

demobilization of the Canadian forces, and for the promotion of trade and industry, and transportation facilities therefor, and for any measure deemed necessary in consequence of the war.

By chapter 39, the Business War Profits Tax was renewed for the calendar year 1919 in order to make it apply to accounting periods ending on or before December 31, 1919, at the following rates: Businesses having a capital of \$25,000 and over, but less than \$50,000, profits in excess of 10 p.c. to be taxed at the rate of 25 p.c.; businesses having a capital of \$50,000 and over, profits in excess of 7 p.c. in the case of incorporated companies, and in excess of 10 p.c. in other cases to be taxed as follows: profits between exempted rate and 15 p.c. to be taxed 25 p.c. of excess; profits between 15 p.c. and 20 p.c. inclusive to be taxed 50 p.c. thereof; profits in excess of 20 p.c. to be taxed 75 p.c. thereof. The Income War Tax Act was amended by chapter 55, which increases the general rate of taxation. All corporations pay 10 p.c. of their net income in excess of \$2,000, as against 6 p.c. under the former Act. In respect of individuals the normal rate of 4 p.c. is to be levied on all incomes exceeding \$1,000, but not exceeding \$6,000, in the case of unmarried persons and widows or widowers without dependent children, and upon all incomes exceeding \$2,000 but not exceeding \$6,000 in the case of all other persons, the respective minimums of \$1,000 and \$2,000 being exempt from taxation. A normal tax of 8 p.c. is levied on the excess of all incomes over \$6,000. The surtax is imposed on a progressive scale on all incomes of over \$6,000, applying first at the rate of 1 p.c. on the amount by which the income exceeds \$5,000 and does not exceed \$6,000; then at the rate of 2 p.c. on the amount by which the income exceeds \$6,000 and does not exceed \$8,000; then at a rate increasing by 1 p.c. for each \$2,000 increase of income up to \$100,000, so that 48 p.c. is levied on the amount by which the income exceeds \$98,000 and does not exceed \$100,000; then at 52 p.c. on the amount by which the income exceeds \$100,000 and does not exceed \$150,000; 56 p.c. on the excess between \$150,000 and \$200,000; 60 p.c. on the excess between \$200,000 and \$300,000; 63 p.c. on the excess between \$300,000 and \$500,000; 64 p.c. on the excess between \$500,000 and \$1,000,000; 65 p.c. on the excess income over \$1,000,000.

Chapter 47 provided for the entire repeal of the extra duty of 5 p.c. ad valorem added to the British Preferential Tariff under the Customs Tariff War Revenue Act, 1915, and for the partial repeal in respect of the intermediate and general tariff rates of the excess of $7\frac{1}{2}$ p.c. imposed under the same Act; also for the free importation into Canada of wheat, wheat flour and potatoes from countries not imposing a customs duty on such articles when grown or produced in Canada. Five cents per lb. were deducted from the duty on coffee roasted or ground under the preferential, intermediate and general tariff schedules and 3 cents per lb. were deducted from the duty on British grown teas under the preferential tariff. Under the general tariff the Act provided for a total reduction (including the $7\frac{1}{2}$ p.c. war duty) from $27\frac{1}{2}$ p.c. to 15 p.c. on cultivators, harrows, horse-rakes, seed-drills, manure spreaders, and