

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 $7\frac{1}{2}$ 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. was deducted from the duty on roasted or ground coffee under the preferential, intermediate and general tariff schedules and 3 cents per lb. was 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 weeders and complete parts thereof; from $27\frac{1}{2}$ p.c. to $17\frac{1}{2}$ p.c. on ploughs and complete parts thereof, windmills and complete parts thereof, portable engines and traction engines for farm purposes, horse-powers and threshing-machine separators and appliances therefor. On hay-loaders, potato-diggers, fodder or feed cutters, grain crushers, fanning mills, hay-tedders, farm, road or field rollers, post-hole diggers, and other agricultural implements, provision was made for a reduction of duty to 20 p.c., with a similar reduction on farm wagons. Respecting cement, the war customs duty was repealed and the general tariff rate reduced to 8 cents per 100 lbs. Specific instead of *ad valorem* rates of duty were enacted for pig lead, zinc spelter and copper ingots.

In the session of 1920, chapter 36 amended the Business Profits War Tax Act by exempting from tax profits which, during the year 1920, did not exceed 10 p.c. of the capital employed; upon profits exceeding 10 p.c. up to 14 p.c. there was a tax of 20 p.c. of the profits; from 15 to 20 p.c., a tax of 30 p.c.; from 20 to 30, a tax of 50 p.c.; exceeding 30, a tax of 60 p.c. In any business with a capital of \$25,000 to \$50,000, 20 p.c. tax was charged on the amount by which profits exceeded 10 p.c. of capital; this was also to apply in respect of the profits earned in 1917, 1918 and 1919 on businesses having capital less than \$50,000, if 20 p.c. or more of such profits had been derived from business carried on for war purposes. Chapter 49 amended the Income War Tax Act of 1917 in the following particulars: (1) empowering the Minister to determine deficits and losses; (2) taxing dividends or shareholders' bonuses; (3) taxing income from an estate or accumulating in trust; (4) increasing by 5 p.c. tax and surtax on incomes of \$5,000 or more; (5) requiring that one-quarter tax be forwarded with return, the balance being payable, if desired, in 3 bi-monthly instalments with interest at 6 p.c.; (6) imposing severe penalties for default. Chapter 71 amended the Special War Revenue Act of 1915 by imposing a stamp tax on bills and notes, bank statements, overdrafts, bank cheques, sale or transfer of stock, etc.; also by imposing new excise taxes on certain classes of goods, ranging from 3 p.c. to 50 p.c. according to use or value of the goods, and specific duties on certain fluids. In addition, a tax of 1 p.c. was imposed upon wholesale and manufacturers' sales.

In the session of 1921, the excise duties on spirits were increased from a basic rate of \$2.40 per proof gallon to a basic rate of \$9.00 per proof gallon, the old rates being continued, however, where the spirits were used by licensed manufacturers of patent and proprietary medicines, extracts, essences and pharmaceutical preparations. Under chapter 50 the tax on sales and deliveries by manufacturers and wholesalers and jobbers was raised from 1 p.c. to $1\frac{1}{2}$ p.c. and in the case of sales by manufacturers directly to retailers and customers, from 2 p.c. to 3 p.c. Where goods were imported, the rates under similar circumstances were raised from 2 p.c. to $2\frac{1}{2}$ and 4 p.c. respectively.

Recent Modifications in the System of Taxation.—In the session of 1922, the Special War Tax Revenue Act, 1915, was amended by c. 47. Taxes on cheques,