

Canada, to incomes of partnerships and liens for income tax. By c. 68, the Special War Revenue Act of 1915 was 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, were entirely exempted from the tax, while boots and shoes, including rubber footwear, biscuits of all kinds, creosoted railway ties and various other articles were to pay only half the ordinary rate, or 2½ 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 By c. 46, the lien for income tax enacted in 1924 was repealed, while c. 26 repealed the priority lien for excise taxes.

In 1926 various changes were made in the customs tariff by c. 7. Green coffee, spices, nutmegs, mace, arrowroot and sponges were made free under the British preferential tariff, and the preferential rate on pineapples in air-tight cans was reduced from 1½c. to ½c. per lb. The duties on raw sugar imported for refining were also materially reduced under all tariffs, but so as to increase the British preference. Again, the duties on automobiles were substantially reduced under all tariffs, the rate on the cheaper types of automobile imported under the general tariff being reduced from 35 to 20 p.c., and under the British preferential tariff from 22½ to 12½ p.c. Finally, tin plate was made free under the preferential tariff and reduced from 12½ to 5 p.c. under the general tariff. By c. 10, amending the Income War Tax Act of 1917, the exemption limit was raised from \$2,000 to \$3,000 in the case of married persons or those with dependants, and from \$1,000 to \$1,500 in the case of other persons. The rates of taxation were also reduced all along the line, those with incomes of \$5,000 or less paying only 2 p.c. instead of 4 p.c. or more of their taxable income, the income tax of a married person without dependants being reduced from \$619.50 to \$290 on an income of \$10,000 and from \$3,024 to \$2,530 on an income of \$25,000. The rate of taxation of corporate incomes was reduced from 10 to 9 p.c. The budget speech also announced the abolition of the tax on receipts and the restoration of penny postage as from July 1, 1926.

1.—The Current Balance Sheet of the Dominion.

A summary review of the current financial situation of the Dominion as on Mar. 31, 1926, is given in the balance sheet shown on page 760 (Table 1). This shows the gross debt on the above date to have been \$2,768,779,184, partly offset by available assets aggregating \$379,048,085, leaving a net debt of \$2,389,731,099¹. Non-available assets, including such public works as canals and railways, also loans to railways, amounted in the aggregate to \$1,526,679,864, leaving a debit balance on Consolidated Fund Account on Mar. 31, 1926, of \$863,051,236. The details of the various assets and liabilities are contained in the schedules accompanying the balance sheet and printed in the Public Accounts.

¹The net debt on March 31, 1924, was \$2,417,783,275, and on March 31, 1925, \$2,417,437,686. See Table 19, page 777.