during the guideline year.

(2) Where any direct incentive plan applicable to the employees in a group on the last day of the base year is amended

to affect the payments thereunder during the guideline year, the average hourly direct incentive rate for the group for that guideline year shall be computed as follows:

- (a) determine the aggregate of the payments made under the plan during the guideline year by applying the provisions of the plan in effect on the last day of that year
 - (i) to the units of output of, or the volume or value of sales achieved by the employees in the group during the base year, and
 - (ii) to any other variable under the plan that determined the amount of the payments to the employees under the plan during the base year; and
- (b) divide the result determined under paragraph (a) by the total of the normal or standard hours of work for which all the employees in the group were paid during the base year.

Division 3

Indirect Incentive Plan

Interpretation

57. (1) In this Division,

"base incentive period", with respect to a guideline year, means

- (a) the last five completed fiscal years of an employer prior to the first day of the guideline year, or
- (b) where an indirect incentive plan has not been in effect for five completed fiscal years prior to the first day of the guideline year, the period immediately preceding the guideline year during which the plan was in effect;

"indirect incentive plan" means a plan under which the compensation of an employee under the plan

- (a) is determined by reference to the performance or profitability of the employer,
- (b) is determined by reference to the performance of, or the job or position held by, an employee, or
- (c) is, in whole or in part, in the form of shares or of an option or a right to acquire shares,

and, includes a profit sharing plan, bonus plan, performance award plan, employer-assisted stock purchase plan, stock option plan, phantom stock plan, stock appreciation plan, and an arrangement under which payments are contingent on the achievement of predetermined objectives, but does not include a deferred profit sharing plan as defined in subsection 147(1) of the Income Tax Act;

"market value", with respect to a share acquired or assumed to have been acquired by an employee under an indirect incentive plan, means the market value of that share on the day it was acquired or assumed to have been acquired by the employee;

"share" means a share of the capital stock of a corporation.

58. (1) For the purposes of this Division, compensation does not include any compensation received by an employee in a guideline year from the exercise of an option in that year, under an indirect incentive plan, to acquire shares that he became entitled to acquire prior to October 14, 1975.

(2) For the purposes of this Division, where under an indirect incentive plan an employee acquires shares in a guideline year at no cost to the employee, or at a price that is less

than the market value of the shares, the amount that is to be included in the compensation of the employee in that guideline year in respect of such shares is

- (a) where the shares were acquired at no cost to the employee, the market value of the shares acquired; or
- (b) where the shares were acquired at a price less than the market value, the difference between the market value and that price

multiplied by the number of shares acquired.

(3) For the purposes of this Division, where an employee becomes entitled to acquire shares under an indirect incentive plan, the employee shall be deemed to have acquired the shares on the day he became entitled to acquire such shares.

59. Where an indirect incentive plan provides for the acquisition of shares by an employee or where such a plan provides that an employee is assumed to have acquired shares, the ratio of

- (a) the market value of the shares an employee may acquire or may be assumed to acquire in any guideline year

to

- (b) the wages or salary paid to the employee in that guideline year

shall not exceed the ratio of

- (c) the market value of the shares acquired or assumed to have been acquired by the employee in the most recent year preceding the guideline year in which the employee acquired or was assumed to have acquired shares

to

- (d) the wages or salary paid to the employee in that year.

Average Hourly Indirect Incentive Rate

60. (1) For the purposes of paragraph 50(a), the average hourly indirect incentive rate for a group for a base year shall be computed in the following manner:

- (a) determine the total of the amounts paid to, and the value of the compensation received by the employees in the group under all indirect incentive plans during the base incentive period; and
- (b) divide the amount determined under paragraph (a) by the total of the normal or standard hours of work for which all the employees in the group were paid during the base

incentive period, the result being the average hourly indirect incentive rate for the base year.

- (2) For the purposes of paragraph 50(b), the average hourly indirect incentive rate for a group for a guideline year shall be computed in the following manner:
- (a) determine the total of the amounts paid to, and the value of the compensation received by the employees in the group under all indirect incentive plans during the guideline year; and
 - (b) divide the amount determined under paragraph (a) by the total of the normal or standard hours of work for which all the employees in the group were paid during the base year, the result being the average hourly indirect incentive rate for the guideline year.

Division 4

General Guidelines

61. Where in a base year an employer reimbursed the employees in a group, in whole or in part, for transportation, clothing, mileage, living or other similar expenses incurred by the employees in the performance of their duties, the employer shall not in the guideline year immediately following the base year increase the rates of the allowances paid in respect of such expenses during the base year by an amount that results in an annual percentage increase in excess of

- (a) the basic protection factor for the guideline year; or
- (b) the actual annual percentage increase in the expenses incurred by the employee in that year,

whichever is the greater

62. (1) For the purposes of subsection (2) and section 63, "perquisite" means any emolument of a job or position not normally considered to form part of the compensation related to that job or position and includes

- (a) the use of an automobile;
- (b) a membership in a recreation or other club;
- (c) residential accommodation assistance;
- (d) an interest free or low interest loan;
- (e) a travel pass;
- (f) a discount on the purchase of merchandise; or
- (g) a gift or a seasonal bonus, or other gift.

(2) An employer shall not on and after October 14, 1975, in respect of a job or position

- (a) provide any perquisite that was not provided before that date; or
- (b) continue to provide a perquisite, except on the basis of the same policies and practices that related to the determination of, the eligibility for, and the quality or value of such perquisite on or before that date.

63. The total expenditures incurred by an employer in a guideline year to hold, or have employees attend training sessions, sales meetings or conventions shall not exceed the total of such

expenditures incurred in the base year by an amount that results in a percentage rate of increase in excess of the basic protection factor for that guideline year.

64. An employer shall not in any guideline year change the evaluation or classification of more jobs or positions than were changed by the employer in the base year, unless the changes are made as the result of a revision of an existing plan, or the implementation of a new plan relating to the evaluation or classification of jobs or positions.

65. Where a new group of employees is established on or after October 14, 1975, the rate of compensation payable in respect of the jobs or positions of the employees in the group shall not exceed the rates of compensation prevailing for similar jobs or positions in the labour market from which employees are normally recruited for such jobs or positions.

66. An employer shall not increase the compensation of an employee in respect of whom a compensation plan in effect on October 14, 1975 is applicable, except in accordance with a provision that formed part of that compensation plan on that date.

67. Where the wages or salary payable in respect of a job or position are determined by reference to a scale of rates applicable to that position, the wages or salary payable in respect of each rate in the scale shall not in any guideline year be increased by an amount in excess of twenty-four hundred dollars.

Schedule A

<u>Column I</u> <u>Guideline Year</u> <u>Commencing</u>	<u>Column II</u> <u>Basic Protection</u> <u>Factor</u> (%)	<u>Column I</u> <u>Guideline Year</u> <u>Commencing</u>	<u>Column II</u> <u>Basic Protection</u> <u>Factor</u> (%)
January 1974	12.11	January 1975	9.95
February 1974	11.82	February 1975	9.83
March 1974	11.29	March 1975	9.96
April 1974	11.04	April 1975	10.09
May 1974	10.13	May 1975	9.90
June 1974	10.32	June 1975	9.00
July 1974	11.04	July 1975	8.21
August 1974	11.09	August 1975	8.00
September 1974	10.63	September 1975	8.29
October 1974	10.61	October 1975	8.00
November 1974	10.13	November 1975	8.00
December 1974	9.74	December 1975	8.00

Schedule B

For the purpose of section 49, "benefit" means

- (a) pay for time not worked, including pay for vacations, statutory and other holidays, sick leave, travel time, cleanup time, rest periods and personal leave;
- (b) premium pay, including overtime premiums, shift differentials, call-back pay, stand-by pay and premiums for work performed under hazardous or unpleasant conditions;
- (c) a payment made by an employer in respect of contributions payable by an employee under a provincial hospital and medical insurance plan, a private health insurance plan, a sickness indemnity plan, a term disability plan and a group life insurance plan;
- (d) a payment by the employer to the employee in lieu of a payment or contribution under any of the plans referred to in paragraph (c);
- (e) a benefit under a supplementary unemployment benefit plan or other income maintenance plan;
- (f) a benefit under a superannuation, pension or other retirement benefit plan, including a deferred profit sharing plan as defined in subsection 147(1) of the Income Tax Act; and
- (g) any other payment generally classified as a benefit; but for greater certainty, "benefit" does not include
 - (h) wages and salaries;
 - (i) cost of living allowances;
 - (j) payments under a direct or indirect incentive plan;
 - (k) contributions made by an employer under the Canada Pension Plan, Quebec Pension Plan, the Unemployment Insurance Act and Workmen's compensation legislation;
 - (l) special payments made under a superannuation, pension fund or plan for the purpose of
 - (i) liquidating an experience deficiency, as defined in paragraph (2)(c) of the Pension Benefits Standards Regulations,
 - (ii) liquidating an initial unfunded liability, as defined in paragraph (1)(g) of the Pension Benefits Standards Regulations, incurred prior to October 14, 1975, or

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- (iii) increasing the accrued pension benefits under a plan up to a level that is not in excess of the present value of what the accrued pension benefits would be under the plan if they were computed by multiplying
- (A) the number of years of pensionable service of an employee, not exceeding thirty-five, divided by fifty,
- by
- (B) the average annual wages or salary of the employee during any period of six consecutive years during which the employee received his highest wages or salary;
- (m) payments by an employer
- (i) in respect of measures taken to reduce the adverse effects of technological change on employees, including training and relocation costs and redundancy payments,
- (ii) to implement procedures and techniques to reduce the risk of injury to, and to safeguard the health of, employees while at work, including the provision of safety equipment,
- (iii) under an employee suggestion and safety award plan,
- (iv) under an employee education assistance plan,
- (v) to maintain benefits under an employee benefit plan in a guideline year at the level of benefits available during the base year under the plan where the plan has not been amended to increase the level of benefits,
- (vi) to employees in a group on final termination of employment,
- (vii) to comply with changes in applicable labour standards legislation other than changes reducing standard hours of work of increasing minimum wages,
- (viii) to eliminate differences in benefits based on the sex, marital status or age of employees; and
- (n) payments by an employer in respect of benefits that are not readily amenable to monetary valuation, including the provision of physical facilities for recreation or credit union operations, and for the serving of food.
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Schedule C

(Section 54)

- (a) payments in respect of an increase in the compensation for a job or position where,
 - (i) for a period of three months or more, the job has been vacant, or a vacancy rate of at least twenty per cent has been experienced in respect of the positions,
 - (ii) intensive efforts have been made by the employer to fill the job or positions, and
 - (iii) there is a reasonable expectation that qualified employees can be recruited and retained at the higher salaries or wages;
- (b) payments in respect of the compensation of an employee during a period in which the employee undergoes training to assist in adapting to technological change including any payment to maintain the salary or wage of an employee assigned to a lower paid job as a result of technological change;
- (c) payments in respect of an increase in compensation made in recognition of savings in costs realized by an employer as a result of agreements to reduce or eliminate restrictive work practices;
- (d) payments in respect of an increase in the compensation of an employee that results from the elimination of differences in compensation based on the sex of employees; and
- (e) payments in respect of compensation in the form of an increase in the wages of an employee who participates in an apprenticeship training program that is of specified duration, and for which training standards are established and which leads to certification of the competence of the participants.

Loi anti-inflation

Règlement

Règlement prescrivant des indicateurs en vertu de la Loi anti-inflation

Titre abrégé

1. Les présents indicateurs peuvent être cités sous le titre:
Indicateurs anti-inflation.

Interprétation

2. Dans les présents indicateurs, "Loi" désigne la Loi
anti-inflation.

Partie 1

Indicateurs pour la limitation des prix et des marges bénéficiaires

Section 1

Interprétation

3. Dans cette partie,

"bénéfices bruts" désigne le produit de la soustraction de la valeur de l'inventaire d'ouverture, plus le coût établi du produit acheté, de la somme des recettes brutes d'exploitation et de la valeur de l'inventaire de clôture;

"bénéfices rajustés d'exploitation" désigne les recettes brutes d'exploitation après déduction des coûts admissibles;

"coefficient de la marge de référence" désigne le quotient obtenu par la division du pourcentage net de la marge de référence, pour l'ensemble ou une partie de l'entreprise d'un fournisseur, par 100 pour cent moins ce pourcentage net de la marge de référence;

"coûts admissibles" désigne la portion des frais et des dépenses qui peuvent raisonnablement être considérés avoir été payés ou engagés par un fournisseur dans le but de gagner des bénéfices rajustés d'exploitation mais ne comprend pas



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- i) la rémunération en sus de celle qui est permise à la partie 4, à moins qu'elle ne soit considérée justifiée en vertu de la Loi;

"coût des marchandises vendues" désigne le produit de la soustraction de la valeur de l'inventaire de clôture de la valeur de l'inventaire d'ouverture auquel s'ajoute le coût établi du produit acheté;

"dépenses limitées" désigne

- a) Les dépenses de publicité, de promotion et de relations publiques,
- b) les dépenses de réaménagement de déménagement, d'aménagement paysager et de décoration d'une usine ou d'un bureau,
- c) les dépenses de recherche, de développement et autres semblables,
- d) les frais de gestion, y compris les frais d'administration, les frais d'aide technique et les honoraires pour services de comptabilité versés à une personne, à l'exception
 - (i) d'un tel honoraire versé pour un service particulier à une personne dont l'entreprise habituelle est de fournir de tels services contre des honoraires, et
 - (ii) de toute fraction de ces honoraires qui est une dépense particulière engagée par une personne qui rend un service spécifique au bénéfice de la personne par qui l'honoraire est payé,
- e) des dons de charité, et
- f) des dépenses pour l'éducation, les congrès, l'entraînement et le recyclage;

"distributeur" désigne un fournisseur dont le commerce ou l'entreprise consiste à acheter un produit et à le revendre à des tiers sans en changer substantiellement la forme et qui, sans limiter la généralité de ce qui précède, comprend un fournisseur qui est habituellement désigné comme un intermédiaire, grossiste ou détaillant;

"exercice financier" désigne un exercice financier au sens du paragraphe 248(1) de la Loi de l'impôt sur le revenu;

"industrie de la construction" désigne une entreprise qui, au Canada, s'adonne

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- a) à la construction, l'érection ou la réparation de bâtiments ou d'autres ouvrages à caractère résidentiel commercial, industriel ou autre,
 - b) à la construction ou la réparation de ponts, barrages, quais, canaux, chaussées, rampes, pistes d'envol ou autres travaux semblables,
 - c) à l'installation d'égouts, de conduites de distribution d'eau, de pipe-lines, d'éclairage de rue ou autres travaux publics semblables,
 - d) au creusage d'excavations pour tous travaux visés aux alinéas a) à c), ou
 - e) à la fourniture de services de sous-traitance pour l'une quelconque des activités visées aux alinéas a) à d),

sans comprendre une entreprise qui s'adonne à la fabrication de caravanes ou de maisons mobiles;

"ligne de produits" désigne un ensemble de produits semblables;

"majoration", à l'égard d'un produit vendu par un fournisseur, désigne la valeur ajoutée par le fournisseur à son coût de revient établi pour le produit afin de déterminer le prix initial auquel le produit sera offert en vente, plus toutes les augmentations nettes ultérieures du prix auquel le produit est offert en vente, sans tenir compte de toutes les diminutions nettes ultérieures du prix auquel le produit est offert en vente, dans la mesure où elles ramèneraient le prix en dessous du prix initial, et "taux de majoration" désigne le rapport entre la majoration à l'égard d'un produit et le coût de revient établi du produit à la charge de son fournisseur;

"période de base", à l'égard d'une partie de l'entreprise d'un fournisseur qui

- a) tombe sous le coup de l'article 15 ou 16, désigne
 - (i) le dernier exercice financier, complété par le fournisseur avant le 14 octobre 1975, qui comprend 183 jours ou davantage, ou
 - (ii) lorsque le fournisseur n'avait pas complété un exercice financier de 183 jours ou davantage avant le 14 octobre 1975 et qu'il n'est pas un fournisseur au sens du paragraphe (1), le premier exercice financier du fournisseur qui comprend 183 jours ou davantage,
 - b) tombe sous le coup de l'article 17 ou 18, désigne
 - (i) les cinq derniers exercices financiers du fournisseur complétés avant le 14 octobre 1975 et dont chacun comprend 183 jours ou davantage,
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Anti-Inflation Act Regulations

Regulations Establishing Guidelines Under the Anti-Inflation Act

Short Title

1. These Guidelines may be cited as the Anti-Inflation Guidelines.

Interpretation

2. In these Guidelines, "Act" means the Anti-Inflation Act.

Part 1

Guidelines for the Restraint of Prices and Profit Margins

Division 1

Interpretation

3. In this Part,

"allowable costs" means that portion of the outlays and expenses of a supplier that can reasonably be regarded as having been made or incurred for the purpose of earning adjusted operating profits but does not include

- (a) the amount, if any, by which an outlay made or expense incurred by the supplier for the acquisition of a product from a person with whom he does not deal at arm's length, within the meaning of section 251 of the Income Tax Act, exceeds the fair market value of the product at the time it was so acquired,
- (b) the amount or value of a dividend or patronage dividend declared or paid by the supplier,
- (c) a loss on the sale or disposition of a capital asset,



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- (d) the portion of any amount that should be shown on the financial statements of the supplier as a prior period adjustment that is specifically identified with or directly related to transactions or economic events that occurred prior to the base period or prior to the compliance period, as the case may be,
- (e) any loss, provision for loss, outlay or expense that should be shown on the financial statements of the supplier as an extraordinary item and that results from occurrences
- (i) the underlying nature of which are not typical of the normal business activities of the supplier,
 - (ii) that are not expected to occur regularly over a period of years, and
 - (iii) that are not considered as recurring factors in any evaluation of the normal business activities of the supplier,
- (f) the amount of any outlay or expense made or incurred in respect of a transaction or operation that, if taken into account in computing the amount of allowable costs, would unduly or artificially increase or decrease those allowable costs,
- (g) subject to subsection 8(4), the amount by which the restricted expenses of the supplier incurred during a compliance period exceed an amount computed by multiplying his restricted expenses during the base period by the result obtained when his gross revenue from operations for the compliance period is divided by his gross revenue from operations for the base period,
- (h) income taxes other than those in respect of natural resources, including penalties and interest thereon or
- (i) compensation in excess of that permitted by Part 4, unless the excess compensation has been held to be justified pursuant to the Act;
- "base period", in respect of a part of a supplier's business to which
- (a) section 15 or 16 applies, means
 - (i) the last completed fiscal period of the supplier prior to October 14, 1975, that includes 183 days or more, or
 - (ii) where the supplier has not had a completed fiscal period of 183 days or more prior to October 14, 1975 and he is a supplier other than a supplier
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referred to in subsection 8(1), the first fiscal period of the supplier that includes 183 days or more,

- (b) section 17 or 18 applies, means
- (i) the last five completed fiscal periods of the supplier prior to October 14, 1975, each of which includes 183 days or more,
 - (ii) where the supplier has not completed five fiscal periods each of which includes 183 days or more prior to October 14, 1975 but has completed one or more such fiscal periods, those fiscal periods, or
 - (iii) where the supplier has not had a completed fiscal period of 183 days or more prior to October 14, 1975 and he is a supplier other than a supplier referred to in subsection 8(1), the first fiscal period of the supplier that includes 183 days or more;

"base price", in respect of a product, means,

- (a) where the business of a supplier or his predecessor was carried on on or before October 13, 1975, the product price in effect on that date or, where the supplier can establish that the price in effect on that date was not typical, such other price that he or his predecessor charged for that product during the preceding 30 day period, that is typical,
- (b) where the quantity at a unit price or the quality of a product being supplied by a supplier or his predecessor on October 13, 1975 has changed since that date, the product price in effect on that date that was his product price for the most similar quantity at a unit price or quality, adjusted only to reflect the changed quantity or quality,
- (c) where the product concerned was not being supplied by a supplier or his predecessor on October 13, 1975, but a similar product was being supplied by him or his predecessor on that date, the product price in effect on that date that was the product price for that similar product,
- (d) where the product concerned was not being supplied by a supplier or his predecessor on October 13, 1975, and no similar product was being supplied by him or his predecessor on that date, the price fixed by the supplier that is not higher than the highest price charged for a similar product by any other supplier in the same market under circumstances similar to those of the supplier first-mentioned, or

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- (e) in any other case, such product price as is appropriate, fair and reasonable having regard to the supplier's allowable costs that are attributable to the product concerned,

and for the purposes of this definition, "predecessor" means the person from whom the supplier acquired the business;

"compliance period" in respect of

- (a) a supplier whose base period is determined under subparagraph (a)(i) or (b)(i) or (ii) of the definition "base period", means his fiscal period that includes October 14, 1975, and each fiscal period thereafter of the supplier,
- (b) a supplier whose base period is determined under subparagraph (a)(ii) or (b)(iii) of the definition "base period" means his fiscal period immediately following his base period and each fiscal period thereafter of the supplier, and
- (c) a supplier referred to in subsection 8(1), means his first fiscal period or his fiscal period that includes October 14, 1975, whichever is later, and each fiscal period thereafter of the supplier;

"construction industry" means a business in Canada that is engaged in

- (a) the construction, erection or alteration of buildings or other structures, whether residential, commercial, industrial or otherwise,
- (b) the construction or repair of bridges, dams, docks, canals, roadways, ramps, runways and similar works,
- (c) the installation of sewers, watermains, pipelines, streetlighting and similar public works,
- (d) excavation in respect of anything referred to in paragraphs (a) to (c), or
- (e) providing services on a sub-contract basis in respect of anything referred to in paragraphs (a) to (d),

but does not include the fabrication of travel trailers or mobile homes;

"cost of goods sold" means the remainder obtained when the value of the closing inventory is subtracted from the value of the opening inventory plus the laid down cost of the product purchased;

"distributor" means a supplier whose trade or business is purchasing a product and, without substantially changing the form thereof, reselling it to others, and without limiting the generality of the foregoing, includes a supplier who is commonly known as a jobber, wholesaler or retailer;

"fiscal period" means a period that is a fiscal period within the meaning assigned to that phrase by subsection 248(1) of the Income Tax Act;

"gross profit" means the remainder obtained when the value of the opening inventory plus the laid down cost of the product purchased is subtracted from the sum of gross revenue from operations and the value of the closing inventory;

"gross revenue from operations" means the gross proceeds of a supplier derived from the supply of products in the normal course of his business, including, in the case of products supplied to a person with whom the supplier does not deal at arm's length, within the meaning of subsection 251(1) of the Income Tax Act, the amount, if any, by which the fair market value of those products exceeds the amount billed for them, less returns, allowances, quantity discounts, trade discounts, patronage dividends paid to customers and sales and excise taxes, but does not include

- (a) interest, except interest earned in the normal course of business,
- (b) dividends, or
- (c) the portion of any amount that should be shown on the financial statements of the supplier as a prior period adjustment that is specifically identified with or directly related to transactions or economic events that occurred prior to the base period or prior to the compliance period, as the case may be;

"mark-on", in respect of a product sold by a supplier, means the amount added by the supplier to the laid down cost to him of the product to determine the initial price at which the product will be offered for sale plus any subsequent net increases in the price at which the product is offered for sale, irrespective of any subsequent net decreases in the price at which the product is offered for sale to the extent that they reduce the price below that initial price, and "mark-on rate" means the ratio of the mark-on in respect of a product to the laid down cost to the supplier of that product;

"product" includes a service;

"product line" means an aggregation of similar products;

"restricted expenses" means

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- (a) advertising, promotion and public relations expenses,
 - (b) plant and office re-arrangement, moving, landscaping and decorating expenses,
 - (c) research, development and similar expenses,
 - (d) management fees, including administration fees, technical assistance charges and accounting service fees, paid to any person, except
 - (i) any such fee paid for a specific service to a person whose ordinary business is supplying such service for fees, and
 - (ii) any portion of such fee that is a specific expense incurred by a person performing a specific service for the benefit of the person by whom the fee is paid,
 - (e) charitable donations, and
 - (f) educational, convention, training and retraining expenses;

"target margin factor" means the quotient obtained when the target net margin percentage for a supplier's business or part thereof is divided by 100 per cent minus that target net margin percentage;

"target net margin percentage" means, in respect of a supplier's business or part thereof, 95% of the percentage that the adjusted operating profits of the business or part thereof for the base period is of the gross revenue from operations from the business or part thereof for the base period.

