

of the capital was owned by a province or a municipality were exempted, these exemptions not to apply to businesses engaged to the extent of 20 p.c. or over in manufacturing or dealing in munitions or war materials or supplies.

In the 1917 season the Business Profits War Tax was amended (chap. 6), to provide for a tax of 50 p.c. on profits in excess of 15 p.c. per annum, but not exceeding 20 p.c. per annum, and a tax of 75 p.c. on profits in excess of 20 p.c. per annum. In the same session the Income War Tax Act (chap. 28) imposed a tax of 4 p.c. on incomes exceeding \$2,000 in the case of unmarried men and widows and widowers without children, and on incomes exceeding \$3,000 in the case of other persons. A super-tax was also imposed, progressing from 2 p.c. on the amount by which an income exceeded \$6,000 but did not exceed \$10,000, up to 25 p.c. on the amount by which an income exceeded \$100,000.

In the session of 1918 the Business War Profits Tax Act was amended by chapter 10, extending the operation of the Act to businesses having a capitalization of from \$25,000 to \$50,000. The Income War Tax Act, as amended by chapter 25, lowered the limit of exemption to \$1,000 for unmarried persons and childless widows and widowers and to \$2,000 for other persons, the former paying 2 p.c. on incomes between \$1,000 and \$1,500, the latter 2 p.c. on incomes between \$2,000 and \$3,000. The normal tax remained at 4 p.c., but the supertax was increased on incomes exceeding \$200,000, being graduated up to 50 p.c. on incomes exceeding \$1,000,000. A surtax was also introduced, ranging from an additional 5 p.c. of the combined normal tax and super-tax on incomes between \$6,000 and \$10,000 to an additional 35 p.c. of the normal and super-tax on incomes exceeding \$200,000, corporations to pay a tax of 6 p.c. on incomes exceeding \$3,000, but no super-tax or surtax. By the Customs Tariff Amendment Act (chap. 17), increased duties were imposed on tea, coffee and tobacco, and by the Act to amend the Special War Revenue Act, 1915 (chap. 46), increased or new taxes were imposed as follows:— For each seat or berth in a parlour or sleeping car 10 cents and 10 p.c. of the price of the seat or berth; one cent on every hundred matches and 8 cents on every package of 54 or fewer playing cards with customs duties of the same amount on these articles when imported; 10 p.c. of the selling price on passenger automobiles, gramophones, etc., and records therefor, mechanical piano players and records therefor and jewellery.

In the 1919 session, the Business War Profits Tax was renewed (chap. 39) for the calendar year 1919: in the case of businesses having a capital between \$25,000 and \$50,000, profits in excess of 10 p.c. were now to be taxed 25 p.c., businesses having a capital of \$50,000 or more to be taxed at the same rate as in previous years. The Income War Tax Act was amended by chapter 55, which increased the general rate of taxation. All corporations paid 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. was 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 minima of \$1,000 and \$2,000 being exempt from taxation. A normal tax of 8 p.c. was levied on the excess of all incomes over \$6,000. The surtax was 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 exceeded \$5,000 and did not exceed \$6,000; then at the rate of 2 p.c. on the amount by which the income exceeded \$6,000 and did 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. was levied on the amount by which the income exceeded \$98,000 and did not exceed \$100,000; then at 52 p.c. on the amount by which the income exceeded \$100,000 and did 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 7½ 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.