

When the total income earned by a personal corporation since its incorporation has been taxed against and received by its shareholders, further dividends declared and paid out of capital are not liable to taxation in the hands of the shareholders. Where unreasonable price, rental, royalty, or other payments are made to non-resident affiliations for use of any property or for any right, such payments may be adjusted, for purposes of the income tax, by the Minister. Transfer by a person to any *relative* of his of the right to income without transferring ownership of the property producing such income does not exempt the transferor from taxation on the said income as if the transfer had not been made. Under Part IV—Capital Expenditure Allowance—it is provided that a taxpayer shall be entitled to deduct (in a manner provided by this Act) from taxes otherwise payable under the Act an amount up to 10 p.c. of his capital costs, incurred and paid between May 1, 1939, and Apr. 30, 1940. Certain enumerated capital costs are definitely excluded under s-s. 4 of Sect. 90. The determination of such capital costs shall be included shall rest with the Minister. Other minor provisions, such as regulations, penalties, etc., are laid down. Sect. 18 fixes the dates of coming into force of various sections of the chapter.

C. 52 amends the Special War Revenue Act (c. 179, 1927) in relation to the numbers of matches contained in packages on which taxes of three-eighths of one cent and three-sixteenths of one cent per package are charged. The tax of 3 p.c. on duty-paid value of goods imported into Canada payable by the importer or transferee who takes the goods out of bond for consumption is confined to goods subject to entry under the General Tariff. Under Schedules III and V of the Act, changes have been made in a number of items, particularly: certain classes of books and printed matter, nicotine, agricultural machinery, surgical instruments, and scientific instruments.

**Agriculture.**—By c. 7, the Prairie Farm Rehabilitation Act (c. 23, 1935) is extended to permit the Minister to enter into agreements with any of the Provinces of Manitoba, Saskatchewan, or Alberta, or any city or other municipality within the said Provinces or with any person, firm, or corporation, with respect to the development, promotion, construction, operation, and maintenance of any project undertaken under the Act or that may be deemed necessary or desirable for the conservation of water. The Minister is also given authority, subject to the approval of the Governor in Council in certain cases, to purchase, lease, or otherwise acquire, and to sell, lease, or otherwise dispose of lands, premises, machinery, only, or equipment in connection with any such project.

C. 13 is the Cheese and Cheese Factory Improvement Act, and provides, subject to the regulations laid down, for the payment of grants up to 50 p.c. of the amount actually expended for constructing, reconstructing, equipping, or enlarging cheese factories eligible for a subsidy under this Act. The Act also provides for the payment of a premium of one and two cents per pound on highest quality cheese.

The appointment of an Advisory Committee to consider conditions and problems affecting the dairy industry and to advise the Minister and the industry in that connection is provided for by c. 15.

By c. 21 the title of the Act to regulate the sale and inspection of agricultural economic poisons (c. 5, R.S.C. 1927) is revised to read "An Act to Regulate the Sale of Products used in Controlling Agricultural Pests" and the Act itself is broadened accordingly. The statement of information to accompany an application for