Division 2

Application of Part 1

4. (1) Subject to subsection (2), this Part applies to a supplier referred to in subparagraphs 3(2)(a)(i), (ii) and (iv) of the Act and to a supplier declared by an order under subparagraph 3(2)(a)(v) of the Act to be of strategic importance to the containment and reduction of inflation in Canada.

- (2) This Part does not apply to
- (a) the sale of unprocessed agricultural food or feed products by the original producer thereof;
 - (b) the sale of unprocessed fish and fish products by a fisherman;
 - (c) the portion of a supplier's business that is the rental of real property;
 - (d) a supplier's branch operation outside Canada;
 - (e) sales to which an anti-inflation levy or supplementary anti-inflation levy, imposed by an Act of the first session of the 30th Parliament of Canada, applies;
 - (f) a transaction in a product the price of which is controlled or would be controlled if the product entered into interprovincial or international trade under Part II or III of the Petroleum Administration Act;
 - (g) a supplier to whom Part II applies; or
 - (h) that part of the adjusted operating profits of a supplier that would not, except by virtue of the operation of subparagraph 3(2)(a)(iv) or (v) of the Act, be otherwise subject to this Part that arises from a construction industry contract entered into as a result of a bona fide- bid or tender competition in which at least two suppliers who were at arm's length, within the meaning of section 251 of the Income Tax Act, submitted secret bids or tenders.
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Division 3

General

5. (1) Subject to this Part, a supplier shall not, more frequently than once every 90 days, increase a price charged for a product in that portion of his business where he is not acting as a distributor unless he can, pursuant to the Act, justify the increase on the basis that it is necessary due to the volatile nature of his cost inputs.

(2) Notwithstanding subsection (1), a supplier need not wait ninety days to implement his first price increase following October 13, 1975.

(3) Notwithstanding subsections (1) and (2) but subject to Division 5, where the seasonal prices of a product of a supplier show a large or otherwise distinct fluctuation at a specific, identifiable point in time and the fluctuation is the result of an established practice of the supplier that has taken place in each of the years in his base period, he may increase the price for the product at a time that corresponds with the time of the seasonal increase in the immediately preceding year.

(4) A supplier who has increased a price under subsection (3) shall decrease the price at the same date or identifiable point in time as the price was decreased in the immediately preceding year.

(5) Where the base price of a product of a supplier is a seasonal price referred to in subsection (3), the supplier shall decrease his base price at the same date or identifiable point in time and by the same amount as the price was decreased in the immediately preceding year.

6. Where a decrease in the quality of a product sold by a supplier results in a decrease in the cost of that product to the supplier, the supplier shall reduce the selling price of that product by an equivalent amount.

7. (1) Except as otherwise provided by this Part, all computations, calculations and determinations under this Part in respect of a supplier shall be made using financial data that is the result of the consistent application of the accounting principles and practices used in the preparation of his financial statement for

(a) his last completed fiscal period of more than 182 days prior to October 14, 1975, or

(b) his first fiscal period that includes 183 days or more,

whichever is later.

(2) If a supplier's financial statements for the fiscal period described in paragraph (1)(a) or (b), whichever is applicable, were not prepared in accordance with generally accepted accounting principles, such changes shall, for the purposes of this Part, be made in the accounting principles and practices as are necessary to conform them to generally accepted accounting principles and all computations, calculations and determinations shall be made in accordance with those amended principles and practices.

8. (1) Where a supplier has not had one completed fiscal period of 183 days or more before October 14, 1975, and the supplier may reasonably be regarded as being the continuation of another supplier in a new form, or as having been formed as a result of the subdivision of another supplier or the merger of two or more suppliers, the adjusted operating profits of the supplier for the base period, the allowable costs of the supplier for the base period, any subdivision of either of those numbers and any other number relating to the base period that is required for the computations in respect of the supplier under this Part shall be such numbers as are reasonable, having regard to all of the circumstances of the continuation, subdivision or merger, as the case may be, and the history or histories of the other supplier or suppliers.

(2) Where the allowable costs of a supplier that are allocated to

(a) a part of his business to which section 15 or 18 applies,

(b) an individual product to which the supplier allocates costs for the purposes of section 16, or

(c) a particular product line to which the supplier allocates costs for the purposes of section 17

for a fiscal period in the base period exceed the gross revenue from operations from that part of his business, that product or that product line, as the case may be, for that fiscal period, his gross revenue from operations from each such part, product or product line for each such fiscal period shall be deemed to be equal to the amount of the related so allocated costs.

(3) Where, for purposes of Division 5 and 6, the business of a supplier is divided into two more parts, the full amount of the supplier's allowable costs, cost of goods sold, gross revenue from operations and any other number that is either included or deducted in the computation of his adjusted operating profits shall be allocated in a reasonable manner among the parts to which it relates.

(4) Where a supplier commences to supply a new product, or commences a new business or some other significant condition affecting the supplier changes, and the nature of the change is such that it is reasonable to expect that, in the circumstances,

there would be an increase in the ratio of the restricted expenses incurred by the supplier to his gross revenue from operations, the amount excluded from allowable costs under paragraph (g) of the definition "allowable costs" shall be reduced by the amount of increase in the ratio of restricted expenses that may reasonably be attributed to the significant change in conditions.

(5) Where a product referred to in paragraph 4(1)(f) is not sold by a supplier who owned it at that stage of production but is further processed or transported by the supplier, the price of the product prescribed under the Petroleum Administration Act shall, for the purposes of computing the supplier's allowable costs, be substituted for the amount that would otherwise have been the cost to the supplier of the product at that stage of production.

9. Where a supplier has apparent excess revenue under sections 15, 16, 17 and 18 or any of those sections for any compliance period, his excess revenue referred to in subsection 20(2) of the Act for that period shall be the amount, if any, by which the aggregate of his apparent excess revenues under sections 15, 16, 17 and 18 exceed the aggregate of the amounts of excess revenue for that period that the supplier can establish to be the result of

- (a) a transaction that occurred before October 14, 1975;
- (b) unusual productivity gains resulting from the activities of the supplier;
- (c) favourable cost developments that could not reasonably have been foreseen by the supplier; or
- (d) the continuation of an increase in the adjusted operating profit per unit of that part of his business to which section 16 applies that had occurred before October 14, 1975.

Division 4

Application of Price and Profit Margin Guidelines

10. (1) Subject to subsection (2) and section 12,
- (a) section 15 applies to that part of a supplier's business in which he acts as a distributor;
 - (b) section 16 applies to that part of a supplier's business
 - (i) in which he is not acting as a distributor, and
 - (ii) in respect of which he can allocate costs to individual products for the base period;
 - (c) section 17 applies to that part of a supplier's business
 - (i) in which he is not acting as a distributor,
 - (ii) in respect of which he cannot allocate costs to individual products for the base period, and
 - (iii) in respect of which he can allocate costs to product lines for the base period; and
 - (d) section 18 applies to the remainder of a supplier's business.
- (2) If, in a compliance period, a supplier derives not more than the lesser of
- (a) 10% of his gross revenue from operations, or
 - (b) \$5 million gross revenue from operations,
- from that part of his business to which section 15, 16 or 17 would otherwise apply, he may if he so chooses have section 18 apply to that part of his business for that compliance period.
- (3) Notwithstanding paragraphs (1)(a) and (b), section 17 applies to
- (a) that part of a supplier's business that is the manufacture, fabrication or assembly of industrial machinery, equipment, aircraft and other like commodities under contracts that normally take more than a year to complete, and
 - (b) that part of a supplier's business that is construction industry, other than the construction of residential housing,
- as though each such part were a particular product line.

11. Where the compliance by a supplier with this Part is being measured during a compliance period and his financial statements for the period are not up to date or are otherwise not available, his compliance shall be measured

- (a) in respect of the part of his business to which section 15 applies, under section 21;
- (b) in respect of the part of his business to which section 16 applies, under section 22;
- (c) in respect of the part of his business to which section 17 applies, under section 23; and
- (d) in respect of the part of his business to which section 18 applies, under section 24.

12. Where a supplier has allowable costs such as selling, administrative or financial costs that, due to their nature, are not customarily allocated to a product or product line, and in all other respects he is a supplier described in paragraph 10(1)(b) or (c), as the case may be, such costs shall be allocated to individual products or to particular product lines, as the case may be, for the base period on a reasonable basis and the same basis shall be used in all computations respecting that supplier under this Part.

Division 5

Profit Margin Guidelines

13. (1) Where, during a compliance period, a supplier commences to supply, in a part of his business in which he is not acting as a distributor, an individual product that he did not supply during the base period,

(a) if he did, in that part of his business, supply a similar product in the base period to which he can allocate costs for the purposes of paragraph 10(1)(b), he shall

(1) treat the new product as an individual product pursuant to section 16 and his adjusted operating profits per unit of the new product in the base period shall be deemed to be such amount as is reasonable having regard to the differences between the two products and his adjusted operating profits per unit of the similar product in the base period,

(11) if he cannot allocate costs to each of the products, treat the products as a particular product line pursuant to section 17 and compute his target net margin percentage for the product line by reference to the figures relating to the similar product;

(b) if paragraph (a) does not apply and he did, in that part of his business, supply a similar product in the base period that was part of a particular product line, he shall treat the new product as part of that product line notwithstanding that he can allocate costs to the new product; or

(c) if he did not, in that part of his business, supply a similar product in the base period and he can allocate costs to the product in the compliance period, Division 6 applies to him in respect of that product until the end of the first compliance period that ends more than 182 days after he commences to supply the product, and his adjusted operating profits per unit of the new product in the base period shall, subject to subsection 8(2), be deemed to be equal to his adjusted operating profits per unit of the new product in that compliance period.

(2) Where, during a compliance period, a supplier commences to supply, in a part of his business in which he is not acting as a distributor, a product line that he did not supply during the base period

-
- (a) if he did, in that part of his business, supply a similar product in the base period to which he can allocate costs for the purposes of paragraph 10(1)(b), he shall,
- (i) if he can allocate costs to each of the new product line and the similar product, treat the new product line as a particular product line pursuant to section 17 and his target net margin percentage for that product line shall be deemed to be such percentage as is reasonable having regard to the differences between the new product line and the similar product and the percentage that would have been the target net margin percentage for the similar product had it been a product line, and
- (ii) if he cannot allocate costs to each of the new product line and the similar product, treat them as a particular product line pursuant to section 17 and compute his target net margin percentage for the product line by reference to the figures related to the similar product;
- (b) if paragraph (a) does not apply and he did, in that part of his business, supply a similar product line in the base period to which he can allocate costs for the purposes of paragraph 10(1)(c), he shall treat the new product line as a particular product line pursuant to section 17 and his target net margin percentage for the product line shall be deemed to be such percentage as is reasonable having regard to the differences between the two product lines and the target net margin percentage of the similar product line; or
- (c) if paragraph (a) or (b) does not apply and he can allocate costs to the product line in the compliance period, Division 6 applies to him in respect of that product line until the end of the first compliance period that ends more than 182 days after he commences to supply the product line, and his target net margin percentage shall, subject to subsection 8(2), be deemed to be the percentage that he would have had had that compliance period been his base period.

14. (1) Where section 15 applies to a part of the business of a supplier who did not act as a distributor during his base period, Division 6 applies to the supplier in respect of that part of his business until the end of the first compliance period that ends more than 182 days after he commences to act as a distributor, and his adjusted operating profits for that part of his business for the base period and each number that is included or deducted in the computation thereof shall, subject to subsection 8(2), be deemed to be equal to the corresponding number for that compliance period and the number of days in his base period shall, for

purposes of subsection 15(5) be deemed to be equal to the number of days in that compliance period during which he acted as a distributor.

(2) Where section 18 applies to a supplier in respect of part of his business for a compliance period and the supplier does not otherwise than by virtue of this subsection have a target margin factor for that compliance period for that part of his business, his target margin factor for that part of his business for that compliance period shall be deemed to be equal to the factor that would have been his target margin factor had section 18 applied to his whole business.

15. (1) For the purposes of this Part, a supplier's apparent excess revenue for a compliance period from that part of his business to which this section applies is the lesser of

- (a) the amount, if any, by which the supplier's adjusted operating profits for the period from that part of his business exceeds his target operating profits for the period from that part of his business, computed in accordance with subsection (2); and
- (b) the amount, if any, by which the sum of the supplier's adjusted operating profits for the compliance period and all other completed compliance periods from that part of his business exceeds the sum of his target operating profits for the compliance period and all other completed compliance periods from that part of his business.

(2) For the purposes of subsection (1), the "target operating profits" of a supplier for a compliance period for that part of his business to which this section applies shall

- (a) if the ratio of his allowable costs for that part of his business for the compliance period to his allowable costs for that part of his business for his base period, is not greater than the ratio of his cost of goods sold for that part of his business for the compliance period to his cost of goods sold for that part of his business for his base period, be the result obtained by multiplying his adjusted operating profits for his base period by the size factor computed in accordance with subsection (3); and
- (b) in any other case, be the greater of
 - (i) the amount, if any, by which his target gross profits for the compliance period from that part of his business, computed in accordance with subsection (4), exceeds the amount of his allowable

costs, other than his cost of goods sold, for that part of his business for the compliance period; and

(11) the result obtained when his adjusted operating profits for the base period from that part of his business is multiplied by the time factor, computed in accordance with subsection (5).

(3) For the purposes of subsection (2), the "size factor" for a supplier for a compliance period shall be the result obtained when the supplier's allowable costs for the period for that part of his business to which this section applies is divided by his allowable costs for the base period for that part of his business.

(4) For the purposes of subsection (2), the "target gross profits" of a supplier for a compliance period for the part of his business to which this section applies is the result obtained when his gross profit for the base period for that part of his business is multiplied by the quotient obtained when his cost of goods sold for that part for the compliance period is divided by his cost of goods sold for that part for the base period.

(5) For the purposes of subsection (2), the "time factor" for a supplier for a compliance period is the result obtained when the number of days in that period is divided by the number of days in the base period.

16. (1) For the purposes of this Part, a supplier's apparent excess revenue for a compliance period from that part of his business to which this section applies is the sum of his apparent excess revenues for the period in respect of the individual products to which he allocates costs for the purposes of this Part, computed in accordance with subsection (2).

(2) For the purposes of subsection (1), a supplier's apparent excess revenue in respect of an individual product for a compliance period is the lesser of

(a) the amount, if any, by which the supplier's adjusted operating profits for the period from that individual product exceeds his target operating profits for the period from that individual product, computed in accordance with subsection (3); and

(b) the amount, if any, by which the sum of the supplier's adjusted operating profits for the compliance period and all other completed compliance periods from that individual product exceeds the sum of his target operating profits for the compliance period and all other completed compliance periods from that individual product.

(3) For purposes of subsection (2), the "target operating profits" of a supplier for a compliance period from an individual product is the result obtained by multiplying his adjusted

C-73

First Session, Thirtieth Parliament,
23-24 Elizabeth II, 1974-75

THE HOUSE OF COMMONS OF CANADA

BILL C-73

An Act to provide for the restraint of profit margins,
prices, dividends and compensation in Canada

AS PASSED BY THE HOUSE OF COMMONS
3rd DECEMBER, 1975

C-73

Première Session, Trentième Législature,
23-24 Elizabeth II, 1974-75

CHAMBRE DES COMMUNES DU CANADA

BILL C-73

Loi ayant pour objet de limiter les marges bénéficiaires,
les prix, les dividendes et les rémunérations au
Canada

ADOPTÉ PAR LA CHAMBRE DES COMMUNES
LE 3 DÉCEMBRE 1975

kind whatever and includes an adventure or concern in the nature of trade but does not include an office;

"commodity"
"article" "commodity" means personal property of any kind whatever whether corporeal or incorporeal and, except as hereinafter provided, includes a right of any kind but does not include

- (a) money,
- (b) shares in the capital stock of a corporation or rights to purchase such shares,
- (c) shares in a co-operative corporation, credit union or similar organization,
- (d) units in a mutual fund trust or similar trust,
- (e) bonds, debentures, notes, mortgages, hypothecs or similar obligations, or
- (f) contracts for commodity futures traded on a recognized commodity exchange;

"compensation"
"rémunération" "compensation" means all forms of pay, benefits and perquisites paid or provided, directly or indirectly, by or on behalf of an employer to or for the benefit of an employee;

"dividend"
"dividende" "dividend" includes a stock dividend and any other form of corporate distribution otherwise than upon the winding-up of a corporation or the discontinuance of its business;

"employee"
"employé" "employee" includes a person holding an office;

"employee organization"
"syndicat" "employee organization" means any organization of employees formed for purposes including the regulating of relations between employees and employers;

"employer"
"employeur" "employer", in relation to a person holding an office, means the person from whom the person holding the office receives his compensation in respect of that office;

"guidelines"
"indications" "guidelines", except in subsection 3(1), means the guidelines from time to time established by the Governor in Council pursuant to subsection 3(2) and, where the term is used in the context of a contravention of the guidelines by a person, the term refers only to those provisions of the guidelines that are applicable to that person;

"Minister"
"Ministre" "Minister", in relation to any provision or provisions of this Act, means such member

- d) des unités d'une fiducie de fonds mutuels ou d'une fiducie semblable,
- e) des obligations, billets, hypothèques, mortgages ou titres semblables, ou

f) des contrats à terme négociés à une bourse de marchandises reconnue;

"charge" désigne le poste qu'occupe un particulier et qui lui donne droit à un traitement ou à une rémunération fixe ou vérifiable et comprend une charge judiciaire, la charge de ministre de la Couronne, de membre du Sénat ou de la Chambre des communes du Canada, de membre d'une assemblée législative ou d'un conseil législatif ou exécutif et toute autre charge dont le titulaire est élu au suffrage universel ou bien choisi ou nommé à titre représentatif et comprend également le poste d'administrateur d'une corporation;

"charge"
"office"

"Commission" désigne celle qui est constituée par le paragraphe 6(1);

"Commission"
"Anti-inflation ..."

