

The rate of sales tax was increased from 6 p.c. to 8 p.c. Certain changes in the exemption list were made to eliminate double taxation on materials consumed in the process of manufacture commonly known as "consumable materials".

Changes were made in the schedule of excise taxes on automobiles with a limitation providing that the tax per automobile in no case shall exceed \$250.

The excise duty on Canadian brandy was reduced from \$4 to \$3 per gallon. The duty on spirits used in the manufacture of medicines, etc., was reduced from \$2.50 to \$1.50 per gallon.

The more important tariff changes were as follows: intermediate tariff on automobiles was fixed at $17\frac{1}{2}$ p.c. instead of former varying rates of $17\frac{1}{2}$, $22\frac{1}{2}$, and 30 p.c.; intermediate tariff on agricultural implements reduced from $12\frac{1}{2}$ to $7\frac{1}{2}$ p.c.; intermediate tariff on gasoline reduced from $2\frac{1}{2}$ cents to 1 cent per gallon.

Under the British preferential tariff the following were the more important changes: free listing of iron and steel machinery of a class or kind not made in Canada; the removal of existing specific duties on all yarns or fabrics wholly of cotton, and on yarns and fabrics of artificial silk; and a reduction in rate on all unenumerated commodities made of iron or steel.

Reductions under all tariffs applied to printing machinery and equipment, various requirements for public hospitals, and all articles imported for use of the blind.

An important change was the provision for allowing Canadians returning from abroad to import free of customs duties goods to the value of \$100, for their personal use. The following statement gives a summary of the present taxation system of the Dominion Government together with gross revenue collected under each division.

**SUMMARY OF THE DOMINION GOVERNMENT TAX SYSTEM AS OF JULY, 1936,
TOGETHER WITH GROSS REVENUE COLLECTED UNDER EACH DIVISION.**

NOTE.—Since the figures given here are gross amounts actually collected, they do not agree in every case with the adjusted amount appearing in the Public Accounts.

Administration and Legal Citation.	Class of Commodity, etc., Taxed.	Basis of the Tax.	Unit upon which Taxation is Based or how Tax is Applied.	Rate of Duty and Tax.	Revenue from Duty and Tax during the Fiscal Year 1936.
CUSTOMS TARIFF.					\$ cts.
ADMINISTERED BY THE COMMISSIONER OF CUSTOMS.	Commodities Imported into Canada at Tariff Act. ¹		Rates Specified in the		74,004,560.00
EXCISE TAXATION.					
ADMINISTERED BY THE COMMISSIONER OF EXCISE.					
The Excise Act, R.S.C. 1934, c. 60, s. 1, and as amended by:—	Potable spirits manufactured in Canada or entered for consumption.		Per proof gal.	\$ 4.00	6,451,550.01
1 Edw. VIII, 1936, c. 37—	Potable spirits.	Canadian brandy.	" "	\$ 3.00	

For footnotes see end of table, p. 817