the duty on malt was increased from 6 cents to 10 cents per pound; the duty on manufactured tobacco, with the exception of cigarettes, was increased from 20 cents to 25 cents per pound; the duty on cigarettes weighing not more than three pounds per thousand was increased from $4 per thousand to $5 per thousand. Other changes affecting malt liquor and malt syrup were also made.

Under the Customs Tariff, increases were made in the duty on imported beers, liquors, wines, and tobaccos to correspond with the increases made in the tax on these products when manufactured domestically. In addition, there was imposed an increase in the duty on coffee of 10 cents per pound, and of 5 cents per pound on tea valued less than 35 cents per pound, 7½ cents per pound on tea valued 35 cents or more but less than 45 cents per pound, and 10 cents per pound on tea valued 45 cents or more per pound.

Although no increase was made in the rate of sales tax, important items were removed from the exempt list, including canned fish, salted or smoked meats, and electricity and gas when used in a dwelling place. Carbonic acid gas and similar preparations used for aerating non-alcoholic beverages were taxed at the rate of 2 cents per pound under the Special War Revenue Act, while the tax on wines of all kinds, except sparkling wines containing not more than 40 p.c. proof spirit, was increased to 15 cents per gallon; the tax on champagne and all other sparkling wines was increased to $1·50 per gallon.

A statement at pp. 811-817 of the 1937 Year Book shows complete details of the Dominion tax system as of July, 1936, and statements at pp. 836-837 of the 1938 edition show changes made in the sales tax and in the special excise tax on importations since the inception of these taxes in 1920 and 1931, respectively.

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

The details of the various assets and liabilities are contained in the schedules accompanying the balance sheet and printed in the *Public Accounts.*

It should be noted that under the heading "Non-Active Assets", p. 832, the revision of the capital structure of the Canadian National Railways in 1938 resulted in the elimination of all loans made in previous years to the Canadian National Railways to cover deficits and the setting up of the new accounts shown for 1938 and 1939. These latter represent the Government's present equity in the Railways (see p. 648 for further details). There is, therefore, no comparability between the 1938 and 1939 figures and those for previous years as regards these items.

In the *Public Accounts* for the fiscal year ended Mar. 31, 1939, certain minor changes were made in the form of presentation of the balance sheet. On the liability side a new heading was set up entitled "Floating Debt", under which was shown funded debt matured and outstanding, interest due and outstanding, stock payable on demand and outstanding cheques. Sinking funds, formerly carried as a deduction from the funded debt, are now carried as an asset. In former years the net liability of the Dominon in respect of provincial debt accounts was shown on the liability side of the balance sheet. In the balance sheet for Mar. 31, 1939, the gross liability is shown on the liability side and the deductions applicable thereto as an asset. However, to preserve the continuity of the following five-year table, these changes have not been made and the figures for 1939 are shown on the basis followed in previous years.