"Directeur" désigne le Directeur nommé par le gouverneur en conseil en vertu du paragraphe 15(1);

"Directeur"
"Administrator"

"dividende" comprend un dividende en actions et toute autre forme de distribution des bénéfices des corporations, à l'exclusion des cas de liquidation ou de cessation des affaires;

"dividende"
"dividend"

"employé" comprend le titulaire d'une charge;

"employé"
"employee"

"employeur" désigne, pour le titulaire d'une charge, la personne qui lui verse sa rémunération;

"employeur"
"employer"

"entreprise" désigne, à l'exclusion des charges, toute entreprise, commerciale ou non, et s'entend de l'exercice d'une profession ou d'un métier ou de l'exploitation d'un commerce ou d'une entreprise industrielle;

"entreprise"
"business"

"fournir" désigne l'acte ou l'offre de vendre, de louer ou, d'une façon générale,

"fournir"
"supply"

- a) d'aliéner un article ou un droit y afférent, ou
- b) de dispenser un service, à l'exclusion de la prestation ou de l'offre de prestation de service par un employé pendant la durée de son emploi

of the Queen's Privy Council for Canada as is designated by the Governor in Council to act as the Minister for the purposes of that provision or those provisions;

"office"
"charge"

"office" means the position of an individual entitling him to a fixed or ascertainable stipend or remuneration and includes a judicial office, the office of a Minister of the Crown, the office of a member of the Senate or House of Commons of Canada, a member of a legislative assembly or a member of a legislative or executive council and any other office, the incumbent of which is elected by popular vote or is elected or appointed in a representative capacity and also includes the position of a corporation director;

"price"
"prix"

"price" includes

- (a) the amount of any charges for customs and excise and excise tax and the amount of any charges paid or payable by the supplier for transportation, whether or not any such charges are shown separately in the books of the supplier or on an invoice,
- (b) the amount charged for any commodity or service that is or has normally been included in the price of the commodity or service,
- (c) the amount charged for installation of a commodity where the contract under which the commodity is supplied provides for the supply of the commodity and its installation for one charge, and
- (d) any consideration whether in money, services, property or other forms of consideration or in any combination thereof paid, given or exchanged for a commodity or for a service;

"service"
"service"

"service" means a service of any description whether industrial, trade, professional, financial or otherwise;

"supply"
"fournir"

"supply" means,

- (a) in relation to a commodity, to sell, rent, lease or otherwise dispose of the commodity or an interest therein or a right thereto, or offer so to dispose of the commodity or interest therein or right thereto, and

et le terme fournisseur a le sens correspondant;

indicateurs désigne, ailleurs qu'au paragraphe 3(1), les indicateurs prescrits par le gouverneur en conseil en vertu du paragraphe 3(2) et, dans le contexte des contraventions, il ne désigne que les dispositions des indicateurs qui s'appliquent au contrevenant;

indicateurs
"guidelines"

Ministre désigne, pour une disposition donnée de la présente loi, le membre du Conseil privé de la Reine pour le Canada que le gouverneur en conseil désigne comme Ministre chargé de l'application de la disposition;

Ministre
"Minister"

prix comprend

15 *prix*
"price"

- a) les droits de douane, les droits et taxes d'accise et les frais de transport à la charge du fournisseur, qu'ils soient ou non séparément inscrits dans ses registres ou sur la facture,
- b) les montants inclus ou normalement inclus dans le prix d'un article ou d'un service,
- c) les frais d'installation d'un article dans les cas où le contrat de fourniture stipule un prix global pour la fourniture et l'installation de l'article, et
- d) la contrepartie des articles ou services, quelle que soit sa forme;

rémunération désigne toute forme de salaire, d'avantage et de gratification, versée ou accordée, directement ou indirectement, par un employeur ou en son nom à un employé ou à son profit;

30 *rémunération*
"compensation"

service désigne tout service, industriel, commercial, professionnel, financier ou autre;

35 *service*
"service"

syndicat désigne toute association d'employés constituée notamment pour régir les relations entre employés et patrons;

syndicat
"employee organization"

Tribunal d'appel désigne celui qui est constitué par le paragraphe 26(1).

40 *Tribunal d'appel*
"Appeal ..."

(b) in relation to a service, to sell, rent or otherwise provide the service or offer so to provide the service, (but not the provision of a service or the offer of the provision of a service by an employee during the course of his employment as such),

and "supplier" has a corresponding meaning.

Partnerships

(2) For the purposes of this Act, a partnership shall be deemed to be a person and all members of a partnership, and of any partnership that is a successor to a dissolved partnership if the membership of each is substantially the same, shall be jointly and severally liable in respect of any amount directed to be returned, rebated or paid by an order made by the Administrator pursuant to section 20, 21 or 22.

(2) Pour l'application de la présente loi, les sociétés sont réputées jouir de la personnalité morale; les associés et les sociétés de remplacement principalement composées des associés des sociétés qu'elles remplacent sont conjointement et solidairement responsables du paiement des sommes dont le versement ou le remboursement est ordonné par le Directeur en vertu des articles 20, 21 ou 22.

Sociétés

Publication of guidelines

3. (1) The Governor in Council may from time to time cause to be published and made known guidelines for the guidance of all Canadians in restraining profit margins, prices, dividends and compensation.

3. (1) Le gouverneur en conseil peut publier ou diffuser des indicateurs pour guider les citoyens dans leurs efforts en vue de limiter les marges bénéficiaires, les prix, les dividendes et les rémunérations.

10 Publication des indicateurs

Prescription of guidelines

(2) The Governor in Council may, by regulation, establish guidelines for the restraint of

(2) Le gouverneur en conseil peut, par règlement, prescrire des indicateurs pour la limitation

15 Prescription des indicateurs

(a) prices and profit margins of

(i) public sector suppliers of commodities or services,

(ii) private sector suppliers of commodities or services who employ five hundred or more persons in Canada,

(iii) suppliers of services prescribed by the regulations to be professional services,

(iv) persons carrying on business in the construction industry who employ twenty or more persons in Canada, and

(v) private sector suppliers of commodities or services who are from time to time declared by order of the Governor in Council made on the recommendation of the Anti-Inflation Board pursuant to subsection 12(2) after an inquiry as provided for by that subsection, to be of strategic importance to the containment and reduction of inflation in Canada;

a) des prix et des marges bénéficiaires

(i) des fournisseurs d'articles ou de services du secteur public,

(ii) des fournisseurs d'articles ou de services du secteur privé qui ont au moins cinq cents employés au Canada,

(iii) des fournisseurs de services professionnels désignés par règlement,

(iv) des personnes qui exploitent, dans l'industrie de la construction, des entreprises qui ont au moins vingt employés au Canada, et

(v) des fournisseurs d'articles ou de services du secteur privé que le gouverneur en conseil déclare, par un décret pris sur la recommandation de la Commission en vertu du paragraphe 12(2), être d'une importance fondamentale pour la réduction et l'endigement de l'inflation au Canada;

b) de la rémunération

(b) compensation of

(i) employees of suppliers and persons whose prices or profit margins are subject

to restraint in accordance with guidelines established pursuant to any of subparagraphs (a)(i), (ii), (iv) or (v),

(ii) employees, who are members of a profession, of persons whose prices or profit margins are subject to restraint in accordance with guidelines established pursuant to subparagraph (a)(iii), and

(iii) all public sector employees not described in subparagraph (i) including, without restricting the generality of the foregoing, all Ministers of the Crown, all members of the Senate or House of Commons of Canada and all other persons holding public offices; and

(c) dividends.

(i) des employés des fournisseurs et des personnes dont les prix ou les marges bénéficiaires sont susceptibles d'être limités par les indicateurs prescrits en vertu des sous-alinéas a)(i), (ii), (iv) ou (v),

(ii) des personnes qui exercent une profession libérale pour le compte d'un employeur dont les prix et les marges bénéficiaires sont assujettis aux indicateurs établis en vertu du sous-alinéa a)(iii), et

(iii) des employés du secteur public non visés au sous-alinéa (i) y compris, sans limiter la portée générale des termes qui précèdent, de tous les ministres de la Couronne, des sénateurs, des députés et de tous les titulaires de charges publiques; et

c) des dividendes.

Application (3) Guidelines established by regulation made pursuant to subsection (2) may, if notice of intent to make them applicable on and after a day after October 13, 1975 but before the coming into force of this Act was given by a member of the Queen's Privy Council for Canada in the House of Commons on that day, be made applicable on and after that day.

(3) Les indicateurs prescrits par règlement en vertu du paragraphe (2) peuvent s'appliquer à compter d'une date postérieure au 13 octobre 1975 mais antérieure à l'entrée en vigueur de la présente loi, à la condition qu'un membre du Conseil privé de la Reine pour le Canada en donne, à cette date, préavis à la Chambre des communes.

Application (3.1) A guideline established by regulation made pursuant to subsection (2) may be made applicable to

(a) all suppliers, persons or employees described in a subparagraph of paragraph (2)(a) or (b) or to all dividends, or

(b) a particular class of suppliers, persons, employees or dividends specified in or in relation to the guideline.

(3.1) L'application des indicateurs établis par règlement en vertu du paragraphe (2) peut être étendue

a) aux fournisseurs, personnes et employés visés aux alinéas (2)a) et b) et à tous les dividendes, ou

b) aux catégories particulières de fournisseurs, de personnes ou d'employés ou de dividendes précisées par l'indicateur ou pour son application.

Application (3.2) An order of the Governor in Council made pursuant to subparagraph 3(2)(a)(v) may be made applicable on and after

(a) the day on which the direction was given to the Anti-Inflation Board pursuant to subsection 12(2) with respect to the particular private sector supplier of commodities or services or class of such suppliers to which the order relates, or

(b) a later day that is before the day on which the order is made,

(3.2) Le décret du gouverneur en conseil pris en vertu du sous-alinéa 3(2)a)(v) peut s'appliquer

a) à compter de l'ordre donné à la Commission en vertu du paragraphe 12(2) au sujet des fournisseurs ou des catégories de fournisseurs d'articles ou de services du secteur privé visés, ou

b) à compter d'une date ultérieure mais antérieure à celle du décret,

à la condition qu'un membre du Conseil privé de la Reine pour le Canada en donne, à la

if notice of intent to make it applicable on the day on which the direction was given or that later day, as the case may be, was given by a member of the Queen's Privy Council for Canada in the House of Commons on the day on which the direction was given or that later day, as the case may be.

même date, préavis à la Chambre des communes.

Associated private sector suppliers

(4) In determining the number of persons employed in Canada by a private sector supplier of commodities or services for the purpose of subparagraph (2)(a)(ii), the persons employed in Canada by each corporation that is associated with the supplier within the meaning of section 256 of the *Income Tax Act* or that is, by reason of interrelationship of management, ownership or financial affairs, associated with that supplier shall be included unless, in any such case, the Minister agrees in writing to exempt a specific supplier or group of suppliers from the application of this subsection.

(4) Aux fins du sous-alinéa (2)a(ii), le nombre de personnes employées au Canada par un fournisseur d'articles ou de services du secteur privé comprend l'ensemble des personnes employées au Canada par les corporations associées au fournisseur au sens de l'article 256 de la *Loi de l'impôt sur le revenu* et par les corporations qui, par leurs relations au niveau de la gestion, de la propriété ou des opérations financières, sont associées au fournisseur à moins que, dans chaque cas, le Ministre exempte par écrit un groupe de fournisseurs ou un fournisseur donné de l'application du présent article.

Fournisseurs associés du secteur privé

Interpretation

(5) Where, on October 14, 1975 or on any day thereafter, a private sector supplier of commodities or services employed five hundred or more persons in Canada or a person carrying on business in the construction industry employed twenty or more persons in Canada, he shall, at all times after that day, be deemed to employ five hundred or more or twenty or more persons in Canada, as the case may be.

(5) Les fournisseurs d'articles ou de services du secteur privé dont le nombre d'employés au Canada atteint au moins cinq cent le ou après le 14 octobre 1975 et les personnes qui exploitent, dans l'industrie de la construction, des entreprises dont le nombre d'employés au Canada atteint au moins vingt le ou après le 14 octobre 1975 sont dès lors réputés avoir, au Canada, un nombre d'employés au moins égal à cinq cent ou à vingt, selon le cas.

Interpretation

APPLICATION

Application of Act and guidelines to Her Majesty, etc.

4. (1) This Act is binding on Her Majesty in right of Canada, agents of Her Majesty in right of Canada, the governments of the Yukon Territory and Northwest Territories and agents of those governments.

APPLICATION

4. (1) La présente loi lie Sa Majesté du chef du Canada et ses mandataires ainsi que les gouvernements du territoire du Yukon et des territoires du Nord-Ouest et leurs mandataires.

Application de la loi et des indicateurs à Sa Majesté, etc.

Idem

(2) Subject to subsection (3), this Act is not binding on

(a) Her Majesty in right of a province and agents of Her Majesty in right of a province;

(b) municipalities in a province and municipal or public bodies performing a function of government in a province;

(c) corporations, commissions and associations described in paragraph 149(1)(d) of the *Income Tax Act* that are owned or controlled

(2) Sous réserve du paragraphe (3), la présente loi ne lie pas

Idem

a) Sa Majesté du chef d'une province et ses mandataires;

b) les corporations municipales des provinces et les organismes municipaux ou publics qui exécutent des fonctions de gouvernement dans une province;

c) les corporations, commissions ou associations visées à l'alinéa 149(1)d) de la *Loi de 40*

by Her Majesty in right of a province or a municipality in a province; and
(d) such other bodies in a province as provide what are generally considered to be public services and as are from time to time prescribed by the regulations for the purposes of that province.

Agreements with provinces

(3) The Minister may, with the approval of the Governor in Council, enter into an agreement with the government of a province providing for the application of this Act and the guidelines to

- (a) Her Majesty in right of that province,
- (b) agents of Her Majesty in that right,
- (c) bodies described in paragraphs (2)(b) and (c), and
- (d) bodies prescribed by the regulations pursuant to paragraph (2)(d),

or any of such bodies, agents and Her Majesty in that right, and where any such agreement is entered into, this Act is binding in accordance with the terms of the agreement and the guidelines apply in accordance with the terms thereof with effect on and after the day on and after which the guidelines apply, by virtue of the operation of this Act, with respect to Her Majesty in right of Canada.

Idem

(4) The Minister may, with the approval of the Governor in Council, enter into an agreement with the government of a province providing for the application to

- (a) Her Majesty in right of that province,
- (b) agents of Her Majesty in that right,
- (c) bodies described in paragraphs (2)(b) and (c), and
- (d) bodies prescribed by the regulations pursuant to paragraph (2)(d),

or any of such bodies, agents and Her Majesty in that right, of such of the guidelines made under subsection 3(2) as are applicable to public sector suppliers of commodities or services and public sector employees and their employers, and for the administration and enforcement of those guidelines in their application thereto in a manner provided in the agreement or as determined by the government of the province.

l'impôt sur le revenu dont Sa Majesté du chef d'une province ou une corporation municipale située dans une province ont la propriété ou le contrôle; et

d) les autres organismes des provinces généralement reconnus comme des organismes de services publics et désignés par règlement pour les fins d'une province.

Accords avec les provinces

(3) Le Ministre peut, avec l'approbation du gouverneur en conseil, conclure avec le gouvernement d'une province un accord prévoyant l'application de la présente loi et des indicateurs

- a) à Sa Majesté du chef d'une province,
- b) à ses mandataires,
- c) aux organismes visés aux alinéas (2)(b) et c), et
- d) aux organismes désignés par règlement en vertu de l'alinéa (2)(d),

la présente loi s'applique, dès la conclusion de l'accord, conformément aux conditions qu'il stipule et les indicateurs s'appliquent, aux mêmes conditions, à compter de la date à laquelle les indicateurs s'appliquent à Sa Majesté du chef du Canada par l'effet de la présente loi.

Idem

(4) Le Ministre peut, avec l'approbation du gouverneur en conseil, conclure avec le gouvernement d'une province un accord prévoyant l'application

- a) à Sa Majesté du chef d'une province,
- b) à ses mandataires,
- c) aux organismes visés aux alinéas (2)(b) et c), et
- d) aux organismes désignés par règlement en vertu de l'alinéa (2)(d),

des indicateurs prescrits en vertu du paragraphe 3(2) qui s'appliquent aux fournisseurs d'articles ou de services du secteur public et aux employés du secteur public ainsi qu'à leurs employeurs, et prévoyant le mode d'application des indicateurs ou prévoyant que celui-ci sera déterminé par le gouvernement de la province.

Meaning of certain expressions

(5) For the purposes of this Act and the guidelines,

(a) "public sector suppliers of commodities or services", "public sector employers" and "public sector employees" mean suppliers of commodities and services and employers on whom this Act is binding by virtue of this section or an agreement entered into pursuant to subsection (3) and employees of such suppliers and employers respectively; and
(b) "private sector suppliers of commodities or services", "private sector employers" and "private sector employees" mean suppliers of commodities and services and employers on whom this Act is binding otherwise than by virtue of this section or any agreement entered into pursuant to subsection (3) and employees of such suppliers and employers respectively.

(5) Pour l'application de la présente loi et des indicateurs

Sens de certains termes

a) "fournisseurs d'articles ou de services du secteur public", "employeurs du secteur public" et "employés du secteur public" désignent les fournisseurs et employeurs liés par la présente loi en vertu du présent article ou d'un accord conclu en vertu du paragraphe (3) et leurs employés respectifs; et
b) "fournisseurs d'articles ou de services du secteur privé", "employeurs du secteur privé" et "employés du secteur privé" désignent les fournisseurs et employeurs liés par la présente loi autrement qu'en vertu du présent article ou d'un accord conclu en vertu du paragraphe (3) et leurs employés respectifs.

Guidelines to prevail where inconsistency

4.1 (1) Any body that, pursuant to any other Act or law, establishes or approves the prices or profit margins of any supplier or person to whom the guidelines or any provision or provisions of the guidelines apply or that establishes or approves any base from which or basis on which any such price or profit margin is calculated shall, in exercising its powers and performing its duties and functions, apply such of the guidelines as are applicable in the circumstances modified to such extent, if any, as, in the opinion of the body, is necessary to take into account the particular facts of the situation; and, to the extent that those guidelines are inconsistent with any Act or law otherwise governing that body in the exercise of its powers and the performance of its duties and functions, the guidelines prevail.

4.1 (1) Tout organisme qui, en vertu d'une autre loi ou règle de droit, établit ou approuve les prix ou les marges bénéficiaires d'un fournisseur ou d'une personne assujettie à toutes dispositions des indicateurs ou qui établit ou approuve une ou plusieurs bases de calcul de ces prix ou de ces marges bénéficiaires doit, dans l'exercice de ses pouvoirs ou l'exécution de ses fonctions, appliquer les indicateurs applicables en y apportant, le cas échéant, les modifications qu'il juge nécessaires dans les circonstances; les dispositions des indicateurs l'emportent sur toute autre loi ou règle de droit qui régit l'organisme.

Dispositions des indicateurs l'emportent

Where Anti-Inflation Board not to act

(2) The Anti-Inflation Board shall not perform the duties and functions or exercise the powers set out in sections 12 and 13 in relation to any price or profit margin that is affected or regulated in a manner referred to in subsection (1).

(2) Les prix et les marges bénéficiaires visés par le paragraphe (1) échappent aux pouvoirs que les articles 12 et 13 confèrent à la Commission.

Pouvoirs qui échappent à la Commission

Compensation of Members of the House of Commons and Senators

4.2 Notwithstanding any other Act or any other provision of this Act, no increase in compensation shall be paid to a person pursuant to the Senate and House of Commons Act, the Salaries Act and the Parliamentary Secretaries Act, or any of those Acts, in an aggregate

4.2 Nonobstant toute autre loi ou toute autre disposition de la présente loi, aucune augmentation de rémunération ne peut être versée à quiconque en vertu de la Loi sur le Sénat et la Chambre des communes, de la Loi sur les traitements ou de la Loi sur les secrétaires

Rémunération des députés et sénateurs

gate amount or at a rate that would constitute or result in a contravention of the guidelines.

parlementaires dans les cas où le montant global ou le taux de l'augmentation constitueraient une contravention aux indicateurs.

AGREEMENTS TO FACILITATE COOPERATION
IN ADMINISTRATION AND ENFORCEMENT,
BOOKS AND RECORDS

ACCORDS VISANT À FAVORISER LA
COOPÉRATION AVEC LES PROVINCES POUR
L'APPLICATION DE LA LOI;
LIVRES ET DOSSIERS

Agreement with
province

5. (1) The Minister may, with the approval of the Governor in Council, enter into an agreement with the government of a province for the purpose of facilitating, in such manner as is provided for in the agreement or by or under any law of the province, cooperation between Canada and the province with respect to the administration and enforcement of the 10 guidelines within that province.

5. (1) Le Ministre peut, avec l'approbation du gouverneur en conseil, conclure avec le 5 gouvernement d'une province un accord visant à favoriser, directement ou par l'application d'une loi provinciale, la coopération entre le Canada et la province pour ce qui concerne l'application des indicateurs dans cette pro- 10 vince.

Accords avec les
5 provinces

Books and
records

(2) Each supplier of a commodity or service, each person carrying on business in the construction industry and each employer in respect of whom the guidelines apply shall 15 keep records and books of account (including an annual inventory if appropriate) at his place of business or residence in Canada, or at such other place as may be designated by the Minister on application made to him by any 20 such supplier, person or employer, in such form and containing such information as will enable a determination to be made as to whether, throughout the period of time when this Act is in force, he has complied with the guidelines 25

(2) Les fournisseurs d'articles ou de services, les personnes qui exploitent une entreprise dans l'industrie de la construction et les employeurs liés par les indicateurs doivent 15 tenir à leur place d'affaires ou à leur résidence au Canada, ou au lieu que le Ministre peut désigner à leur demande, les registres et livres de comptabilité (y compris, le cas échéant, les inventaires annuels) dont la forme et le con- 20 tenu permettront de déterminer, pendant toute la période d'application de la présente loi, s'ils se sont conformés aux indicateurs.

