

tions. Under c. 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 consumers, 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.

**Recent Modifications in the System of Taxation.**—In the session of 1922, the Special War Tax Revenue Act, 1915, was amended by c. 47. Taxes on cheques, bills of exchange, promissory notes and express money orders were increased to a rate of 2c. on every \$50 or fraction thereof, with a maximum of \$2 on \$5,000 or more. A receipt for \$10 or over must bear a 2c. stamp. The normal rate of sales tax was also increased from 4 p.c. to 6 p.c. The Income War Tax Act, 1917, was amended by c. 25. The normal rate was to be 4 p.c. on incomes of from \$2,000 to \$6,000 in the case of a married person or one having dependent upon him any of the following—a parent or grandparent, daughter or sister, or a son or brother under 21 years of age and physically or mentally incapable of self-support; the additional exemption for each child under 18 years of age dependent upon the taxpayer for support was increased from \$200 to \$300. For all other persons the normal tax was 4 p.c. on incomes of from \$1,000 to \$6,000. By c. 19 various reductions were made in the customs tariff, notably on sugar, agricultural implements, textiles, and boots and shoes. Further, by c. 27 the excise duties on cigars were diminished and those on cigarettes increased.

In 1923, c. 42 authorized a discount of 10 p.c. of the customs duties on articles other than alcoholic liquors, tobacco and sugar imported under the British Preferential Tariff, where such articles are directly imported through Canadian ports, and where the regular rate of duty exceeds 15 p.c.; negotiations for a commercial agreement with the United States were also authorized, while the rates of duty on sugar and certain other articles were reduced. By c. 53 the Income War Tax Act of 1917 was amended to provide that a taxpayer's income should be deemed to be not less than his income from his chief occupation, that a reasonable rate of interest on borrowed capital might be deducted from his income, that the incomes of consuls, consuls-general and officials of other countries whose duties require them to reside in Canada should be exempted from taxation if such countries grant reciprocal privileges to resident Canadian officials; other amendments deal with notices of appeals and the recovery of moneys due in taxation. By c. 53, the excise duty on cigarettes was reduced. The Special War Revenue Act of 1915 was amended so as to make the maximum stamp tax on cheques \$1 instead of \$2; the rate of the sales tax was adjusted to a uniform 6 p.c., while manuscript, raw furs, wool not further prepared than washed, and drain tiles for agricultural purposes were added to the list of exempted articles.

In 1924 it was provided by c. 10 that the operation of the Business Profits War Tax Act should not extend beyond Dec. 31, 1920. By c. 37 the administration of the Business Profits War Tax Act of 1916 and the Income War Tax Act of 1917 was transferred from the Department of Finance to the Department of Customs and Excise. The Customs Tariff of 1907 was amended by c. 38 in the general direction of reducing the rates of customs duty levied upon instruments of production used in agriculture, mining, forestry and fisheries and on materials used in the manufacture of such instruments of production; provision was also made for the extension of the British Preferential Tariff to territory administered under mandate of the League of Nations by any British country, or for the withdrawal of the preference in such circumstances; in computing the *ad valorem* rate of duty on tea purchased