

the revaluation of gold in certain countries. As finally approved, the legislation provided for a levy of 25 p.c. on the premium value of gold in place of 10 p.c. on the total value, and it was further provided that the tax should not reduce the amount received by the depositor below \$30 per oz. Further, only those mines which had paid dividends continuously since 1933 were made liable to the premium tax on gold, thus relieving from taxation newly developed or low-grade properties which have not, until recently, been operating profitably. Placer gold was also exempted. Producers paying the tax were allowed some compensation in income tax adjustment and in exemption from the usual handling charge at the Mint. Excise duties were changed principally by consolidating the duty of 3 cents per lb. on malt and the gallonage tax of 12½ cents on beer into a single excise duty of 7½ cents per lb. on malt, the net result being a slight reduction in the rate of taxation to which beer was directly or indirectly subject, calculated on a gallonage basis. Reductions under the British preferential customs tariff were made in the case of certain items of major commercial importance, including jute yarns, wide steel plates, salt cake, crude oil not in its natural state, impregnated canvas, and yarns of artificial silk. Numerous chemical commodities of a less important nature were returned to the free list. Duties were imposed under the intermediate or general tariff schedules on peanut oil and were increased on certain ferro-alloys. Duties on jute twines were increased under all tariffs. On all imports under the British preferential tariff, the special excise tax was reduced from 3 to 1½ p.c.

In 1935, several important changes were made in taxes. A surtax ranging from 2 p.c. to 10 p.c. was levied on investment income included in any income over \$5,000, all income in excess of \$14,000 being deemed for tax purposes as investment income. A tax on gifts was added to the income tax structure, with rates ranging from 2 p.c. on amounts up to \$25,000 to 10 p.c. on gifts exceeding one million dollars. An annual exemption of \$4,000 was provided for with specific exemptions applying to gifts to charitable or educational organizations or to governments. The corporation tax rate was raised by one p.c. to 13½ p.c., and on consolidated returns to 15 p.c. Other numerous amendments to the income tax were made but chiefly of a technical nature. In view of expiry of the 25 p.c. tax on the premium value of gold on May 31, 1935, changes in regulations governing depletion allowances for income tax purposes were made, reducing such allowances to precious metal mines from 50 p.c. to 33 1-3 p.c. and to dividend recipients from 50 p.c. to 20 p.c. Under the Excise War Tax Act the only change was a reduction in duty from \$7 to \$4 per gallon on spirits. This was accompanied by a similar \$3 reduction in customs duty. Amendments to the Special War Revenue Act imposed a 20 p.c. tax on lighters, when combined with pencils, cigarette cases, etc., 10 p.c. with a 10 cent minimum. Additions to the sales tax exemption list included: advertising samples; seed cleaning machines; pit props and packwood for use in mines; casein, wood shavings and sawdust; peat-moss for agricultural use; and collections of coins, medals or stamps. Articles manufactured by the deaf and dumb were placed on the half-rate list. Tariff changes under British preference included the following additions to the free-list: aircraft; diesels and semi-diesel engines; chassis for electric and motor railway cars; mining locomotives; fire brick; chequered steel plates; melton cloth; unbound and paperbound books; brass band instruments; etc. Reductions under the same tariff were made and some of the more important of these apply to certain woollen and worsted fabrics, fire engines and linen fire hose, pressed steel railway wheels, leather belting, certain rugs and carpets, etc. Some reductions were made applying under all tariffs, e.g., on certain films, several gauges of wire fence, and various parts of motor trucks. The articles to which the limited number of increases in rates applied are of small importance.