Livres et regis-
tres

PART I

ANTI-INFLATION BOARD

Board Established

Anti-Inflation
Board

6. (1) There is hereby established a board to be known as the Anti-Inflation Board consisting of a Chairman and such other members as are from time to time appointed by the Governor in Council. 30

Remuneration
and expenses

(2) The Chairman and other members of the Anti-Inflation Board shall be paid such remuneration as may be fixed by the Governor in Council and are entitled to be paid reasonable travel and living expenses incurred by them in 35

PARTIE I

COMMISSION DE LUTTE CONTRE
L'INFLATION

Constitution

6. (1) Est constituée la Commission de lutte contre l'inflation dont les membres et le prési- 25 dent sont nommés par le gouverneur en conseil.

Commission de
lutte contre
l'inflation

(2) Le président et les membres de la Commission reçoivent le traitement que fixe le gouverneur en conseil et ils ont droit au rem- 30 boursement des frais de déplacement et de séjour raisonnables qu'ils engagent dans l'exé-

Traitement et
indemnités

the course of their duties under this Act while absent from their ordinary places of residence.

cution, hors de leur lieu ordinaire de résidence, des fonctions que leur confère la présente loi.

Staff

7. (1) Such officers and employees as are necessary for the proper conduct of the work of the Anti-Inflation Board shall be appointed in accordance with the *Public Service Employment Act*.

7. (1) Le personnel nécessaire à l'exécution des travaux de la Commission est nommé conformément à la *Loi sur l'emploi dans la Fonction publique*.

Personnel

Technical assistance

(2) The Anti-Inflation Board may engage on a temporary basis the services of persons having technical or specialized knowledge to advise and assist it in the performance of its duties and, with the approval of the Treasury Board, the Anti-Inflation Board may fix and pay the remuneration and expenses of such persons.

(2) La Commission peut recourir aux services temporaires d'experts à titre de conseils et de collaborateurs dans l'exercice de ses pouvoirs et fonctions; elle peut, avec l'autorisation du conseil du Trésor, fixer leur traitement et leur accorder certaines indemnités.

Concours d'experts

Secondment and advice and assistance

(3) The Governor in Council may, on the request of the Anti-Inflation Board, direct any department or agency of the Government of Canada to second to the Board, for specified periods, officers and employees necessary for the proper conduct of the work of the Board and the Board may, subject to section 14 and to any provisions relating to privileged information in any other Act, obtain the advice and assistance of any department or agency of the Government of Canada.

(3) Le gouverneur en conseil peut, à la requête de la Commission, ordonner à un ministère ou organisme du gouvernement du Canada de détacher auprès de la Commission, pour une période déterminée, le personnel nécessaire à la bonne marche de ses travaux; sous réserve de l'article 14 et des dispositions de toute autre loi relatives aux renseignements protégés, la Commission peut également demander leur avis et leur collaboration.

Détachement, consultation et collaboration

Principal office

8. (1) The principal office of the Anti-Inflation Board shall be in the National Capital Region described in the schedule to the *National Capital Act*.

8. (1) Le bureau principal de la Commission est situé dans la région de la Capitale nationale définie à l'annexe de la *Loi sur la Capitale nationale*.

Bureau principal

Meetings

(2) The Anti-Inflation Board may meet at such times and places in Canada as the Chairman thereof deems advisable.

(2) La Commission peut se réunir partout au Canada, aux lieux et dates que le président juge indiqués.

Assemblée

Chief executive officer

9. (1) The Chairman of the Anti-Inflation Board is the chief executive officer of the Board and shall preside at meetings of the Board.

9. (1) Le président est le premier dirigeant de la Commission et il préside ses réunions.

Premier dirigeant

Vice-Chairman

(2) One of the members of the Anti-Inflation Board may be designated by the Governor in Council to be Vice-Chairman thereof and in the event of the absence or incapacity of the Chairman, or if the office of Chairman is vacant, the Vice-Chairman has and may exercise all the powers and functions of the Chairman.

(2) Le gouverneur en conseil peut nommer un vice-président parmi les membres de la Commission; en cas d'absence ou d'empêchement du président ou de vacance de son poste, le vice-président est investi des pouvoirs et fonctions du président.

Vice-président

Superannuation, etc

10. (1) Each member of the Anti-Inflation Board and each person engaged under subsec-

10. (1) Les membres de la Commission et les experts dont les services sont retenus en

Régime de retraite, etc.

tion, 7(2), unless in the case of any such member or person the Governor in Council expressly otherwise directs, shall be deemed to be a person employed in the Public Service for the purposes of the *Public Service Superannuation Act* and shall be deemed to be a person described in paragraph 4(1)(i) of that Act.

vertu du paragraphe 7(2) sont, à moins d'une directive expresse du gouverneur en conseil, réputés être des employés de la Fonction publique pour l'application de la *Loi sur la pension de la Fonction publique* et ils sont assimilés aux personnes visées à l'alinéa 4(1)(i) de cette loi.

Idem

(2) The following Acts are amended in the manner and to the extent set out hereunder:

(2) Certaines lois sont modifiées comme suit: Idem

(a) Part II of Schedule A to the *Public Service Superannuation Act* is amended by adding thereto the "Anti-Inflation Board"; and

a) la Partie II de l'annexe A de la *Loi sur la pension de la Fonction publique* est modifiée 10 par l'adjonction de la "Commission de lutte contre l'inflation"; et

(b) Part I of Schedule I to the *Public Service Staff Relations Act* is amended by adding 15 thereto the "Anti-Inflation Board".

b) la Partie I de l'annexe I de la *Loi sur les relations de travail dans la Fonction publique* est modifiée par l'adjonction de la "Commis- 15 sion de lutte contre l'inflation".

By-laws

11. Subject to this Act and to any directions issued from time to time by the Governor in Council under the authority of this section, the Anti-Inflation Board may make by-laws 20 generally for carrying out its work and for the management of its internal affairs.

11. Sous réserve de la présente loi et des directives spéciales établies par le gouverneur en conseil en vertu du présent article, la Commission peut établir des statuts régissant l'exé- 20 cution de ses travaux et la gestion de ses affaires. Statuts

Duties of the Board

12. (1) The Anti-Inflation Board shall

(a) monitor changes in prices, profits, compensation and dividends in relation to the 25 guidelines and the effectiveness and workability of the guidelines both in general and in their application to particular classes of businesses and groups of employees and from time to time report to the Governor in 30 Council thereon recommending any modifications to the guidelines that, in its opinion, would improve the effectiveness or workability of the guidelines;

(b) identify actual and proposed changes in 35 prices, profits, compensation and dividends that, in its opinion, contravene or, if implemented, would contravene the guidelines either in fact or in spirit;

(c) identify the causes of actual and pro- 40 posed changes in prices, profits, compensation and dividends identified under paragraph (b) that are, in its opinion, likely to have a significant impact on the economy of Canada, and endeavour through consulta- 45 tions and negotiations with the parties involved to modify such changes so as to bring them within the limits and spirit of

12. (1) La Commission Fonctions

a) surveille le mouvement des prix, profits, rémunérations et dividendes en fonction des 25 indicateurs ainsi que leur efficacité et utilité générale ou particulière vis-à-vis de certaines catégories d'entreprises ou groupes d'employés, et fait rapport au gouverneur en conseil en recommandant d'y apporter les 30 modifications qu'elle juge susceptibles de les rendre plus utiles ou efficaces;

b) établit les mouvements réels ou envisagés des prix, profits, rémunérations et dividendes, qui, à son avis, contreviennent ou sont 35 susceptibles de contrevenir à la lettre ou à l'esprit des indicateurs;

c) identifie les causes des mouvements réels ou envisagés de prix, profits, rémunérations et dividendes, établis conformément à l'ali- 40 néa b), qui, à son avis, auront vraisemblablement des conséquences importantes sur l'économie canadienne, et cherche, à l'aide de consultations et de négociations avec les parties intéressées, soit à les rendre confor- 45 mes à la lettre et à l'esprit des indicateurs, soit à en réduire ou à en supprimer l'effet inflationniste;

the guidelines or reduce or eliminate their inflationary effect;

(d) where, in its opinion, consultations and negotiations under paragraph (c) have failed or are likely to fail to modify an actual or proposed change in prices, profits, compensation or dividends to bring it within the limits of the guidelines, and it is not satisfied that there are circumstances that, based on the particular facts of the situation, justify the actual or proposed change in prices, profits, compensation or dividends, refer the matter to the Administrator for consideration by him; and

(e) through publication of reports, public hearings and meetings and such other methods as it considers appropriate, promote public understanding of the inflationary process, the relationships between productivity, costs and prices, the various policies available to governments to deal with inflation and the advantages, effects and limitations thereof, the role to be played by businesses and groups of employees in combatting inflation and the implications of the failure of governments, businesses and groups of employees to cooperate in combatting inflation.

d) soumet à l'examen du Directeur les mouvements réels ou envisagés de prix, profits, rémunérations et dividendes dans les cas où elle estime que les consultations et négociations menées, conformément à l'alinéa c), en vue de les rendre conformes aux indicateurs ont abouti ou aboutiront vraisemblablement à un échec et où elle est convaincue que les circonstances particulières du cas ne justifient pas ces mouvements; et

e) par la publication de rapports, la tenue d'audiences publiques ou de réunions ou tout autre moyen, développe les connaissances du public sur les mécanismes de l'inflation, le rapport entre la productivité, les coûts et les prix, les diverses mesures auxquelles les gouvernements peuvent recourir pour freiner l'inflation, ainsi que leurs avantages, effets et limites, le rôle à jouer par les entreprises et les groupes d'employés pour la combattre et les conséquences d'un manque de coopération dans cette lutte entre les gouvernements, les entreprises et les groupes d'employés.

Idem

(1.1) Notwithstanding paragraph (1)(c), the Anti-Inflation Board may exercise the powers set forth in that paragraph and paragraph (1)(d) in relation to an actual or proposed change in

(a) a price or profit margin of a supplier or person described in subparagraph 3(2)(a)(iii) or (iv),

(b) a price or profit margin of a supplier declared by order of the Governor in Council pursuant to subparagraph 3(2)(a)(v) to be of strategic importance to the containment and reduction of inflation in Canada, or

(c) the compensation of an employee described in subparagraph 3(2)(b)(ii), of a person carrying on business in the construction industry who employs twenty or more persons in Canada or of a supplier referred to in paragraph (b),

whether or not it is of the opinion that the change is likely to have a significant impact on the economy of Canada.

(1.1) Nonobstant l'alinéa (1)c), la Commission peut exercer les pouvoirs prévus par cet alinéa, et par l'alinéa (1)d) dans le cas d'un mouvement réel ou envisagé

a) d'un prix ou d'une marge bénéficiaire d'un fournisseur ou d'une personne visée aux sous-alinéas 3(2)a)(iii) ou (iv),

b) d'un prix ou d'une marge bénéficiaire d'un fournisseur déclaré, par un décret du gouverneur en conseil pris en vertu du sous-alinéa 3(2)a)(v), être d'une importance fondamentale pour la réduction et l'endigement de l'inflation au Canada, ou

c) de la rémunération d'un employé, visé au sous-alinéa 3(2)b)(ii), d'une personne qui exploite, dans l'industrie de la construction, une entreprise dont le nombre d'employés au Canada atteint au moins vingt ou d'un fournisseur visé à l'alinéa b),

quel que soit son avis sur l'importance des conséquences que ce mouvement aura sur l'économie canadienne.

Idem

(2) The Board shall, on receipt of a direction from the Governor in Council and not otherwise, conduct such inquiry as it considers appropriate to enable it to advise the Governor in Council as to whether any particular private sector supplier of commodities or services specified in the direction or any class of such suppliers so specified to whom and to whose employees the guidelines do not apply, is

(a) by reason of the fact that

(i) such supplier or all or any of such suppliers bargain collectively in association with one or more other suppliers, either directly or through an employer's association, for an agreement as to terms or conditions of employment of all or any of their employees, or

(ii) all or any of the employees of any such supplier bargain collectively in association with employees of one or more other suppliers for an agreement as to terms and conditions of their employment, or

(b) for any other reason whatever,

of such strategic importance to the containment and reduction of inflation in Canada as to warrant the making of an order by the Governor in Council pursuant to subparagraph 3(2)(a)(v) in respect thereof; and the Board shall, forthwith upon the completion of any such inquiry, report thereon to the Governor in Council and make such recommendations in relation thereto as it deems appropriate.

Tabling of reports

(3) All reports referred to in paragraph (1)(a) and subsection (2) shall be laid before Parliament forthwith upon the making thereof or, if Parliament is not then sitting, on any of the first fifteen days next thereafter that Parliament is sitting.

Powers of the Anti-Inflation Board

13. (1) The Anti-Inflation Board and each member thereof has and may exercise all of the powers of a person appointed as a commissioner under Part I of the *Inquiries Act*.

Notice requiring disclosure

(2) For the purpose of carrying out its duties under this Act, the Anti-Inflation Board may (a) cause to be published in the *Canada Gazette* and in any other manner that it

Idem

(2) La Commission doit, uniquement dans les cas où elle en reçoit l'ordre du gouverneur en conseil, procéder aux enquêtes qu'elle juge nécessaires pour être en mesure de dire au gouverneur en conseil si les fournisseurs ou les catégories de fournisseurs d'articles ou de services du secteur privé désignés par l'ordre qui ne sont pas, ni eux, ni leurs employés, assujettis aux indicateurs, sont

a) pour le motif que

(i) l'un ou plusieurs d'entre eux s'associent, directement ou par l'intermédiaire d'associations d'employeurs, à d'autres fournisseurs pour négocier collectivement avec leurs employés ou une partie de leurs employés, ou

(ii) leurs employés ou une partie de leurs employés s'associent, pour leurs négociations collectives, aux employés d'un ou de plusieurs de ces fournisseurs, ou

b) pour toute autre raison,

d'une importance telle, pour la réduction et l'endigement de l'inflation au Canada, qu'ils justifient la prise d'un décret en vertu du sous-alinéa 3(2)(a)(v); la Commission doit en outre, dès la fin de l'enquête, présenter son rapport et ses recommandations au gouverneur en conseil.

Dépôt des rapports

(3) Les rapports visés à l'alinéa (1)a) et au paragraphe (2) sont déposés devant le Parlement dès qu'ils sont établis ou, le cas échéant, dans les quinze premiers jours de la séance suivante.

Pouvoirs de la Commission

13. (1) La Commission et chacun de ses membres peuvent exercer tous les pouvoirs des commissaires nommés conformément à la Partie I de la *Loi sur les enquêtes*.

Ordre de divulgation

(2) Pour l'exécution des fonctions que lui confère la présente loi, la Commission peut ordonner,

deems appropriate, a notice requiring suppliers to whom the guidelines apply, persons other than employees to whom the guidelines apply or employee organizations representing employees to whom the guidelines apply or any class of such suppliers, persons or employee organizations described in the notice to file with the Board, in a form specified in the notice, such information as is specified in the notice and that is in their possession or to which they may reasonably be expected to have access; and

(b) send a notice to any supplier to whom the guidelines apply, any person other than an employee to whom the guidelines apply or any employee organization representing employees to whom the guidelines apply requiring him or it to file with the Board, in a form specified in the notice, such information as is specified in the notice and that is in his or its possession or to which he or it may reasonably be expected to have access.

a) par avis publié dans la *Gazette du Canada* et par tout autre moyen qu'elle juge indiqué, aux fournisseurs liés par les indicateurs, aux personnes, autres que des employés, liées par les indicateurs et aux syndicats qui représentent des employés liés par les indicateurs, ou à toute catégorie d'entre eux, et

b) par avis, aux fournisseurs liés par les indicateurs, aux personnes, autres que des employés, liées par les indicateurs, et aux syndicats qui représentent des employés liés par les indicateurs,

de lui communiquer, en respectant les modalités de présentation prescrites par l'avis, les renseignements y précisés qu'ils possèdent ou qu'il leur serait raisonnablement possible d'obtenir.

Notice to be complied with

(3) Every supplier, person or employee organization to whom a notice referred to in subsection (2) is directed or sent shall comply therewith within such reasonable time as is specified in the notice and thereafter at such regular intervals, if any, as are specified in the notice.

(3) Les destinataires des avis mentionnés au paragraphe (2) doivent s'y conformer dans le délai raisonnable ou aux intervalles de temps qui y sont fixés.

Obligation de se conformer à l'ordre

Extension of time

(4) Notwithstanding subsection (3), the Anti-Inflation Board may, on request in writing from any supplier, person or employee organization to whom a notice referred to in subsection (2) is directed or sent, extend any time within which or any interval at which that supplier, person or employee organization is required to comply with the notice.

(4) Nonobstant le paragraphe (3), la Commission peut, à la demande écrite de l'un des destinataires de l'avis mentionné au paragraphe (2), proroger le délai ou modifier les intervalles impartis.

Prorogation du délai

Confidentiality

Protection des renseignements

Communication of privileged information

14. (1) Except as provided in this section, all information with respect to a person, business or employee organization that is, in its nature, confidential and that is obtained by a member of the Anti-Inflation Board or by any person engaged in carrying out duties of that Board under this Act, in the course of carrying out those duties, is privileged and no person shall knowingly, except as expressly provided in this or any other Act, communicate or allow

14. (1) Sauf disposition contraire du présent article, sont protégés les renseignements de nature confidentielle obtenus, dans l'exercice de leurs fonctions, par un membre de la Commission, ou par une personne concourant à l'exercice des fonctions de celle-ci en vertu de la présente loi, sur une personne, une entreprise ou un syndicat. Sauf disposition contraire expresse de la présente ou de toute autre loi, nul ne peut sciemment les communiquer ou en

Communication de renseignements protégés

to be communicated to any person any such information except for the purposes of the administration or enforcement of this Act or allow any person to inspect or have access to any such information except for the purposes of the administration or enforcement of this Act.

permettre la communication à un tiers ou lui permettre de les examiner ou d'y avoir accès si ce n'est pour l'application et l'exécution de la présente loi.

Exception (2) Any information with respect to a person, business or employee organization obtained by a member of the Anti-Inflation Board or any person engaged in carrying out the duties of the Board, in the course of carrying out those duties, may, on request in writing to the Chairman of the Anti-Inflation Board by or on behalf of the person or employee organization to which the information relates or the person carrying on the business to which the information relates, be communicated to any person or authority named in the request on such terms and conditions and under such circumstances as are approved by the Chairman of the Anti-Inflation Board.

(2) Les renseignements obtenus, dans l'exercice de leurs fonctions, par un membre de la Commission, ou par toute personne concourant à l'exercice des fonctions de celle-ci en vertu de la présente loi, sur une personne, une entreprise ou un syndicat dans le cadre de la présente loi, peuvent, sur demande écrite adressée au président de la Commission par la personne ou le syndicat ou en leur nom, ou par la personne exploitant l'entreprise en cause, être communiqués à toute personne ou autorité désignée dans la demande selon les modalités et dans les circonstances qu'approuve le président.

Exception

Evidence and production of documents (3) Notwithstanding any other Act or law, no Minister of the Crown and no person employed in the administration or enforcement of this Act shall be required, in connection with any legal proceedings, to give evidence relating to any information that is privileged under subsection (1) or to produce any statement or other writing containing such information.

(3) Nonobstant toute autre loi ou règle de droit, les ministres de la Couronne et les personnes concourant à l'application de la présente loi ne sont tenus, lors de procédures judiciaires, ni de déposer sur des renseignements protégés en vertu du paragraphe (1), ni de produire un écrit, notamment une déclaration, contenant ces renseignements.

Preuve et production de documents

Application of ss. (1) and (3) (4) Subsections (1) and (3) do not apply in respect of proceedings before the Appeal Tribunal or any court of law relating to the administration or enforcement of this Act.

(4) Les paragraphes (1) et (3) ne s'appliquent pas aux procédures concernant l'application de la présente loi, engagées devant la Commission d'appel ou les tribunaux judiciaires.

Application des par. (1) et (3)

**PART II
ENFORCEMENT**

Administration

Appointment of Administrator 15. (1) The Governor in Council may appoint a person to be the Administrator for the purposes of this Act.

15. (1) Le gouverneur en conseil peut nommer un Directeur chargé de l'application de la présente loi.

Nomination du Directeur

Powers, duties and functions of Administrator (2) The Administrator has such powers, and shall perform such duties and functions as are, by this Act, assigned to him, and shall perform such other duties and functions in relation to

(2) Le Directeur exerce, outre les pouvoirs et fonctions que la présente loi lui confère, ceux que lui délègue le Ministre pour son application.

Pouvoirs et fonctions du Directeur

**PARTIE II
APPLICATION**

Administration

this Act as are delegated to him by the Minister.

Deputy Administrators

16. (1) One or more persons may be appointed Deputy Administrators for the purposes of this Act in accordance with the *Public Service Employment Act*.

16. (1) Pour l'application de la présente loi, des sous-directeurs peuvent être nommés conformément à la *Loi sur l'emploi dans la Fonction publique*.

