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, both as from July 1, 1926.

In the session of 1927 the general rate of the sales tax was reduced from 5 to 4 p.c. The rate of the graduated income war tax was also reduced by 10 p.c., so that each taxpayer paid only 90 p.c. of what he would have paid on the same income in the preceding year. The $500 exemption for children was extended to include those under 21 (instead of 18) years of age dependent upon the taxpayer for support. Further, the tax on cheques, money orders, notes, etc., which had previously been graduated from a minimum of 2 cts. on cheques of from $5 to $50 to a maximum of $1 on cheques of $2,500 and over, was reduced to a flat 2 cts. on all cheques of $10 and over. The excise tax on matches was also reduced by 25 p.c. No changes were made in the tariff in 1927, as the new Advisory Board on Tariff and Taxation, to which certain matters had been referred, was only in the initial stages of its investigations.

In 1928, the general rate of the sales tax was reduced from 4 to 3 p.c. The rate of the graduated income war tax on individuals was reduced by a further 10 p.c. of the 1926 tax, so that an individual paid only 80 p.c. of what he would have paid on the same income two years before. Similarly, the rate of taxation on the income of corporations and joint stock companies, which had been 10 p.c. two years before and 9 p.c. in 1927, was reduced to 8 p.c. on incomes in excess of $2,000. The $500 exemption for children was further extended to include this exemption for persons over 21 years of age dependent upon the taxpayer for support on account of mental or physical infirmity. The customs tariff was also amended in the direction of reducing the duties upon machinery and other commodities used in production in the mining and fishing industries, on onion plants for propagation, also on disinfecting and spraying preparations in the fruit and horticultural industries, and on press blankets used in the printing and publishing industry. In the textile industries, reductions were very generally made both on cotton, woollen and other yarns used by manufacturers as the material for further production, also on many finished cotton, woollen, linen, flax, jute, silk and artificial silk finished products. Also the duty on many types of machinery used in the textile industry was generally reduced or even taken off entirely under the British preferential tariff. For details of these very numerous changes, see c. 17 of the 1928 Statutes.

Subsection 1.—The Current Balance Sheet of the Dominion.

A summary review of the current financial situation of the Dominion as on Mar. 31, 1928, is given in the balance sheet shown below (Table 1). This shows the gross debt on the above date to have been $2,677,137,243, partly offset by available assets aggregating $380,287,010, leaving a net debt of $2,296,850,233[1]. Non-available assets, including such public works as canals and railways, also loans to railways, amounted in the aggregate to $1,596,937,137, leaving a debit balance on Consolidated Fund Account on Mar. 31, 1928, of $699,913,096. The details of the various assets and liabilities are contained in the schedules accompanying the balance sheet and printed in the Public Accounts.

[1]The net debt on Mar. 31, 1924, was $2,417,783,275, on Mar. 31, 1925, $2,417,437,686, on Mar. 31, 1926, $2,389,731,099, and on Mar. 31, 1927, $2,347,834,370. See Table 19, page 813.