

Bank of Canada.—The Bank of Canada Act (c. 43 of the Statutes of 1934) was amended by c. 22 primarily in regard to s. 17 of the original legislation. The capital of the Bank was increased from \$5,000,000 to \$10,100,000, divided into 100,000 Class A shares and 102,000 Class B shares, each class of share having a par value of \$50 and the whole of the Class B shares being held by the Minister of Finance on behalf of the Dominion and paid for out of the Consolidated Revenue Fund. The holder of the Class B shares is empowered to appoint, with the approval of the Governor in Council, six directors to the Board—two to hold office until 1940, two until 1941, and two until 1942—and at each annual meeting from 1940 onwards this registered holder can appoint two directors to hold office for a term of three years and to replace the directors then retiring. All directors are to have one vote except that, until the annual meeting of 1940, directors appointed by the Class B shareholder are entitled to two votes. Other amendments of minor importance are also made.

Income Tax.—C. 6 continues the levy of a special income tax on salaries of members of the judiciary, commissioned officers of the military, naval, and air forces, and the R.C.M.P. for the fiscal year ending Mar. 31, 1937, the rate being 5 p.c.

By c. 38, the ordinary rate of income tax on corporations is increased from 13½ p.c. to 15 p.c., but where returns are consolidated the rate is set at 17 p.c. in place of 15 p.c. as formerly. Non-resident-owned investment corporations are required to pay one-half the ordinary rate of tax unless they elect otherwise under s. 6, but dividends and interest paid by such corporations are not ordinarily to be taxed. The deductions from income to be allowed or disallowed to non-resident-owned investment corporations are stipulated under s. 12. Interest paid abroad by Canadian debtors in Canadian funds, except interest on Dominion bonds, is made subject to a tax of 5 p.c. Income derived from property transferred in trust is made liable to taxation. The interest rate on unpaid instalments of income tax is reduced from 6 p.c. to 5 p.c. and the penalty rate in respect to overdue tax from 4 p.c. to 3 p.c. S. 17 enables the Dominion Government to collect income taxes on behalf of the provinces and imposed by them. S. 20 amends Part XIII of the original legislation relating to metalliferous mines by granting exemption of tax for three years to such properties coming into production between 1936 and 1940.

National Revenue.—C. 19 amends the Customs Act (c. 42, R.S.C. 1927) chiefly as regards entries made by bill of sight, the interpretation of value for duty on new or unused goods imported, and gives the importer the right to appeal to the Tariff Board in certain cases. Amendments are also made with regard to unlawfully imported goods and penalties therefor. The Customs Act is also amended (c. 30) by requiring the master of any vessel arriving in Canadian waters or of any vessel registered or owned in Canada to have a manifest on board containing stipulated information. Certain vessels or classes of vessels are or may be exempted. The procedure of boarding, searching, and examining the manifest or cargo and the exercise of powers connected therewith are covered. By c. 31 amendments are made to Schedules A, B, and C of the Customs Tariff (c. 44, R.S.C. 1927) by striking out certain stated items in Schedules A and B of the original legislation, as subsequently amended, and adding the items specified in Schedules A, B, and C of c. 31.

The Schedule of the Excise Act (c. 52 of the Statutes of 1934) is repealed by c. 37 and another Schedule given is substituted therefor.

C. 45 is an amendment to the Special War Revenue Act. Part VII of this Act, relating to the stock transfer tax, is repealed, and a new Part substituted therefor.