Sous-directeurs

Powers of Deputy Administrators

(2) The Administrator may authorize a Deputy Administrator to exercise the powers and perform the duties and functions of the Administrator in relation to any particular matter or in relation to any class of matters specified by him and, when so authorized, a Deputy Administrator shall perform the duties and functions and may exercise the powers of the Administrator in respect of that particular matter or in respect of all matters within that class of matters, as the case may be.

(2) Le Directeur peut autoriser un sous-directeur à exercer les pouvoirs et fonctions du Directeur à l'égard d'une question ou d'une catégorie de questions précisée par lui; le sous-directeur investi par cette autorisation doit exercer les fonctions du Directeur et peut exercer les pouvoirs du Directeur à l'égard de cette question ou de toute question comprise dans la même catégorie, selon le cas.

5 Délégation de pouvoirs au sous-directeur

Powers of Administrator not affected

(3) The exercise, pursuant to this Act, of any of the powers, duties or functions of the Administrator by a Deputy Administrator does not in any way limit, restrict or qualify the powers, duties or functions of the Administrator, either generally or with respect to any particular matter.

(3) L'exercice des pouvoirs et fonctions du Directeur par un sous-directeur conformément à la présente loi ne limite ni ne modifie les pouvoirs et fonctions du Directeur, que ce soit d'une manière générale ou limitée à un objet particulier.

Pouvoir de l'administration

Staff

(4) Section 7 and subsection 10(1) apply, with such modifications as the circumstances require, in relation to the staffing of the office of the Administrator, the provision of technical assistance to the Administrator and the status for the purposes of the *Public Service Superannuation Act* of the Administrator and persons engaged on a temporary basis to advise and assist the Administrator.

(4) L'article 7 et le paragraphe 10(1) s'appliquent, avec les aménagements qui découlent des circonstances, à l'emploi du personnel du Bureau du Directeur, à la rétention des services d'experts pour le Directeur et au statut, pour l'application de la *Loi sur la pension de la Fonction publique*, du Directeur et des personnes dont les services sont retenus à titre temporaire pour conseiller le Directeur et collaborer avec lui.

Personnel

Superannuation, etc.

(5) The Acts referred to in subsection 10(2) are amended in the manner therein set out by adding to the Schedules therein referred to the "Office of the Administrator under the *Anti-Inflation Act*".

(5) Les lois citées au paragraphe 10(2) sont modifiées de la manière qui y est prévue par l'adjonction du Bureau du Directeur en vertu de la *Loi anti-inflation*.

Pensions, etc.

Duties and Powers of the Administrator

Fonctions et pouvoirs du Directeur

Duties

17. (1) Where the Anti-Inflation Board or the Governor in Council advises the Administrator that it or he has reasonable grounds for believing that a supplier, employer or other person other than an employee to whom the guidelines apply has contravened, is contravening or is likely to contravene the guidelines, the Administrator shall make such inquiries

17. (1) Dans les cas où la Commission ou le gouverneur en conseil l'informent qu'ils ont des motifs raisonnables de croire qu'un fournisseur, un employeur ou une personne, autre qu'un employé, liée par les indicateurs, contreviennent ou ont contrevenu aux indicateurs ou qu'ils le feront vraisemblablement, le Directeur doit user des pouvoirs que lui confère la

Fonctions

and undertake such investigations within the powers conferred on him by this Act as in his opinion are required in order to enable him to determine whether the supplier, employer or other person has contravened, is contravening or is likely to contravene the guidelines.

présente loi pour procéder aux enquêtes qu'il juge nécessaires pour établir ces faits.

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Reports by Board

(2) The Anti-Inflation Board shall, forthwith after advising the Administrator as provided in subsection (1), report to the Governor in Council that such action has been taken and a copy of each such report, and of each advice given by the Governor in Council to the Administrator pursuant to subsection (1), shall be laid before Parliament forthwith after the making or giving thereof or, if Parliament is not then sitting, on any of the first ten days next thereafter that Parliament is sitting.

(2) La Commission doit faire rapport au gouverneur en conseil dès qu'elle communique ses motifs au Directeur dans les circonstances envisagées au paragraphe (1); une copie du chaque rapport et des avis communiqués au Directeur par le gouverneur en conseil en vertu du paragraphe (1) doit être déposée devant le Parlement dès l'établissement du rapport ou la communication de l'avis, ou, le cas échéant, dans les dix premiers jours de la séance suivante.

Rapport de la Commission

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Reports by Administrator

(3) The Administrator shall report to the Minister on the disposition of each matter investigated by him pursuant to subsection (1) and generally on the performance of his duties and the exercise of his powers under this Act at such times and in such manner as the Minister may require, and a copy of each report made by the Administrator to the Minister under this section shall be laid before Parliament forthwith after receipt thereof by the Minister or, if Parliament is not then sitting, on any of the first ten days next thereafter that Parliament is sitting.

(3) Le Directeur doit faire rapport au Ministre sur chaque enquête effectuée en vertu du paragraphe (1) et, d'une manière générale sur l'exercice des fonctions et pouvoirs que lui confère la présente loi conformément aux directives qu'il reçoit de lui; le Ministre doit déposer sans délai une copie de tous les rapports qu'il reçoit en vertu du présent article devant le Parlement, ou, le cas échéant, dans les dix premiers jours de la séance suivante.

Rapport du Directeur

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Examination, Audit and Search

Examens, vérifications et perquisitions

Supplementary information

18. The Administrator may, for any purpose related to the performance of his duties under this Act, by registered letter or by a demand served personally, require from any person or employee organization

18. Pour l'exécution des fonctions que lui confère la présente loi, le Directeur peut, par voie de lettre recommandée ou de demande signifiée à personne, exiger d'une personne ou d'un syndicat

Complément d'information

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- (a) any information or additional information, including a return of information or a supplementary return, or
- (b) production, or production on oath, of any books, letters, accounts, invoices, statements (financial or otherwise) or other documents,

- a) la divulgation de renseignements ou la production de déclarations, ou
- b) la production, simple ou sous serment, de documents, notamment de livres, lettres, comptes, factures ou états financiers ou autres,

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within such reasonable time as is stipulated in the letter or demand.

dans le délai raisonnable qui y est fixé.

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Audit and examination

19. (1) Any person thereunto authorized by the Administrator for any purpose related to the performance of the duties of the Adminis-

19. (1) Pour les objets rattachés à l'exécution des fonctions que la présente loi confère au Directeur, les personnes qu'il autorise peu-

Vérification et examen

trator under this Act may, at all reasonable times, enter 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 and

(a) audit or examine the books and records, any compensation agreement and any account, voucher, letter, telegram or other document that relates or may relate to the information that is or should be in the books or records or that is connected with any compensation agreement;

(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;

(c) require the owner or manager of the property or business and any other person on the premises or place to give him all reasonable assistance with his audit or examination and to answer all proper 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 the owner or manager 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 contravention of this Act or the guidelines, seize and take away any of the documents, books, records, papers or things that may be required as evidence of a contravention of the Act or the guidelines.

vent pénétrer à toute heure raisonnable en tous lieux ou locaux d'exploitation, d'entreposage, d'activité ou de conservation, effective ou présumée, des livres ou registres, d'une entreprise, et

a) vérifier ou examiner les livres et registres, les accords de rémunération, ainsi que tous documents, tels que factures, pièces justificatives, lettres ou télégrammes, se rapportant ou susceptibles de se rapporter aux renseignements qui figurent ou devraient figurer dans les livres ou registres ou qui concernent les accords de rémunération;

b) examiner les biens portés en inventaire ou les biens, procédés ou choses dont l'examen peut, à leur avis, les aider à vérifier l'exactitude de l'inventaire ou des renseignements qui sont ou devraient figurer dans les livres ou registres;

c) requérir la présence sur les lieux du propriétaire ou du responsable des biens ou de l'entreprise et leur demander ainsi qu'à toute autre personne se trouvant sur les lieux ou dans les locaux, d'apporter, dans la mesure du possible, leur concours aux opérations de vérification ou d'examen et de répondre à toutes les questions utiles, soit oralement, soit, sur demande, par écrit, sous serment ou par déclaration solennelle; et

d) dès qu'elles estiment qu'une contravention à la présente loi ou aux indicateurs a été commise, saisir et emporter les documents, livres, registres, pièces ou choses qui peuvent constituer des éléments de preuve.

Search

(2) Where the Administrator is satisfied that there are reasonable and probable grounds to believe that this Act or the guidelines have been contravened, are being contravened or are likely to be contravened, he may, with the approval of a judge of a superior, district or county court, which approval the judge is hereby empowered to give on *ex parte* application, authorize in writing any person engaged in the performance of the duties of the Administrator under this Act, together with such members of the Royal Canadian Mounted Police or other peace officers as he calls on to assist him and such other persons as may be

(2) Le Directeur qui a des motifs raisonnables de croire qu'il est probable qu'une contravention à la présente loi ou aux indicateurs a été commise, est commise ou sera vraisemblablement commise dans un avenir rapproché peut, avec l'autorisation d'un juge d'une cour supérieure ou d'une cour de district ou de comté, qui peut l'accorder *ex parte*, autoriser par écrit toute personne qui concourt à l'exécution des fonctions que la présente loi confère au Directeur, les membres de la Gendarmerie royale du Canada ou les agents de la paix dont il demande le concours et toute autre personne nommément désignée, à visiter, de

mentioned therein, to enter and search, if necessary by force, any building, receptacle or place for documents, books, records, compensation agreements, papers or things that may afford evidence as to the contravention or likely contravention of this Act or the guidelines and to seize and take away any such documents, books, records, compensation agreements, papers or things and retain them until they are produced in any proceedings before the Appeal Tribunal or any court of law relating to the administration or enforcement of this Act.

force au besoin, tout bâtiment, contenant ou lieu, à saisir les documents, livres, registres, accords de rémunération, pièces ou éléments de preuve susceptibles d'établir la contravention ou contravention éventuelle et à les retenir jusqu'à leur production devant la Commission d'appel ou un tribunal judiciaire dans le cadre de l'application de la présente loi.

Application of certain provisions of Income Tax Act

(3) Subsections 231(2), (5), (6), (9) and (10) of the Income Tax Act apply with respect to audits, examinations and searches conducted under subsections (1) and (2) of this section as if the references therein to "any officer of the Department of National Revenue" were references to "any officer engaged in the performance of the duties of the Administrator under this Act", as if the references therein to the "Minister" were references to the "Administrator", as if the reference in subsection 231(2) to "a violation of this Act or a regulation" were a reference to "a contravention of this Act or the guidelines", as if the references in paragraph 231(2)(a) and subsection 231(6) to paragraph (1)(d) were references to paragraph (1)(d) of this section and as if the references in subsections 231(5) and (6) to subsection (4) were references to subsection (2) of this section.

(3) Les paragraphes 231(2), (5), (6), (9) et (10) de la Loi de l'impôt sur le revenu s'appliquent aux vérifications, examens et perquisitions effectués en vertu des paragraphes (1) et (2) du présent article comme si un «fonctionnaire du ministère du Revenu national» désignait un «fonctionnaire qui concourt à l'exécution des fonctions que la présente loi confère au Directeur» comme si le «Ministre» désignait le «Directeur», comme si, au paragraphe 231(2), une «infraction à la présente loi ou à un règlement», constituait «une contravention à la présente loi ou aux indicateurs», comme si à l'alinéa 231(2)a) et au paragraphe 231(6), le renvoi à l'alinéa (1)d) constituait un renvoi à l'alinéa (1)d) du présent article et comme si, aux paragraphes 231(5) et (6), le renvoi au paragraphe (4) constituait un renvoi au paragraphe (2) du présent article.

Application de certaines dispositions de la Loi de l'impôt sur le revenu

Orders

Ordonnances

Anticipated contravention of guidelines

20. (1) Where the Administrator is satisfied that a person is likely to contravene the guidelines, he may make such order as he deems appropriate to prohibit the person from contravening the guidelines generally, or in a particular manner specified in the order.

20. (1) Le Directeur peut, dans les cas où il est convaincu qu'une personne contreviendrait vraisemblablement aux indicateurs, rendre l'ordonnance qu'il juge indiquée pour lui interdire de contrevenir aux indicateurs, soit d'une manière générale, soit de la manière que précise l'ordonnance.

Contravention apprehended aux indicateurs

Where excess revenue derived in course of business

(2) Where a person has, as a result of a contravention of the guidelines, derived revenue in the course of a business that exceeds the revenue he would have derived if he had not contravened the guidelines, the Administrator may make such order as he deems appropriate to accomplish either or both of the following objectives:

(2) Le Directeur qui constate qu'une contravention aux indicateurs a permis à une personne de tirer de l'exploitation d'une entreprise des recettes qu'elle n'aurait pas obtenues autrement, peut rendre l'ordonnance qu'il juge indiquée pour un ou plusieurs des objets suivants:

Recettes excessives tirées de l'exploitation d'une entreprise

- a) interdire au contrevenant de continuer de contrevenir aux indicateurs, soit d'une

(a) to prohibit the person from continuing to contravene the guidelines generally, or in a particular manner specified in the order; and

(b) to require the person to return to the persons from whom he derived the excess revenue, if those persons are reasonably identifiable or, in any other case, to rebate to persons doing business with him, an amount stated in the order equal to the whole or any portion of the excess revenue so derived, as estimated by the Administrator.

Alternative form of order

(3) Where the Administrator is authorized by subsection (2) to make an order against a person but, in the opinion of the Administrator, an order to accomplish the objective described in paragraph (2)(b) would not be practicable, the Administrator may, in lieu thereof, by order, require the person to pay to Her Majesty in right of Canada an amount stated in the order equal to the whole or any portion of the excess revenue, as estimated by the Administrator.

Where excess amount paid or credited

(4) Where a person has contravened the guidelines by paying or crediting as compensation or as a dividend, an amount that exceeds the amount that he was, under the guidelines authorized to so pay or credit, the Administrator may make such order as he deems appropriate to accomplish either or both of the following objectives:

(a) to prohibit the person from continuing to contravene the guidelines generally, or in a particular manner specified in the order; and

(b) where no order has been made by him pursuant to subsection (5) arising out of the same circumstances, to require the person to pay to Her Majesty in right of Canada or to withhold out of subsequent payments or credits of a like nature and pay to Her Majesty in right of Canada, an amount stated in the order equal to the whole or any portion of the excess payment or credit, as estimated by the Administrator.

Where excess revenue derived otherwise than in course of business

(5) Where a person has, as a result of an act or omission that he knew or ought reasonably to have known contravened the guidelines, received any compensation or a dividend in an

manière générale, soit de la manière que précise l'ordonnance; et

b) ordonner au contrevenant de restituer aux personnes lésées, dans la mesure où il est raisonnablement possible de les identifier, ou dans le cas contraire, aux personnes avec lesquelles il fait affaire, la totalité ou la partie, précisée par l'ordonnance, du surcroît de recettes estimé par le Directeur.

(3) Le Directeur fondé à rendre une ordonnance en vertu du paragraphe (2) qui estime impossible d'agir en vertu de l'alinéa (2)(b), peut rendre une ordonnance obligeant le contrevenant à verser à Sa Majesté du chef du Canada une somme égale à la totalité ou à la partie, précisée par l'ordonnance, du surcroît de recettes estimé par le Directeur.

Substitution d'une autre sanction

(4) Le Directeur qui constate qu'une personne a contrevenu aux indicateurs en versant ou créditant, à titre de rémunération ou de dividende, une somme supérieure aux indicateurs peut rendre l'ordonnance qu'il juge indiquée pour un ou plusieurs des objets suivants:

Versements ou crédits excessifs

a) interdire au contrevenant de continuer de contrevenir aux indicateurs, soit d'une manière générale, soit de la manière que précise l'ordonnance; et

b) ordonner au contrevenant, en l'absence d'une ordonnance fondée sur les mêmes faits rendue en vertu du paragraphe (5), de verser à Sa Majesté du chef du Canada, ou de retenir sur les versements ou crédits ultérieurs de même nature et de verser à Sa Majesté du chef du Canada, à titre d'amende, la totalité ou la partie, précisée par l'ordonnance, du surcroît de recettes estimé par le Directeur.

(5) Le Directeur qui constate qu'une personne a reçu une rémunération ou un dividende, par suite d'une action ou d'une abstention alors qu'elle savait ou aurait raisonnablement dû savoir qu'elle était en contravention des lignes directrices, peut rendre l'ordonnance qu'il juge indiquée pour un ou plusieurs des objets suivants:

Recettes excessives non tirées de l'exploitation d'une entreprise

amount or value that exceeds that which he would have received if the person from whom he received the compensation or dividend had not contravened the guidelines, the Administrator may make such order as he deems appropriate to accomplish either or both of the following objectives:

- (a) to prohibit the person from accepting any further such compensation or dividend in an amount or value that exceeds that which he would have received if the person from whom he received the compensation or dividend had not contravened the guidelines; and
- (b) where no order has been made by him pursuant to subsection (4) arising out of the same circumstances, to require the person to pay to Her Majesty in right of Canada an amount stated in the order equal to the whole or any portion of the excess amount or value so received, as estimated by the Administrator.

Penalty amount in case of knowing contravention

(6) Where the circumstances that give rise to the making of an order under paragraph (2)(b), subsection (3) or paragraph (5)(b) disclose that the person against whom the order was made knowingly contravened or conspired knowingly to contravene the guidelines, the Administrator, in addition to making such order, may, by order, direct the person to pay to Her Majesty in right of Canada a penalty in an amount equal to 25% of the excess revenue or other amount or value derived or received by the person, as estimated by the Administrator pursuant to paragraph (2)(b), subsection (3) or paragraph (5)(b).

Idem

(7) Where the circumstances that gave rise to the making of an order under paragraph (4)(b) disclose that the person against whom the order was made knowingly contravened the guidelines, the Administrator, in addition to making such order, may, by order, direct the person to pay to Her Majesty in right of Canada a penalty in an amount equal to 25% of the excess amount paid or credited by the person, as estimated by the Administrator pursuant to paragraph (4)(b).

Effect of order

(8) An order of the Administrator made pursuant to subsection (1), paragraph (2)(a), (4)(a) or (5)(a) is binding on the person against

blement d'être d'avoir que le montant ou la valeur de ceux-ci n'auraient pas été aussi élevés si la personne qui les lui a versés n'avait pas contrevenu aux indicateurs peut rendre l'ordonnance qu'il juge indiquée pour un ou plusieurs des objets suivants:

- a) interdire à cette personne de continuer à accepter cette rémunération ou ces dividendes dans la mesure où ils dépassent ceux qu'elle aurait reçus si la personne qui les lui a versés n'avait pas contrevenu aux indicateurs; et
- b) ordonner à cette personne, en l'absence d'une ordonnance fondée sur les mêmes faits rendue en vertu du paragraphe (4), de verser à Sa Majesté du chef du Canada la totalité ou la partie, précisée par l'ordonnance, du surcroît estimé par le Directeur.

(6) Dans les cas où le Directeur constate, à la lumière des faits qui donnent lieu à des ordonnances en vertu de l'alinéa (2)b), du paragraphe (3) ou de l'alinéa (5)b), que la personne visée a sciemment contrevenu aux indicateurs ou qu'elle a sciemment comploté en vue d'y contrevenir, il peut en outre lui ordonner, par ordonnance, de verser à Sa Majesté du chef du Canada une amende égale à 25% du surcroît estimé par lui en vertu de l'alinéa (2)b), du paragraphe (3) ou de l'alinéa (5)b).

Amende en cas de contravention délibérée

(7) Dans les cas où il constate, à la lumière des faits qui donnent lieu à une ordonnance en vertu de l'alinéa (4)b), que la personne visée a sciemment contrevenu aux indicateurs, le Directeur peut en outre lui ordonner, par ordonnance, de verser à Sa Majesté du chef du Canada une amende égale à 25% du surcroît versé ou crédité, estimé par lui en vertu de l'alinéa (4)b).

Portée des ordonnances

(8) Les ordonnances que le Directeur rend en vertu du paragraphe (1), des alinéas (2)a), (4)a) ou (5)a) lient les personnes qu'elles visent

whom it is made notwithstanding any agreement that was entered into after October 13, 1975 (whether before or after the order was made), notwithstanding any other Act or law enacted or made before or after the coming into force of this Act, and notwithstanding that the order conflicts with anything that was established in accordance with or approved pursuant to any such other Act or law.

Penalty for failure to maintain books and records or to file return, etc.

21. Where a person who is required by this Act or by a registered letter sent or demand made by the Administrator pursuant to this Act

- (a) to maintain books and records, or
- (b) to file a return, a supplementary return, information or additional information fails to do so as and when required by this Act or the letter or demand, the Administrator may, subject to subsection 44(8), by order, direct him to pay to Her Majesty in right of Canada a penalty of not less than one hundred dollars and not more than the lesser of
 - (c) one hundred dollars for each day during which he so failed to maintain the books and records or during which he was in default in filing the return, additional return, information or additional information, and
 - (d) ten thousand dollars.

Rescission or variation of orders

22. The Administrator may from time to time, by order, rescind an order made by him pursuant to section 20 or 21 or vary any such order in a manner consistent with his authority to make orders pursuant to whatever provision of those sections is applicable.

Notice of orders to be given

23. (1) A copy of an order made by the Administrator pursuant to section 20, 21 or 22 shall be sent by him, by registered mail or in such other manner as is prescribed by the regulations, to each person against whom the order is made and to the Clerk of the Privy Council.

