

in bond in the United Kingdom, the value for duty is not to include the United Kingdom customs duty payable on tea consumed in that country. By c. 46, the Income War Tax Act of 1917 was amended by increasing the additional exemption allowed for each child from \$300 to \$500; another amendment aims at the prevention of evasion of the tax by inter-company purchases or sales at more or less than fair prices where the companies concerned are associated in business; provisions are also made with regard to incomes of non-residents carrying on business in Canada, to incomes of partnerships and liens for income tax. By c. 68, the Special War Revenue Act of 1915 is amended so as to reduce the general rate of the sales tax from 6 p.c. to 5 p.c.; in addition, a considerable number of articles, including text-books and instruments of production in the primary industries of the country, are entirely exempted from the tax, while boots and shoes, including rubber footwear, biscuits of all kinds, creosoted railway ties and various other articles are to pay only half the ordinary rate, or $2\frac{1}{2}$ p.c.

In 1925, c. 8 increased the duty on slack coal under the general tariff from 14c. to 50c. per ton, and slightly reduced the duty on other bituminous coal. Grapefruit, imported by direct route from a country to which the preferential tariff applies, were admitted free instead of paying 50c. per 100 lbs. Reductions were also made in the rate on well-drilling machinery for deep wells and on engines for the propulsion of boats owned by individual fishermen. By c. 26, various evasions of the stamp tax on cheques were guarded against, while the tax was remitted on cheques not exceeding \$5. Vegetable plants, lasts, patterns and dies for boots and shoes and certain materials used exclusively in the manufacture of engines used in fishing boats and of well-digging machinery were exempted from the sales tax. By c. 46, the lien for income tax enacted in 1924 was repealed, while c. 26 repealed the priority lien for excise taxes.

1.—The Current Balance Sheet of the Dominion.

A summary review of the current financial situation of the Dominion as on Mar. 31, 1925, is given in the balance sheet shown on this page (Table 1). This shows the gross debt on the above date to have been \$2,818,066,523, partly offset by available assets aggregating \$400,628,837, leaving a net debt of \$2,417,437,686¹. Non-available assets, including such public works as canals and railways, also loans to railways, amounted in the aggregate to \$1,498,677,760, leaving a debit balance on Consolidated Fund Account on Mar. 31, 1925, of \$918,759,926. The details of the various assets and liabilities are contained in the schedules accompanying the balance sheet and printed in the Public Accounts.

1.—Balance Sheet of the Dominion of Canada, as at Mar. 31, 1925.

(From the Public Accounts).

ACTIVE ASSETS—

Cash on hand and in Banks.....	\$ 27,068,121
Specie Reserve.....	123,976,668
Advances to Provinces, Banks, etc.....	88,922,335
Advances to Imperial and Foreign Governments.....	36,633,691
Soldier Land Settlement Loans.....	87,749,947
Miscellaneous Current Accounts.....	36,278,075
 Total Active Assets.....	400,628,837
Balance, being Net Debt, March 31, 1925 (exclusive of interest accrued and outstanding,) carried forward.....	2,417,437,686
 \$ 2,818,066,523	

¹ The net debt on March 31, 1923, was \$2,453,776,869, and on March 31, 1924, \$2,417,783,275. See Table 18, page 781.