was deducted from the duty on coffee roasted or ground under the preferential, intermediate and general tariff schedules and 3 cents per lb. was deducted from the duty on British grown teas under the preferential tariff. Under the general tariff the Act provided for a total reduction (including the 7½ p.c. war duty) from 27½ p.c. to 15 p.c. on cultivators, harrows, horserakes, seed-drills, manure spreaders and weeders and complete parts thereof; from 27½ p.c. to 17½ p.c. on ploughs and complete parts thereof, windmills and complete parts thereof, portable engines and traction engines for farm purposes, horse-powers and threshing machine separators and appliances therefor. On hay-loaders, potato diggers, fodder or feed cutters, grain crushers, fanning mills, hay tedders, farm, road or field rollers, post-hole diggers, and other agricultural implements, provision was made for a reduction of duty to 20 p.c. with a similar reduction on farm wagons. Respecting cement, the war customs duty was repealed and the general tariff rate reduced to 8 cents per 100 lbs. Specific instead of ad valorem rates of duty were enacted for pig-lead, zinc spelter, and copper ingots.

In the session of 1920 chapter 36 amended the Business Profits War Tax Act by exempting from tax profits which during the year 1920 did not exceed 10 p.c. of the capital employed; upon profits exceeding 10 p.c. up to 14 p.c. there was a tax of 20 p.c. of the profits; from 15 to 20 p.c., a tax of 30 p.c.; from 20 to 30, a tax of 50 p.c.; exceeding 30, a tax of 60 p.c. In any business with a capital of $25,000 to $50,000, 20 p.c. tax was charged on the amount by which profits exceeded 10 p.c. of capital; this was also to apply in respect of the profits earned in 1917, 1918 and 1919 on businesses having capital less than $50,000 if 20 p.c. or more of such profits had been derived from business carried on for war purposes. Chapter 49 amended the Income War Tax Act of 1917 in the following particulars: (1) empowering the minister to determine deficits and losses; (2) taxing dividends or shareholders' bonuses; (3) taxing income from an estate or accumulating on trust; (4) increasing by 5 p.c. tax and surtax on incomes of $5,000 or more; (5) requiring that one-quarter tax be forwarded with return, the balance being payable, if desired, by 3 bimonthly instalments with interest at 6 p.c.; (6) imposing severe penalties for default. Chapter 71 amended the Special War Revenue Act of 1915 by imposing a stamp tax on bills and notes, bank statements, overdrafts, bank cheques, sale or transfers of stock, etc.; also by imposing new excise taxes on certain classes of goods, ranging from 3 p.c. to 50 p.c. according to use or value of the goods, and specific duties on certain fluids. In addition, a tax of 1 p.c. was imposed upon wholesale and manufacturers' sales.

In the session of 1921, the excise duties on spirits were increased from a basic rate of $2.40 per proof gallon to a basic rate of $9.00 per proof gallon, the old rates being continued, however, where the spirits were used by licensed manufacturers of patent and proprietary medicines, extracts, essences and pharmaceutical preparations. Under chapter 50 the tax on sales and deliveries by manufacturers and wholesalers and jobbers was raised from 1 p.c. to 1½ p.c. and in the case of sales by manufacturers directly to retailers and customers from 2 p.c. to 3 p.c. Where goods were imported the rates under similar circumstances were raised from 2 p.c. to 2½ and 4 p.c. respectively.

Summary statistics of the war tax revenue from 1915 to 1921 are given in Table **5** and detailed statistics of the war tax revenue collected by the Inland Revenue Department from 1921 in Table **6**. In Table **7** are furnished statistics of the yield of the income tax by provinces for the years 1919 to 1921.

National Debt.—The gross national debt of Canada on Mar. 31, 1914, was $544,391,369, as against assets of $208,394,519, leaving a net debt of $335,996,850. Comparatively small as was this debt, it was a debt incurred almost altogether either for public works of general utility which, like the Intercolonial and Transcontinental railways and the canal system, remained assets, though perhaps not realizable assets of the nation, or was expended as subsidies to enterprises, which, like the Canadian Pacific Railway, though not government owned, assisted greatly in extending the area of settlement