Application of certain provisions of Income Tax Act

(2) Subsections 244(14) and (15) of the *Income Tax Act* apply with respect to orders referred to in subsection (1) as if such orders were notices of assessment and as if the references in those subsections to the "Minister" were references to the "Administrator".

nonobstant tout accord ou entente intervenus après le 13 octobre 1975 (qu'elle soit avant ou après l'établissement des ordonnances), nonobstant toutes autres lois ou règles de droit adoptées ou établies avant ou après l'entrée en vigueur de la présente loi et même si elles sont incompatibles avec des mesures prises ou approuvées conformément à ces autres lois ou règles de droit.

21. Sous réserve du paragraphe 44(8), le Directeur peut, par ordonnance, ordonner à la personne qui fait défaut

- a) de tenir les livres et registres, ou
- b) de présenter les déclarations ou de divulguer les renseignements exigés par la présente loi ou par le Directeur par lettre recommandée ou par des demandes communiquées conformément à la présente loi en respectant les conditions d'exécution et de temps qui y sont fixées, de verser à Sa Majesté du chef du Canada une amende minimale de cent dollars mais non supérieure à la moins élevée des sommes suivantes:
 - c) cent dollars par jour d'infraction, ou
 - d) dix mille dollars.

Sanction du défaut de tenir les livres et registres ou de divulguer les déclarations, etc.

Modification ou annulation des ordonnances

22. Le Directeur peut, par ordonnance, annuler une ordonnance qu'il a rendue en vertu des articles 20 ou 21 ou la modifier conformément au pouvoir de rendre des ordonnances que lui confère les articles applicables.

Signification des ordonnances

23. (1) Le Directeur doit transmettre, par courrier recommandé ou par tout autre moyen prescrit par règlement, copie des ordonnances prises en vertu des articles 20, 21 ou 22 à toutes les personnes visées et au greffier du Conseil privé.

Application de certaines dispositions de la Loi de l'impôt sur le revenu

(2) Les paragraphes 244(14) et (15) de la *Loi de l'impôt sur le revenu*, s'appliquent aux ordonnances visées au paragraphe (1) comme si elles étaient des avis de cotisation et comme si le terme "Ministre" désignait le "Directeur".

Governor in Council may vary or rescind

24. The Governor in Council may, within thirty days of receipt by the Clerk of the Privy Council of a copy of an order made by the Administrator, either upon petition of any person affected by the order or of his own motion, by order, rescind the order of the Administrator or instruct the Administrator to vary his order pursuant to the authority vested in him by section 22 in a manner specified in the order of the Governor in Council, and an order made by the Governor in Council under this section is binding on the Administrator upon a copy thereof, certified by the Clerk of the Privy Council, being sent to the Administrator and each person against whom the order of the Administrator was made by or on behalf of the Clerk of the Privy Council, by registered mail or in such other manner as is prescribed by the regulations.

24. Dans les trente jours de la réception par le greffier du Conseil privé d'une copie d'une ordonnance du Directeur, le gouverneur en conseil peut, par décret, soit à la requête d'une personne touchée par elle, soit de sa propre initiative, annuler l'ordonnance du Directeur ou ordonner à ce dernier de la modifier conformément au décret en vertu des pouvoirs que lui confère l'article 22; tout décret pris en vertu du présent article lie le Directeur dès qu'une copie, certifiée conforme par le greffier du Conseil privé, est transmise par celui-ci ou en son nom par courrier recommandé, ou par tout autre moyen prescrit par règlement, au Directeur et à toutes les personnes visées par son ordonnance.

Modification ou annulation par le gouverneur en conseil

Recovery of amounts due to Her Majesty

25. All amounts payable to Her Majesty in right of Canada under orders made pursuant to sections 20, 21 and 22 are debts due to Her Majesty and are recoverable as such in the Federal Court of Canada or any other court of competent jurisdiction or in any other manner provided by the *Income Tax Act*, as if the amounts were amounts payable under that Act and as if references in sections 223 to 225 of that Act to the "Minister" were references to the "Administrator".

25. Les créances de Sa Majesté du chef du Canada qui découlent des ordonnances prises en vertu des articles 20, 21 et 22 sont recouvrables devant la Cour fédérale du Canada ou un autre tribunal compétent ou de toute autre manière prévue par la *Loi de l'impôt sur le revenu* comme si elles découlaient de cette dernière et comme si, aux articles 223 à 225, «Ministre» désignait le «Directeur».

Recouvrement des créances de Sa Majesté

PART III
APPEALS

Anti-Inflation Appeal Tribunal

Appeal Tribunal established

26. (1) There is hereby established a tribunal to be known as the Anti-Inflation Appeal Tribunal consisting of a Chairman and such other members as are from time to time appointed by the Governor in Council.

Tenure of members

(2) The Chairman of the Appeal Tribunal shall be appointed to hold office during good behaviour for a term not exceeding three years but may be removed by the Governor in Council for cause, and each other member shall be appointed to hold office during pleasure for a term not exceeding three years.

Basis on which members to be appointed

(3) The Governor in Council shall, from time to time, appoint such number of members of

PARTIE III
APPELS

Tribunal d'appel en matière d'inflation

26. (1) Est constitué le Tribunal d'appel en matière d'inflation dont le président et les membres sont nommés par le gouverneur en conseil.

(2) Le président du Tribunal d'appel est nommé à titre inamovible pour un mandat de trois ans au maximum et le gouverneur en conseil peut, pour des motifs valables, le démettre de ses fonctions; les autres membres sont nommés à titre amovible pour un mandat de trois ans au maximum.

(3) Le gouverneur en conseil nomme le nombre de membres qu'il estime nécessaire à

Constitution du Tribunal d'appel

Mandat

Nombre de membres

the Appeal Tribunal as he considers necessary to enable the Appeal Tribunal to deal effectively and expeditiously with appeals taken to it pursuant to this Act.

l'expédition rapide et efficace des appels dont le Tribunal d'appel est saisi en vertu de la présente loi.

Official seal	(4) The Appeal Tribunal shall have an official seal, which shall be judicially noticed.	5 (4) Le Tribunal d'appel a un sceau officiel qui est de connaissance judiciaire.	Sceau officiel 5
Powers	(5) The Appeal Tribunal has, as regards the attendance, swearing and examination of witnesses and the production and inspection of documents, and as regards other matters necessary or proper for the due exercise of its jurisdiction, all such powers, rights and privileges as are vested in a superior court of record.	10 (5) Le Tribunal d'appel a, en ce qui concerne la comparution, la prestation de serments et l'interrogatoire des témoins, la production et l'examen de documents et toutes les questions nécessaires ou utiles à l'exercice de sa compétence, tous les pouvoirs d'une cour supérieure d'archives.	Pouvoirs
Duties of Chairman	27. (1) The Chairman of the Appeal Tribunal is the chief executive officer thereof and has supervision over and direction of the work of the Appeal Tribunal including (a) the apportionment of work among the members thereof and the assignment of a member or members to consider appeals taken to the Appeal Tribunal; (b) where the Appeal Tribunal sits in panels, the assignment of members to preside over such panels; and (c) generally, the conduct of the work of the Appeal Tribunal, the management of its internal affairs and the duties of the staff of the Appeal Tribunal.	27. (1) Le président est le premier dirigeant du Tribunal d'appel, il assume la surveillance et la direction de ses travaux et notamment 15 a) répartit les travaux entre les membres et désigne les membres chargés d'entendre les appels dont le Tribunal d'appel est saisi; b) nomme, au besoin, les présidents d'audience; et 20 c) détermine, d'une façon générale, la conduite des travaux du Tribunal d'appel, sa régie interne et les fonctions de son personnel.	Fonctions du président
Rules	(2) Subject to the approval of the Governor in Council, the Chairman of the Appeal Tribunal may make rules not inconsistent with this Act governing the carrying out of the affairs of the Appeal Tribunal and the practice and procedure in connection with appeals taken to it.	25 (2) Sous réserve de l'approbation du gouverneur en conseil, le président du Tribunal d'appel peut, dans la mesure compatible avec la présente loi, régir les affaires du Tribunal d'appel et établir des règles de pratique et de procédure applicables aux appels qu'elle entend.	Statuts et règles de pratique
Acting chairman	(3) The Minister may authorize one of the members of the Appeal Tribunal to act as Chairman for the time being in the event of the absence or incapacity of the Chairman or if the office of Chairman is vacant.	35 (3) Le Ministre peut désigner un président suppléant parmi les membres du Tribunal d'appel en cas d'absence ou d'empêchement du président ou de vacance de son poste.	Président suppléant
Salary of Chairman and remuneration of other members	28. (1) The Chairman of the Appeal Tribunal shall be paid such salary as is fixed by the Governor in Council and each other member shall be paid such fees or other remuneration for his services as are fixed by the Governor in Council.	45 28. (1) Le président du Tribunal d'appel reçoit le traitement que fixe le gouverneur en conseil et les autres membres reçoivent, en contrepartie de leurs services, la rémunération, notamment sous forme de jetons de présence, 40 que fixe le gouverneur en conseil.	Traitement du président et rémunération des autres membres

Expenses	(2) Each member of the Appeal Tribunal is entitled to be paid reasonable travel and living expenses incurred by him in the course of his duties under this Act while absent from his ordinary place of residence.	(2) Les membres du Tribunal d'appel ont droit au remboursement des frais de déplacement et de séjour raisonnables engagés dans l'exécution, hors de leur lieu ordinaire de résidence, des fonctions que leur confère la présente loi.	Indemnités 5
Principal office	29. (1) The principal office of the Appeal Tribunal shall be in the National Capital Region described in the schedule to the National Capital Act.	29. (1) Le bureau principal du Tribunal d'appel est situé dans la région de la Capitale nationale définie à l'annexe de la Loi sur la Capitale nationale.	Bureau principal 10
Sittings throughout Canada	(2) The Appeal Tribunal shall sit at such times and at such places throughout Canada as are considered necessary by the Chairman for the proper conduct of its business.	(2) Le tribunal d'appel peut siéger partout au Canada, aux lieux et dates que le président estime nécessaires à la bonne marche de ses travaux.	Déplacement de la Commission d'appel
Staff	(3) Section 7 and subsection 10(1) apply, with such modifications as the circumstances require, in relation to the staffing of the Appeal Tribunal, the provision of technical assistance therefor and the status for the purposes of the Public Service Superannuation Act of members of the Appeal Tribunal and persons engaged on a temporary basis to advise and assist the Tribunal.	(3) L'article 7 et le paragraphe 10(1) s'appliquent, avec les aménagements qui découlent des circonstances, à l'emploi du personnel du Tribunal d'appel, à la rétention des services d'experts et au statut, pour l'application de la Loi sur la pension de la Fonction publique, des membres du Tribunal d'appel et des personnes dont les services sont retenus à titre temporaire pour qu'ils conseillent le Tribunal d'appel et collaborent avec lui.	Personnel 15
Superannuation, etc.	(4) The Acts referred to in subsection 10(2) are amended in the manner therein set out by adding to the Schedules therein referred to the "Anti-Inflation Appeal Tribunal".	(4) Les lois citées au paragraphe 10(2) sont modifiées de la manière qui y est prévu par l'adjonction de "Tribunal d'appel en matière d'inflation".	Pensions, etc. 25

Appeals

Appels

Appeals to the Appeal Tribunal	30. (1) Any person (a) against whom an order has been made by the Administrator pursuant to section 20 or 21, or (b) who is affected by a variation pursuant to section 22, without his consent, of an order referred to in paragraph (a) that was made against him, may appeal to the Appeal Tribunal but no appeal under this section may be instituted after the expiration of sixty days from the day the order pursuant to section 20, 21 or 22, as the case may be, was made.	30. (1) Quiconque a) fait l'objet d'une ordonnance rendue par le Directeur en vertu des articles 20 ou 21, ou b) fait l'objet d'une ordonnance visée à l'alinéa a) et est touché par une modification qui y est apportée, sans son consentement, en vertu de l'article 22, doit interjeter appel devant le Tribunal d'appel dans les soixante jours qui suivent la date de l'ordonnance prise en vertu des articles 20, 21 ou 22, selon le cas.	Appels 30 35 40
Disposition of appeals	(2) The Appeal Tribunal may dispose of an appeal by (a) dismissing it; or (b) allowing it and (i) vacating the order appealed against,	(2) Le Tribunal d'appel statue sur les appels a) en les rejetant; b) en les accueillant et (i) en annulant l'ordonnance visée,	Décision en appel

(ii) varying the order appealed against, or
 (iii) referring the matter back to the Administrator for reconsideration and variation of the order.

(ii) en modifiant l'ordonnance visée, ou
 (iii) en renvoyant le dossier au Directeur, pour nouvel examen et révision.

Burden on appellant

(3) Subject to subsection (4), the Appeal Tribunal shall dispose of an appeal by dismissing it unless the appellant establishes to the satisfaction of the Tribunal that a disposition referred to in paragraph (2)(b) is warranted.

5 (3) Sous réserve du paragraphe (4), le Tribunal d'appel rejette tous les appels où l'appellant n'établit pas à sa satisfaction qu'une décision visée à l'alinéa (2b) s'impose.

L'appelant a la charge de la preuve

Burden in respect of penalties

(4) Where, on an appeal to the Appeal Tribunal, an order made pursuant to subsection 20(6) or (7) directing payment of a penalty amount is in issue, the burden of establishing the facts justifying the making of an order under whichever of those subsections is applicable is on the Administrator.

10 (4) Il incombe au Directeur d'établir les faits qui justifient l'ordonnance dans les cas où l'appel porte sur une ordonnance qui impose 10 une amende en vertu des paragraphes 20(6) ou (7).

Charge de la preuve pour les amendes

Appeal against variation

(5) Where, after an appeal is taken to the Appeal Tribunal against an order made pursuant to section 20 or 21, that order is varied pursuant to section 22, the appeal is not affected by the variation and, except where the variation was made with the consent of the appellant, an appeal against the variation may be joined with the appeal against the order made pursuant to section 20 or 21. 25

(5) L'appel qui porte sur une ordonnance rendue en vertu des articles 20 ou 21 n'est pas touché par une modification qui y est apportée 15 en vertu de l'article 22 après que le Tribunal d'appel est saisi de l'appel et celui-ci peut statuer simultanément sur la modification et sur l'appel principal, sauf si l'appelant a consenti à la modification. 20

Appel d'une modification

Procedure

Procédure

Condition precedent to hearing of appeal

31. (1) No appeal against an order made by the Administrator pursuant to section 20, 21 or 22 may be heard by the Appeal Tribunal unless, in the case of an appeal against an order directing the return, rebating or payment of an amount or the withholding of an amount or an appeal against an order varying any such order, evidence is filed with the Appeal Tribunal that the amount specified has been paid to the Receiver General to be held pending disposition of the appeal or security for payment thereof in a form and amount satisfactory to the Administrator has been given to him. 35

31. (1) Les ordonnances rendues par le Directeur en vertu des articles 20, 21 ou 22 ne sont pas susceptibles d'appel devant le Tribunal d'appel à moins que, dans le cas d'un appel portant sur une ordonnance qui prévoit le paiement ou la restitution d'une somme d'argent ou d'un appel portant sur une ordonnance modificatrice de celle-ci, l'appelant ne dépose auprès du Tribunal d'appel avec l'acte introductif, un document attestant que la somme a été payée au receveur général sous réserve de la décision ou que le Directeur a reçu des sûretés qu'il a jugées suffisantes. 30

Condition pour interjeter appel

Notice of appeal

(2) An appeal to the Appeal Tribunal shall be instituted by filing with the Tribunal a notice in writing in a form prescribed by the rules made pursuant to subsection 27(2). 40

(2) Les appels sont interjetés devant le Tribunal d'appel par le dépôt d'un avis écrit conforme aux règles établies en vertu du paragraphe 27(2). 35

Avis d'appel

Notice to Administrator

(3) Where an appeal is taken to the Appeal Tribunal, the Appeal Tribunal shall forthwith send a copy of the notice of appeal to the Administrator. 45

(3) Le Tribunal d'appel doit transmettre une copie de l'avis d'appel au Directeur dès qu'il en est saisi. 40

Avis au Directeur

How appeals to be dealt with	(4) The Appeal Tribunal is not bound by any legal or technical rules of evidence in conducting a hearing, and all appeals shall be dealt with by the Tribunal as informally and expeditiously as the circumstances and considerations of fairness permit.	(4) Le Tribunal d'appel n'est pas lié par les règles juridiques ou techniques de preuve dans la tenue de ses audiences; il statue sur les appels de façon expéditive et sans formalisme, dans toute la mesure compatible avec les circonstances et l'équité.	Procédure d'appel
Hearings	32. (1) Subject to subsection (2), the Appeal Tribunal shall conduct a hearing in respect of each appeal coming before it at which the appellant and the Administrator shall be afforded an opportunity to present evidence, to cross-examine witnesses and to present argument.	32. (1) Sous réserve du paragraphe (2), le Tribunal d'appel tient, pour chaque appel dont il est saisi, une audience où l'appelant et le Directeur doivent avoir l'occasion de présenter des éléments de preuve, de contre-interroger les témoins et de présenter des arguments.	Audiences
Agreement to waive hearing	(2) Where an appellant and the Administrator, by agreement in writing filed with the Appeal Tribunal, waive a hearing before the Tribunal in connection with an appeal, the Tribunal may dispose of the appeal after considering only written submissions of the appellant and the Administrator.	(2) Le Tribunal d'appel peut statuer sur les arguments écrits des parties dans les cas où l'appelant et le Directeur renoncent à l'audience d'un commun accord en déposant un avis auprès du Tribunal d'appel.	Renonciation d'un commun accord à l'audience
Appeals to be heard by single member or panel	(3) Every appeal to the Appeal Tribunal and all business arising out of the appeal shall be heard, determined and disposed of by a single member or a panel of three members, as directed by the Chairman; and where a member or panel has been assigned by the Chairman to conduct a hearing in respect of an appeal, that member or the members of the panel constitute the Appeal Tribunal in relation to that appeal and all business arising out of it unless such assignment is revoked and another member or panel is assigned in relation to the appeal.	(3) Les appels interjetés devant le Tribunal d'appel et toutes les questions qui en découlent sont entendues, étudiées et réglées par un seul membre ou par un groupe de trois membres, conformément aux directives du président; le Tribunal d'appel ainsi constitué statue sur l'appel pour lequel il a été constitué et sur toutes les questions qui en découlent sauf annulation de la décision et remplacement des membres.	Audition des affaires par un ou plusieurs commissaires
Decision of panel	(4) A decision of a majority of the members of a panel of the Appeal Tribunal assigned to consider an appeal is a decision of the panel.	(4) Les décisions du Tribunal d'appel constituée de plusieurs membres sont prises à la majorité des voix.	Décision de la section
Right to appear	33. (1) All parties to an appeal to the Appeal Tribunal may appear in person or may be represented at the hearing by counsel or an agent.	33. (1) Les parties à un appel interjeté devant le Tribunal d'appel peuvent comparaître en personne ou se faire représenter à l'audience par leur avocat ou mandataire.	Droit de comparaitre
Hearing in public or in camera	(2) A hearing before the Appeal Tribunal shall be held in public unless the Tribunal is satisfied that a public hearing would not be in the public interest, in which case the hearing or any part thereof may, at the discretion of the Tribunal, be held in camera.	(2) Les audiences du Tribunal d'appel sont publiques; il peut toutefois, à sa discrétion, ordonner le huis clos total ou partiel s'il est convaincu que l'intérêt général l'exige.	Audiences publiques ou à huis clos

Reasons for decision	34. (1) The Appeal Tribunal shall, wherever practicable, give written reasons for its decisions.	34. (1) Le Tribunal d'appel doit motiver ses décisions par écrit toutes les fois que c'est possible.	Décisions motivées
Copy of decisions to Administrator and appellant	(2) Upon the disposition of an appeal, the Appeal Tribunal shall forthwith send, by registered mail or in such other manner as is prescribed by the regulations, a copy of the decision and any written reasons given therefor to the Administrator and the appellant.	(2) Après avoir statué sur un appel, le Tribunal d'appel doit communiquer sans délai, par courrier recommandé ou par tout autre moyen prescrit par règlement, une copie de sa décision et de ses motifs au Directeur et à l'appellant.	Communication d'une copie de la décision à l'autorité responsable et à l'appellant
Publication of decisions and reasons	(3) Subject to subsection (4) but notwithstanding section 40, the Administrator may publish in such manner as he considers appropriate any decisions of the Appeal Tribunal and any reasons given therefor.	(3) Sous réserve du paragraphe (4) mais nonobstant l'article 40, le Directeur peut publier, de la manière qu'il juge indiquée, les décisions et motifs de décision du Tribunal d'appel.	Publication des décisions motivées
Limitation	(4) Where evidence or information with respect to a person or business that, in the opinion of the Appeal Tribunal, is in its nature confidential is given or elicited in the course of any hearing before the Appeal Tribunal, the evidence or information shall not be made public in such a manner as to be available for the use of any business competitor or rival of the person or business.	(4) Les témoignages ou les renseignements portant sur une personne ou une entreprise et fournis ou obtenus au cours d'une audience devant le Tribunal d'appel ne peuvent pas, si ce dernier juge qu'ils sont confidentiels, être publiés d'une manière que les rende accessibles aux entreprises qui leur font concurrence.	Restriction
Costs	35. No costs may be awarded by the Appeal Tribunal on the disposition of an appeal.	35. Le Tribunal d'appel n'accorde pas les dépens.	Dépens
Disposition of amounts held pending determination of appeal	36. Any amount held or security held pursuant to subsection 31(1) by the Administrator or the Receiver General pending disposition of an appeal under this Part shall be disposed of as ordered by the Appeal Tribunal, and where the Appeal Tribunal orders that any amount so held be repaid to the person by whom it was paid, such order shall require payment of interest thereon at a rate prescribed by the regulations from the day on which the amount was so paid until the day on which it is repaid pursuant to the order.	36. Les sommes ou les sûretés détenues par le Directeur ou le receveur général en vertu du paragraphe 31(1) en attendant le prononcé du jugement d'appel conformément à la présente Partie reçoivent la destination que prescrit le Tribunal d'appel; cette ordonnance doit, en cas de restitution, prévoir le versement d'intérêts calculés au taux réglementaire de la date du versement initial jusqu'à la date de la restitution.	Destination des sommes détenues en attendant le jugement d'appel

Stay and Effect of Appeal

Suspension et effet de l'appel

Stay pending prosecution	37. (1) Where, in any appeal under this Part, substantially the same facts are at issue as those that are at issue in a prosecution under this Act, the Administrator may file a stay of proceedings with the Appeal Tribunal, and thereupon proceedings before the Appeal Tribunal are stayed pending final disposition of the prosecution.	37. (1) Dans les cas où les faits en litige dans un appel interjeté en vertu de la présente Partie et dans une poursuite intentée en vertu de la présente loi sont essentiellement les mêmes, le Directeur peut déposer une demande de suspension des procédures en cours devant le Tribunal d'appel, et celles-ci sont dès lors	Suspension d'appel
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Effect of appeal

(2) An appeal under this Part does not operate to stay an order of the Administrator from or in relation to which the appeal is taken except as otherwise provided in the order or in any variation thereof, and then only on such terms and conditions as are specified in the order or variation thereof.

suspendues jusqu'au règlement définitif de la poursuite

(2) Les appels prévus par la présente Partie n'ont pour effet de suspendre l'ordonnance du Directeur qui fait l'objet de l'appel que dans la mesure et aux conditions que prévoit l'ordonnance ou une ordonnance modificatrice de cette dernière.

