

estate or trust and capitalized, to be taxed. Money spent on maintenance of an estate in accordance with terms of a will or trust is to be taxed if in excess of amount prescribed by the Minister. Where a corporation is redeeming shares at a premium the tax to be paid on such premium. All distributions of property made on the winding up of an incorporated company are deemed to be dividends to the extent that the company has undistributed income on hand, except in the case of income received from British and foreign securities and interest-bearing securities of Canadian debtors by private investment holding companies, in which case the extent to which dividends are made up of income received from Canadian companies is set forth. When a Canadian company advances money to a non-resident company for a period of one year without interest, the Minister may determine the amount of interest deemed to have been received as income. The Governor in Council is given power to enter into reciprocal agreements with other countries to exempt their respective nationals from income tax. When a person transfers property to a minor under eighteen years of age he shall nevertheless pay tax on income derived from such property during the minority of such minor, and also afterwards unless the Minister is satisfied that the transfer was not made to evade tax. Some changes are made in the penalty clauses.

*National Revenue.*—C. 32 amends the Customs Tariff. "Proof" and "proof spirits" are re-defined. The *ad valorem* rate of duty on tea purchased in bond in the United Kingdom is not to include the custom duty payable on tea for consumption in the United Kingdom. Schedule A is extensively amended. C. 48 amends the Customs Act. Definition of "fair market" repealed. The Governor in Council may order that excise duties and taxes be disregarded. Penalty for entering a railway car carrying bonded goods is extended to breaking or abetting, or aiding in the breaking of locks on such cars. Signalling from ship or coast in aid of smuggling is a criminal offence punishable with fine and imprisonment. The onus of proof of innocent interest lies on the person making the signals. C. 49 amends the Customs Tariff by enacting that the Governor in Council may order that excise duties be disregarded in estimating the market value for the purpose of special duty when goods are entitled to free entry under the general tariff.

The Special War Revenue Act is amended by c. 42. Postal notes under one dollar are made subject to a stamp tax of 1 cent, and over one dollar to a 3 cent tax. The excise tax on cigarette paper tubes is reduced to 3 cents a hundred. The wholesale or retail dealer is to affix the stamp required if package of cigarette papers or cigarette paper tubes remain unstamped. The excise tax on ale, beer, porter, and stout is brought under the section providing that goods exported under regulations prescribed by the Minister are not to be subject to tax. The tax on sugar content of goods imported is reduced to 1 cent per pound upon sugar and sugar substitutes, and to  $\frac{1}{2}$  cent per lb. upon glucose or grape-sugar. The term "manufactured and produced in Canada" is to apply to any articles prepared for sale in Canada and the tax is to be levied upon the price the articles sold for in Canada. The tax on champagne and all other sparkling wines is reduced to seventy-five cents per gallon. The Minister is made sole judge as to whether goods are "partly manufactured goods" within meaning of s. 85. The current market value of furs is to be determined under regulations made by the Minister for the purpose of s. 86 of the Act. The excise tax of 3 p.c. on duty-paid value under s. 88 is reduced to  $1\frac{1}{2}$  p.c. on goods entering Canada under the British Preferential Tariff or under trade arrangements between Canada and other British countries. The drawback provided for by s. 94 of the Act is to include materials (not fuel or plant equipment) consumed in the