Effet de l'appel

Judicial Review of Decisions or Orders of Administrator and Appeal Tribunal

Contrôle judiciaire des décisions et ordonnances du Directeur et du Tribunal d'appel

Judicial review

38. For greater certainty, a decision or order of the Administrator under this Act is not subject to review or to be restrained, prohibited, removed, set aside or otherwise dealt with except to the extent and in the manner provided by this Act, but any decision or order of the Appeal Tribunal made by or in the course of proceedings before the Appeal Tribunal under this Part is subject to review and to be set aside by the Federal Court of Appeal pursuant to section 28 of the Federal Court Act.

38. Les décisions et ordonnances rendues par le Directeur en vertu de la présente loi échappent à toute forme de révision ou de contrôle à moins d'une disposition expresse de la présente loi; toutefois, l'article 28 de la Loi sur la Cour fédérale s'applique aux décisions ou ordonnances que le Tribunal d'appel rend en vertu de la présente Partie.

Contrôle judiciaire

PART IV

PARTIE IV

GENERAL

DISPOSITIONS GÉNÉRALES

Regulations

Règlements

Regulations

39. The Governor in Council may make regulations for carrying out the purposes and provisions of this Act and prescribing anything that, pursuant to any provision of this Act, is to be prescribed by the regulations.

39. Le gouverneur en conseil peut, par règlement, prendre les mesures nécessaires à la mise en œuvre des objets et des dispositions de la présente loi, notamment dans les cas où elle prévoit que des mesures peuvent être prescrites par règlement.

Règlements

Confidentiality

Protection des renseignements

Communication of privileged information

40. Section 14 applies, with such modifications in the terminology but not the principle thereof as the circumstances require, to all information with respect to a person or business obtained by any Minister of the Crown or any person engaged in the administration or enforcement of this Act who is not referred to in that section.

40. L'article 14 s'applique, avec les modifications de forme, et non de fond, que les circonstances exigent, aux renseignements qu'obtiennent sur une personne ou une entreprise tout ministre de la Couronne ou toute personne concourant à l'application de la présente loi qui n'est pas visée par ledit article.

Communication de renseignements protégés

*Administration of Oaths*Administration
of Oaths

41. Any person employed in the administration or enforcement of this Act, if he is designated by the Minister for the purpose, may, in the course of the administration or enforcement of this Act, administer oaths and take and receive affidavits, declarations and affirmations for the purposes of or incidental to the administration or enforcement of this Act, and every person so designated has for such purposes all the powers of a commissioner for administering oaths or taking affidavits.

*Execution of Documents*Execution of
documents by
corporation

42. A return of information or other document made by a corporation pursuant to this Act shall be signed on its behalf by the president, secretary or treasurer of the corporation or by any other officer or person thereunto duly authorized by the board of directors or other governing body of the corporation.

Injunctions to Restraint Violations

Injunction

43. (1) Where, on application by or on behalf of the Attorney General of Canada, a superior court is satisfied that there are reasonable grounds to believe that a person is about to violate or is violating an order made by the Administrator pursuant to subsection 20(1) or paragraph 20(2)(a), 20(4)(a) or 20(5)(a), the court may issue an injunction restraining that person from violating or continuing to violate that order.

Practice and
procedure

(2) An application under subsection (1) shall be governed by the practice and procedure of the court applied to.

Offences

Offences

44. (1) Any person who,
(a) knowing that statements in a representation made or a return filed under this Act are false or deceptive, makes or participates in, assents to or acquiesces in the making of those statements,
(b) to avoid compliance with this Act and the guidelines,

*Prestation de serments*Prestation de
serments

41. Les personnes désignées par le Ministre pour concourir à l'application de la présente loi peuvent, à cette fin, faire prêter les serments et recevoir les affidavits, déclarations et affirmations nécessaires et ont tous les pouvoirs d'un commissaire à l'assermentation.

*Signature des documents*Signature des
documents émanant des
corporations

42. Les déclarations de renseignements et autres documents établis par une corporation en conformité de la présente loi doivent être signés, en son nom, par son président, secrétaire ou trésorier ou par toute autre personne, y compris un dirigeant, dûment autorisée à cet effet par tout organe directeur de la corporation, notamment son conseil d'administration.

Injonctions

Injonction

43. (1) La cour supérieure, qui constate, à la suite d'une demande présentée par le procureur général du Canada ou en son nom, l'existence de motifs raisonnables de croire à la violation, réelle ou éventuelle, d'une ordonnance rendue en vertu du paragraphe 20(1) ou des alinéas 20(2)a), 20(4)a) ou 20(5)a), peut, par ordonnance, accorder une injonction interdisant à la personne de contrevenir ou de continuer de contrevenir à l'ordonnance.

(2) La demande prévue au paragraphe (1) est assujettie aux règles de pratique et de procédure de la cour qui en est saisie.

Infractions

Infractions

44. (1) Quiconque
a) fait des déclarations fausses ou trompeuses, ou y participe ou consent,
b) pour éviter de se conformer à la présente loi ou aux indicateurs,
(i) détruit, modifie, trompe, dissimule ou, d'une façon générale, élimine des registres ou livres de comptabilité,

(i) destroys, alters, mutilates, secretes or disposes of records or books of account,

(ii) makes or participates in, assents to or acquiesces in the making of false or deceptive entries in records or books of account, or

(iii) omits or participates in, assents to or acquiesces in the omission of a material particular from records or books of account,

(c) wilfully, in any manner, evades or attempts to evade compliance with any provision of this Act or an order made by the Administrator pursuant to section 20, 21 or 22, or

(d) conspires with any person to commit an offence described in any of paragraphs (a) to (c),
is guilty of an offence and is liable,

(e) on summary conviction, to a fine of not less than two hundred dollars and not more than ten thousand dollars or to imprisonment for a term of two years or to both, or

(f) on conviction on indictment, to a fine in the discretion of the court, but not less than ten thousand dollars, and to imprisonment for a term of five years.

Idem (2) Any person who fails to comply with an order made against him by the Administrator pursuant to section 20, 21 or 22 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars or to imprisonment for a term of one year or to both.

Idem (3) Any person who fails to comply with section 5 is guilty of an offence and liable on summary conviction to a fine not exceeding five thousand dollars.

Idem (4) Any person who
(a) fails to comply with a requirement lawfully made pursuant to paragraph 19(1)(c),
(b) violates section 231(10) of the *Income Tax Act* as it applies with respect to audits, examinations and searches conducted pursuant to subsections 19(1) and (2) of this Act, or
(c) violates section 14 as it applies directly or by virtue of section 40

(ii) fait des inscriptions fausses ou trompeuses dans les registres ou livres de comptabilité, ou y participe ou consent, ou

(iii) omet de porter un renseignement aux registres ou livres de comptabilité, ou participe ou consent à cette omission,

c) délibérément, ne se conforme pas ou tente de ne pas se conformer à une disposition de la présente loi ou à une ordonnance rendue par le Directeur en application des articles 20, 21 ou 22, ou

d) complotte avec d'autres personnes en vue de commettre une infraction visée aux alinéas a) à c),

est coupable d'une infraction et passible,

e) sur déclaration sommaire de culpabilité, d'une amende de deux cents à dix mille dollars ou d'une peine d'emprisonnement de deux ans ou de ces deux peines à la fois, ou

f) sur déclaration de culpabilité à la suite d'un acte d'accusation, d'une amende dont le montant, d'au moins dix mille dollars, est laissé à la discrétion du tribunal et d'une peine d'emprisonnement de cinq ans.

(2) Quiconque ne se conforme pas à une ordonnance rendue par le Directeur en application des articles 20, 21 ou 22 est coupable d'une infraction et passible, sur déclaration sommaire de culpabilité, d'une amende d'au plus cinq mille dollars ou d'une peine d'emprisonnement d'un an ou de ces deux peines à la fois.

(3) Quiconque viole l'article 5 est coupable d'une infraction et passible, sur déclaration sommaire de culpabilité, d'une amende d'au plus cinq mille dollars.

(4) Quiconque

a) ne se conforme pas à un ordre régulièrement donné en conformité de l'alinéa 40 19(1)c),

b) contrevient au paragraphe 231(10) de la *Loi de l'impôt sur le revenu* dans la mesure où il s'applique aux vérifications, examens et perquisitions effectués en vertu des paragraphes 19(1) et (2) de la présente loi, ou

is guilty of an offence punishable on summary conviction.

c) contrevient à l'article 14, qu'il s'applique directement ou en vertu de l'article 40, est coupable d'une infraction et punissable sur déclaration sommaire de culpabilité.

Idem

(5) Any person who violates subsection 13(3) or fails to comply with a requirement of the Administrator pursuant to section 18 is guilty of an offence and liable on summary conviction to a fine not exceeding one hundred dollars for each day during which the offence continues.

(5) Quiconque contrevient au paragraphe 13(3) ou ne se conforme pas à une demande du Directeur conformément à l'article 18 est coupable d'une infraction et passible, sur déclaration sommaire de culpabilité, d'une amende d'au plus cent dollars par jour d'infraction.

5 Idem

Prosecution of employee organization

(6) A prosecution for an offence under subsection (4) or (5) may be brought against an employee organization and in the name of the employee organization, and for the purpose of such a prosecution, an employee organization shall be deemed to be a person, and any act or thing done or omitted by an officer or agent of an employee organization within the scope of his authority to act on behalf of the organization shall be deemed to be an act or thing done or omitted by the employee organization.

(6) Les poursuites fondées sur les contraventions prévues aux paragraphes (4) ou (5) peuvent être dirigées contre les syndicats qui sont réputés, à cette fin, avoir la personnalité morale. Les actions ou abstentions des cadres, fonctionnaires ou mandataires accomplis à l'intérieur des pouvoirs que le syndicat leur confère sont réputées être celles du syndicat.

Poursuites contre les syndicats

Officers, etc., of corporations

(7) Where a corporation commits an offence under subsection (2), (3), (4) or (5), 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 conviction to the punishment provided for the offence whether or not the corporation has been prosecuted or convicted therefor.

(7) Les dirigeants, administrateurs ou mandataires d'une corporation coupable d'une infraction tombant sous le coup des paragraphes (2), (3), (4) ou (5), qui ont ordonné ou autorisé l'acte constituant l'infraction, y ont consenti ou participé, sont parties à cette infraction et passibles, sur déclaration sommaire de culpabilité, de la peine applicable, que la corporation ait ou non été poursuivie ou condamnée.

Dirigeants, etc. de corporations

Saving as to penalty

(8) Where a person has been convicted of an offence under subsection (3) or (4), he is not liable to pay a penalty imposed by an order made pursuant to section 21 on the basis of the same or substantially the same facts unless the order imposing the penalty was made before the information or complaint giving rise to the conviction was laid or made.

(8) La personne déclarée coupable de l'infraction prévue aux paragraphes (3) ou (4) n'est tenue de payer l'amende imposée par une ordonnance rendue en vertu de l'article 21 à raison des mêmes faits ou de faits essentiellement les mêmes que si l'ordonnance a été rendue avant la formulation de la dénonciation ou de la plainte ayant donné lieu à la déclaration de culpabilité.

Réserve

Procedure and Evidence

Procédure et preuve

Application of certain provisions of Income Tax Act

45. Subsections 244(1) to (9), (11), (12) and (17) of the *Income Tax Act* apply for the purposes of this Act and the regulations as if the references therein to the "Department of National Revenue" and to the "Minister"

45. Les paragraphes 244(1) à (9), (11), (12) et (17) de la *Loi de l'impôt sur le revenu* s'appliquent à la présente loi et aux règlements comme si le "ministère du Revenu national" et le "Ministre" désignaient le "Directeur" et

Application de certaines dispositions de la Loi de l'impôt sur le revenu

were references to the "Administrator" and as if the reference in subsection 244(9) to a "taxpayer" were a reference to a "person".

comme si, au paragraphe 244(9), «contribuable» désignait une simple personne.

Coming into Force and Expiration

Entrée en vigueur et expiration

Coming into force

46. (1) This Act shall come into force on the day immediately following the day it is assented to.

46. (1) La présente loi entre en vigueur le 5 lendemain de sa sanction.

Entrée en vigueur

Expiration

(2) This Act expires on December 31, 1978, or on such earlier date as may be fixed by proclamation or a motion for the consideration of the House of Commons that is approved by the House pursuant to subsections (6) and (7) unless, before December 31, 1978 or any earlier date fixed by proclamation or any such motion for the consideration of the House that is so approved by the House, an Order in Council is made to the effect that this Act shall continue in force for such period of time as may be set out in the Order in Council.

(2) La présente loi cesse d'avoir effet à la date fixée par proclamation ou par une motion d'examen de la Chambre des communes approuvée par elle en vertu des paragraphes (6) et (7) ou, au plus tard, le 31 décembre 1978, sauf signature, avant cette date, d'un 10 décret prévoyant sa prorogation pour le terme y indiqué.

5 Expiration

Consideration of motion

(3) A motion for consideration of an Order in Council referred to in subsection (2) shall be laid before Parliament not later than three days after the Order is made or, if Parliament is not then sitting, within the first fifteen days next thereafter that Parliament is sitting, and each House shall, in accordance with the Rules of that House, take up and consider the motion, and all questions in connection with the motion taken up and considered by that House shall be debated without interruption and decided not later than the end of the third sitting day next after the day the motion is first so taken up and considered.

(3) Une motion d'examen de tout décret mentionné au paragraphe (2) doit être déposée devant le Parlement dans les trois jours de sa signature ou, le cas échéant, dans les quinze premiers jours de la séance suivante; chaque Chambre procède, selon son règlement, à l'examen de la motion, toutes les questions soulevées à ce sujet étant débattues sans interruption et tranchées dans les trois jours de séance suivants.

Etude de la motion

Effect of failure to approve of Order in Council

(4) If, at the conclusion of the consideration of an Order in Council pursuant to subsection (3), both Houses of Parliament do not resolve that the Order in Council be approved, it shall thereupon cease to have effect.

(4) Le décret cesse d'avoir effet si, à l'issue de l'examen prévu au paragraphe (3), les deux Chambres ne l'approuvent pas.

Effet du défaut d'approbation du décret

Effect of failure to resolve

(5) Failure of either House or both Houses of Parliament to resolve that an Order in Council referred to in subsection (2) be approved does not affect the validity of any action taken or not taken in reliance on the Order in Council prior to the conclusion of consideration thereof pursuant to subsection (3).

(5) La décision des deux Chambres ou de l'une d'entre elles de ne pas approuver le décret visé au paragraphe (2) n'attaque pas la validité des actions ou abstentions appuyées sur lui avant la fin de l'examen prévu au 30 paragraphe (3).

Effet du défaut d'approbation

Procedure where motion filed with Speaker

(6) Where, at any time after March 31, 1977 and before July 1, 1977, a motion for the consideration of the House of Commons,

(6) Lorsque, à quelque moment postérieur au 31 mars 1977, mais antérieur au 1^{er} juillet 1977, une motion, signée par au moins 50

Procédure lorsqu'une motion est remise à l'Orateur

A Guide to the Anti-Inflation Regulations

Please print
English side only
Do not do French
side of pages

The Anti-Inflation Regulation
Canada under authority granted
Inflation Act. The Act forms
as an independent agency of the Government and the
Board principal responsibility for ensuring compliance, with the
regulations. In those cases where the Board makes findings of
non-compliance, it is empowered to refer these cases to the
Administrator who may order compliance.

The regulations are divided into four parts with each part containing specific restraint rules for a particular type of income.

	Pages
Part 1 - Prices and Profits	1 to 25
Part 2 - Professional Fees and Income	28 to 32
Part 3 - Dividends	33 to 36
Part 4 - Compensation	37 to 60

Restraint rules in each part are an elaboration of the general principle contained in the Government's White Paper, Attack on Inflation. All restraint rules prescribe an acceptable pattern of behavior during the compliance period - generally a time period commencing on October 14, 1975 - which relates to behavior during the base period - generally some time period preceding October 14, 1975.

Part 1 Guidelines for the Restraint of Prices and Profit Margins

This part of the regulations refers to prices and profits generally. The key element of the rules for prices and profits is a formal calculation of excess revenue - earnings which would accrue to a firm if it maintained prices at levels above those which the regulations allow. Firms are expected, on their own initiative, to set prices in such a way that no excess revenue exists. The Anti-Inflation Board will, however, actively monitor the pricing activities of business firms to ensure compliance and, in those cases where the Board determines excess revenue is accruing to a firm, and its own activities do not lead to



remedial action it will recommend to the Administrator that formal steps be taken to alter a firm's behavior.

	Pages
Division 1 - Interpretation	1 to 6
Division 2 - Application of Part 1	7
Division 3 - General	8 to 10
Division 4 - Application	11 to 12
Division 5 - Profit Margin	13 to 18
Division 6 - Price Justification	19 to 21

Division 1 interprets the major terms used in the regulations in relation to restraining prices and profit margins. Most importantly, this division defines revenues, costs, and profits as they are to be measured for these purposes.

Division 2 specifies those business activities to which the regulations do and do not apply. Application refers only to the monitoring and investigation activities of the Board. Those areas of economic activity to which the regulations do not apply are expected to comply with them in spirit. If this does not prove to be the case, the Board is empowered to request that prices and profits not directly subject to these regulations apply only to their domestic business.

A number of general provisions dealing with such factors as frequency of price changes, seasonal prices, acceptable accounting standards, exceptions, and new products are found in Division 3.

The regulations provide for four different applications of the price and profit margin rules depending on the nature of a firm's business activity.

1. Distribution Rules
2. Unit Cost Rules
3. Product Line Net Margin Rules
4. General Net Margin Rules

Division 4 sets out the manner in which a firm selects one or more of these applications as is appropriate. Firms are first asked to segregate that part of their business which is distribution, the purchase and resale of goods, and apply the rules for distributors. Second, they segregate that part of their business for which there is a standard unit of output to which they can allocate costs and apply the unit cost rules. Third, they

segregate that part of their business for which they have identifiable product lines to which they can allocate costs and apply product line net margin rules. Finally, they apply the general net margin rule to that part of their business - which may be all of it - that does not fit under the first three rules.

The regulations provide for a "two-stage test" of compliance on the part of firms. The more formal and second of these tests is an annual determination of excess revenue under each of the few possible rules.

Division 5 specifies the calculation of excess revenue for business activities subject to each of the distribution, unit cost, product line net margin, and general net margin rules.

The first level test of compliance involves price justification at any time. Division 6 contains rules which parallel those in Division 5 but focus on measuring the acceptability of prices in terms of whether they are causing or may lead to excess revenue. It is these rules which the Board will utilize in its day-to-day price review activities.

Part 2 - Guidelines for the Restraint of Professional Fees and Income.

This part of the regulations refers specifically to architects, business and management consultants, chiropractors, dentists, engineers, lawyers and notaries, medical doctors and surgeons, optometrists, public accountants, and veterinarians. Generally, these professions are asked to not change either their fees or billing practices other than to recover increased costs, including compensation increases as allowed under Part 4.

Failure to comply with this provision could lead to excess revenue which is determined in much the same manner as for business firms.

These restraints apply to groups of professionals, working for a firm, in much the same way as the compensation regulations apply to groups of executives.

Part 3 - Dividends

Restraints on dividend payments of companies subject to Part 1 and Canadian companies listed on a Canadian stock exchange are provided for in Part 3.

The basic principle of the dividend rule is that dividend rates cannot be increased above their October 13 level, but no reduction in established dividend rates will be required. One exception to these quite stringent rules is that a company may pay, in the year beginning October 14, 1975, up to 25 per cent of its after tax earnings for its last fiscal year ended before October 13, 1975.

Part 4 Compensation

The Guidelines for the Restraint of Compensation consist of a list of interpretations, four divisions and three schedules. Numbers in parentheses refer to the section numbers in the regulations.

The interpretations (38 to 42) include definitions of a number of terms used in applying the regulations for a group and determining the one-year periods over which the rates of increase in compensation are calculated.

Criteria to be used in identifying groups of employees within a firm (39), the approaches to increases in amounts of overtime worked (40), determining the working hours of groups of executives (41,a), dealing with deferred payments (41,b) and calculating the rate of change in the Consumer Price Index (42) are described.

Division 1 describes the components of the regulations to be applied to each group of employees, the minimum and maximum increases (43) and the conditions under which special consideration may be given to groups during the transitional period (44).

The three factors which determine the maximum permissible rate of increase (45) and the methods of calculating the basic protection factor (46), the national productivity factor (47) and the experience adjustment factor (48) are described.

The experience adjustment factor, which is determined by the increase in compensation received by a group in the past (48(1) a and b), determines whether a group will be permitted to catch up or be restrained in successive guideline years (48(1) c, d and e).

Division 2 describes the methods of calculating the rate of increase in the four elements of compensation from a base year (50,a) to a guideline year (50,b).

The first element, the average hourly rate of pay for each group, is calculated for a base year (51) and the following guideline year (54). The employer's expenditures on benefits are also calculated for a base year (52) and the guideline year (55).

Where employees are paid piece rates or other direct incentives, the payments are calculated for a base year (53), but no limit will be applied to employees' earnings in the guideline year (56(1)) unless the direct incentive plan is changed. The method of calculating the effect of changes in a direct incentive plan is described (56(2)).

Division 3 describes the methods for determining changes in indirect incentives such as profit sharing plans, bonuses and stock option plans. Past payments may be averaged over a five-year period (57(1)(a) and (b)).

Methods of limiting the number of shares which may be allocated under stock option and similar plans are described (59). Any indirect incentive payments in the base year (60(1)) and the guideline year (60(2)) are included in calculating the compensation of each group of employees.

Division 4 consists of general guidelines which deal with mileage, clothing and other allowances to offset expenses (61) and perquisites such as club memberships, interest-free loans and discounts on purchases (62).

A number of provisions to discourage actions to circumvent the regulations on compensation deal with conventions (63), evaluation of jobs (64) and rates to be paid for new jobs (65).

A limit of \$2,400 on the absolute annual amount by which salary ranges may be increased is also set out in this division (67).

Schedule A is a table to be used in calculating the basic protection factor for groups where a guideline year started prior to October 14, 1975, (46).

Schedule B includes a list of benefits to be included in calculating changes in compensation. A number of kinds of benefit expenditures which are to be excluded from the calculation of changes in compensation are listed, including certain special payments to pension funds, health and safety measures and the elimination of discrimination in benefit plans.

Schedule C consists of a number of kinds of increases in pay which are to be excluded in calculating changes in compensation. They include increases to meet severe recruiting problems (a), measures to reduce the effects of technological change (b) and the elimination of sex discrimination in pay (d).

SUMMARY OF ANTI-INFLATION ACT (BILL C-73)

1. PURPOSE OF THE ACT

The purpose of the Federal Anti-Inflation Act is to contain and reduce inflation by restraining profit margins, prices, dividends and compensation.

2. APPLICABILITY

The Act and the guidelines noted therein apply to Her Majesty in right of Canada, agents of Her Majesty in right of Canada, the governments of the Yukon Territory and Northwest Territories and agents of those governments. The Act and guidelines do not apply to provincial governments and their agents unless provinces enter into agreement with the federal government which requests that they do apply. The Act is also applicable to these specified groups:

- firms or a group of associated firms with more than 500 employees;
- firms with employees who take part in industry-wide bargaining;
- construction industry firms with more than 20 employees;
- individuals or firms carrying on a professional business;

and any other supplier who might later be determined to be of strategic importance to the containment and reduction of inflation in Canada.

3. ANTI-INFLATION BOARD

The Act establishes an Anti-Inflation Board consisting of a Chairman and such other members as determined by the Governor in Council. The Board is serviced by the Anti-Inflation Secretariat (staff) which is made up of personnel seconded from other federal departments and agencies. The Chairman of the Anti-Inflation Board is the Chief Executive Officer of the Board. The overall purpose of the Board is to monitor changes in prices, profits, compensation and dividends; interpret anti-inflation regulations; and, promote public understanding of the inflationary process.

4. ADMINISTRATOR

By the authority of the Act the Governor in Council may appoint an Administrator who will have duties, powers and functions as delegated to him by the responsible Minister. The Administrator is the enforcer of the regulations. The Administrator, upon the advice of the Anti-Inflation Board or the federal government, can make inquiries and undertake investigation to determine if the regulations have or will be contravened. He reports his findings to the responsible Minister, who makes a copy of the Administrator's report available to Parliament. Also, the Administrator may, for any purpose related to the performance of his duties under the Act, examine, audit and search property, accounts, letters, etc., if he is satisfied that there are reasonable and probable grounds to believe that the Act or the guidelines have, are being or are likely to be contravened. The Administrator may also issue orders as he deems appropriate to prohibit contravening of guidelines generally or in a particular manner. The Administrator may issue penalties ranging from \$100.00 to \$10,000.00 for failure of individuals so requested by the Administrator to maintain books and records or to file returns, etc. The Governor in Council has, within 30 days, the power to rescind the orders issued by the Administrator.

5. ANTI-INFLATION APPEAL TRIBUNAL

The Act also establishes an Anti-Inflation Appeal Tribunal consisting of a Chairman and other members appointed by the Governor in Council. The Appeal Tribunal, as regards attendances, shall swear in and examine witnesses and the production and inspection of documents, and as regards other matters necessary or proper for the exercise of its jurisdiction, all such powers, rights and privileges as are vested in a superior court of record. Any person against whom an order, assessment, or penalty has been made by the Administrator subject to some conditions may appeal to the Appeal Tribunal. The Appeal Tribunal may dispose of an appeal by dismissing it or allowing it. Appeals can be heard by a single member of a panel from the Appeal Board. In the later case, a decision of a majority of the members of a panel is the decision of the panel. Hearings may be held in public or in camera, the choice being at the discretion of the Tribunal. A decision or order by the Appeal Tribunal may be subject to review by the Federal Court of Appeal.

6. GENERAL

The Anti-Inflation Act came into force immediately following the day it was assented to (December 16, 1975). It expires on December 31st, 1978 or on an earlier date as may be fixed by proclamation or a motion for the consideration and approval of the House of Commons before December 31st, 1978. This Act will be retro-active to October 14, 1975.

Highlights of the Anti-Inflation Regulations

The regulations established under Section 3 of the Anti-Inflation Act will be applied to these specified groups:

- firms or a group of associated firms with more than 500 employees;
- firms with employees who take part in industry-wide bargaining;
- construction industry firms with more than 20 employees;

- federal departments, agencies and corporations;
- participating provincial governments and their various offshoots, including all provincial agencies and municipal institutions;
- individuals or firms carrying on a professional business;

and any other supplier who might later be determined to be of strategic importance to the containment and reduction of inflation in Canada.

Regulations do not apply to:

- (1) the sale by original producers of unprocessed agricultural food or feed products;
- (2) the sale by fishermen of unprocessed fish and fish products;
- (3) the rental of real estate;
- (4) branch operations carried on outside Canada;
- (5) the price at the wellhead of natural gas, crude oil and natural gasoline;
- (6) sales to which the anti-inflation levy applies;
- (7) construction contracts obtained in competitive bidding by contractors who employ fewer than 500 employees.

Part 1: Price and Profit Controls

Prices and profits are controlled at two levels: day to day price and profits rules and year-end tests to determine if the appropriate day to day rules have been suitably applied. Where the year-end test indicates that profits exceed permissible levels, "excess revenues" may have been generated. Generally, the day to day pricing rules are based on increases in allowable



costs, while the year-end tests are based on the company's profit history. Excess revenue may be returned to the customer, offset by decreased prices or if that is impracticable, paid to the Government. Penalties may be levied in the case of wilful contravention of the regulations.

Price increases may not occur more frequently than once every 90 days, unless justifiable on the basis of the volatile nature of the supplier's cost inputs. This rule does not apply to the distribution sector.

Allowable costs in arriving at profits for purposes of the regulations exclude:

- (1) any excess over fair market value in non arm's length transactions;
- (2) dividends;
- (3) capital losses;
- (4) prior period adjustments;
- (5) extraordinary items;
- (6) income taxes, and penalties and interest thereon;
- (7) compensation in excess of that permitted under the compensation regulations, unless held justified pursuant to the Act.

Restraints are also applied on increases in certain "restricted expenses". Prices may not be increased to reflect disproportionate increases in these expenses which include items like advertising, landscaping and decorating, research, management fees, charitable donations and training.

Suppliers, depending upon the nature of their operations, are governed by the following methods under the regulations:

distribution basis
unit cost basis
product line basis
net margin basis

However, it should be noted that a supplier may have two or more parts of his business falling under different methods. In such cases, if a part is so small that it amounts to not more than the lesser of ten percent or \$5 million of gross revenue from operations, then he may elect to apply the net margin basis to that part.

1. Distribution Basis

Distribution basis regulations apply to distributors such as retailers, wholesalers and jobbers and suppliers who are commission agents whose business revenue is traditionally computed as a percentage of business transactions.

Rules

A distributor has the option of grouping his products either into categories having the same percentage mark-on or into

groupings of similar products (product lines). Having done so, the distributor may not move a product from one-mark on category to a higher mark-on category or may not increase the gross profit percentage for a product line. The distributor whose systems do not enable him to do the foregoing, will be required to ensure his gross profit percentage of total sales does not increase. Any decreases in operating costs are required to be reflected in appropriately decreased prices.

Excess Revenues

Excess revenue is determined by calculating the amount by which the percentage gross profit margin has increased in the compliance period compared with the one-year base period.

2. Unit Cost Basis

Unit cost basis regulations apply to suppliers, other than distributors, who can allocate costs to individual products. Also that portion of any supplier's business which generates more than the lesser of ten percent or \$5 million of gross revenue from operations to which costs can be allocated to individual products.

Rules

Prices in effect at October 13, 1975, may be increased only to the extent necessary to recover increases in costs since that date. In the event of cost decreases prices must be reduced by the amount of the per unit cost decreases.

Excess Revenues

Excess revenue is determined by multiplying the increase in absolute profit per unit by the number of units sold in the compliance period.

3. Product Line Basis

Product line basis regulations apply to suppliers, other than distributors, who cannot allocate costs to individual products, but who can allocate costs to product lines. Also that portion of any supplier's business which generates more than the lesser of ten percent or \$5 million of gross revenue from operations to which costs can be allocated to product lines but not individual products.

Rules

Prices in effect at October 13, 1975, may be increased only by the weighted percentage increase of cost inputs since that date and to earn 95 per cent of the product line base period net margin.

Excess Revenues

Excess revenue is determined by calculating the amount by which the percentage net margin for each product line exceeds 95 per cent of the percentage net margin for the product line during the five year base period.

4. Percentage Net Margin

This method may be used by suppliers, other than distributors, who cannot allocate costs to either individual products or product lines. It also applies to that portion of a supplier's operations that is not governed by the distribution, unit cost or product line guidelines.

Rules

Prices must be set so as to realize, in a compliance period, a percentage net margin that is no greater than 95 per cent of the base period percentage net margin.

Excess Revenues

Excess revenue is determined by calculating the amount by which the net margin has increased in the compliance period over 95 percent of the net margin in the five year base period.

Part 2: Professional Fees and Income

Note: For the purpose of this section a professional firm includes a self-employed professional.

In keeping with the policy statement of October 14, 1975, increases in fees for professional services are governed by the same general principles as apply to other prices and incomes.

The intention of the regulations is to permit the income of professional firms to increase by amounts necessary to recover increased costs and to improve the income of the members of the firm by the same amount that would be available to other salaried employees. The regulations permit increases in professional incomes resulting from increased workloads.

Application

Professional firms, for the purpose of the Act, are defined as proprietorships, partnerships and corporations providing the following services:

- (a) architects
- (b) business consultants including financial, actuarial, economic and management consultants
- (c) chiropractors
- (d) dentists
- (e) engineers

- (f) lawyers and notaries
- (g) medical doctors and surgeons
- (h) optometrists
- (i) public accountants, and
- (j) veterinarians.

While it is intended that the guidelines be applied to individual professionals, the regulations require calculations to be made at the operating entity level (i.e. partnership, corporation).

Pricing Practices

Professionals computing fees on a percentage basis are deemed to be complying with the regulations when the October 14, 1975, fee rate is reduced by one percent of that rate for each three-month period of the anti-inflation program. Other professionals may not charge rates above the October 14, 1975, rate, except to reflect net increases in subsequent allowable costs. Fees may increase to allow for the income improvement amount.

The income improvement amount is determined by multiplying the number of partners or shareholders in the firm by \$2,400 or such lesser amount as is consistent with the compensation guidelines.

Professionals must follow their normal, historical billing practices having due regard for the difference between rates charged and rates listed in any publicly available schedule. Due regard must also be given to the normal relationship between rates charged and the experience and seniority of the practitioner. A firm that meets these tests is not subject to further control.

Excess Revenue

Where a firm cannot comply with the pricing tests cited above, a computation of excess revenue is required. This computation involves the determination of permissible net income by reference to a number of factors.

Essentially permissible revenue is the profit in the one-year base period multiplied by a factor calculated to take into account the number of practitioners working in the firm during a compliance period. An income protection factor similar to that in the compensation guidelines, is also allowed.

Part 3: Dividends

The anti-inflation regulations for dividends include stock dividends and any other form of distribution of corporate earnings to shareholders.

Corporations Subject to Dividend Limitations

Corporations incorporated in Canada will be subject to the dividend limitations if they fall under any of the following stipulations:

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- (a) a corporation whose shares are listed on a stock exchange in Canada or outside Canada;
 - (b) a corporation or associated group of corporations employing in Canada, on October 14, 1975, or any day thereafter, 500 or more persons;
 - (c) a corporation carrying on business in the construction industry and has on October 14, 1975, or any day thereafter 20 or more employees;
 - (d) a corporation which is a supplier of professional services.

Corporations and/or Dividends Exempted from Dividend Limitations

- (a) mortgage investment corporations, investment corporations, mutual fund corporations, or non-resident owned investment corporations.
- (b) a corporation during its first fiscal year other than one that
 - (i) was formed as a result of an amalgamation, or
 - (ii) is associated with another corporation that was in existence on October 13, 1975;
- (c) credit unions and cooperative corporations;
- (d) dividends paid by a Canadian subsidiary on a class of shares at least 90 per cent of which are owned by one or more Canadian corporations which are subject to the regulations;
- (e) policy dividends paid by life insurance companies;
- (f) dividends in arrears on preferred shares as of October 13, 1975;
- (g) dividends paid on a new class of shares during the 12 months after issuance, if the shares are entirely owned by persons with whom the corporation deals at arm's length or if such class of shares was created for a bona fide purpose.

Rules

As a general rule, a corporation will be allowed to declare or pay a dividend during a compliance period (the first compliance period is the 12 months ending October 13, 1976,) providing such dividends do not exceed the greater of:

- the dividends paid on the same class of share during the last fiscal year ended prior to October 14, 1975;
- the annual, twice the last semi-annual or four times the last quarterly dividend paid on that class of share during the 12 months preceding October 14, 1975, where the corporation can show that it regularly paid its dividends on that basis.

However, since some corporations may have paid an unusually low dividend during the comparison year they will be allowed to pay up to 25 per cent of the after-tax earnings of the last fiscal year ended prior to October 14, 1975.

When a corporation declares a dividend before October 14, 1975, but actually pays that dividend after October 13, 1975, then the dividend will be considered paid on the declaration date. Special provisions are made for new companies, amalgamations, consolidations or stock splits.

Part 4: Compensation

The regulations dealing with compensation are entitled Guidelines for the Restraint of Compensation. Their aim is to ensure that increases in pay and benefits for groups of employees do not exceed established limits.

The regulations elaborate on the principles in the government's White Paper "Attack on Inflation". The system of restraint they describe is explained in considerable detail, mostly in terms of arithmetical calculations. They do not, however, attempt to cover every aspect of compensation or to deal with every possible eventuality.

The regulations apply to collective agreements reached on or after October 14, 1975, and to compensation plans established on or after that date. They require employers to calculate for each group of employees a maximum permissible increase in compensation from a base year (the year prior to the implementation of the regulations or any subsequent year as the program progresses) to a guideline year (the year following any base year), and to ensure that increases fall within that limit.

Four elements are included in compensation -- wages, benefits, direct incentives and indirect incentives. The regulations spell out what items are to be included in calculating compensation in all four elements and what items are excluded.

It must be emphasized that permissible compensation increases apply to groups, rather than to individuals. Changes in compensation from a base year to a guideline year are to be calculated for groups of employees generally along lines of group divisions which already exist -- executives, bargaining units, office employees, etc. However, each employer will be expected to have at least two other groups in addition to an executive group and any bargaining units.

Bargaining units which bargain in association with one employer will be treated as a single group. Similarly bargaining units which bargain in association with groups of employers will be treated as a single group.

The permissible percentage increase for each group of employees is calculated with reference to the past compensation experience of the group, the long term trend in national productivity and the anticipated rate of increase in the Consumer Price Index.

Regardless of the maximum permissible increase established, the average annual compensation of employees in a group may not be increased by more than \$2,400. A maximum of \$2,400 is also set on the amount by which the steps in a salary range may be increased.

Increases of up to \$600 a year or increases that would raise wages up to \$3.50 an hour may be granted even if such increases exceed the permissible limit for the group.

There is also provision for increases in excess of permissible maximums, at the discretion of the Anti-Inflation Board, where it is determined that special consideration is not inconsistent with the objectives of the act. This may apply where an historical relationship exists or where a collective agreement was entered into before January 1, 1974, which expired before October 14, 1975, and a new agreement had not yet been reached prior to October 14, 1975.

The maximum permissible increase in compensation for any group will be determined by three factors:

- a basic protection factor which will be eight per cent in the first year, six per cent in the second year and four per cent in the third year. The basic protection factor anticipates the increase in the Consumer Price Index. If in any of the three years of the program the Consumer Price Index exceeds the expected level, that percentage increase will be added to the expected level of the succeeding year.
- a national productivity factor set at two per cent per year and which represents the long term trend of productivity increase.
- an experience adjustment factor that will permit an additional increase for groups which have fallen behind in the last two or three years and will moderate the possible increases for groups which have received relatively large increases during that period. If the compensation of a group, measured over a specified period, increased at a rate that was less than the increase in the Consumer Price Index plus two per cent (the national benchmark) the permissible increase for that group may be increased by up to two per cent a year. If the group's compensation increased at a rate exceeding the benchmark, the permissible increase may be decreased by as much as two per cent a year.

The criteria to be used in applying the compensation regulations will be elaborated on in technical bulletins published from time to time during the restraint program.

Employee benefits are to be included in compensation and increases in benefit expenditures are to be calculated for all significant benefits. Contributions to pension plans and pay for time not worked, such as vacations and holidays, will be included. A schedule in the regulations lists the types of benefits that will be included and those excluded. Contributions to the Canada Pension Plan, the Quebec Pension Plan, Unemployment Insurance and Workmen's Compensation are excluded.

Direct incentive payments, such as piece rates, mileage rates, sales commissions, overtime premiums, etc., will be included in compensation subject to the regulations. No limit will be placed on the amounts employees may earn as direct incentives provided rates of payment remain unchanged. This will maintain incentives to increased productivity.

Indirect incentives such as bonuses, profit sharing schemes, stock options, etc. will be included in compensation. The amounts received by employees in a guideline year will be compared to the average of such payments over a base period of five years. Where such payments are deferred, they will be treated as though paid in the guideline year.

Allowances to offset expenses incurred by employees in carrying out their work - mileage, clothing, living expenses, etc. - may be increased only by an amount that does not exceed the basic protection factor in a guideline year. An exception will be made where the actual cost of specific elements - gasoline, for example - is higher.

Perquisites such as the use of automobiles, club memberships, interest-free loans, travel passes, discounts on merchandise, etc., will be subject to a requirement that the methods of determining eligibility and the nature of the perquisites remains unchanged and that no new perquisites be provided.

Pay rates for new groups must be set with reference to the rates prevailing the labor market from which the new employees will be recruited.

Changes in classification or evaluation of jobs must not be used to circumvent the regulations. The number of positions reclassified in a guideline year must not exceed the number reclassified in the base year, unless the changes are made as the result of a revision of an existing plan or the implementation of a new plan.

Certain types of payments are not included in the calculation of compensation. They include payments to offset severe difficulties in recruiting to fill a vacancy, payments to eliminate discrimination on the basis of sex, payments to employees who under go training to adapt to technological change.