

the first \$5 and 5 cents on every additional \$5 on railway and steamboat tickets to places in North America and the British West Indies, and on tickets to places outside of these \$1 if the price exceeded \$10, \$3 if it exceeded \$40, and \$5 if it exceeded \$65; 10 cents on every sleeping-car berth and 5 cents on every parlour-car seat; all the foregoing taxes to be collected by the companies concerned and transmitted to the Government. The same Act imposed the following stamp duties:—2 cents on every bank cheque and on every express and post office money order and 1 cent on every postal note; 2 cents on every bill of lading; 1 cent extra on every letter and post card; 1 cent for every 25 cents of the retail price of proprietary medicines and perfumery; 3 cents for a pint or less and 5 cents for every quart of non-sparkling wine; and 13 cents for  $\frac{1}{2}$  pint or less and 25 cents for every pint of sparkling wine.

By 1916 it was seen that still further taxation was required to maintain the finances of the Dominion in a satisfactory condition. As a result, the Business Profits War Tax Act of that year (c. 11) was passed, imposing a tax of 25 p.c. of the amount by which the profits earned in a business owned by an incorporated company exceeded 7 p.c. per annum, or, in a business owned by any other person or association, exceeded 10 p.c. per annum upon the capital employed in the business. Businesses employing less than \$50,000 capital, life insurance companies, businesses engaged in farming and live stock raising, and businesses of which 90 p.c. or more 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 session the Business Profits War Tax Act was amended (c. 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 (c. 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 Profits War Tax Act was amended by c. 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 c. 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; an additional \$200 exemption was granted for each child under 16 dependent on the taxpayer for support. The normal tax remained at 4 p.c., but the super-tax 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 25 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 (c. 17), increased duties were imposed on tea, coffee and tobacco, and by the Act to amend the Special War Revenue Act, 1915 (c. 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; 1 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 jewelry.

In the 1919 session, the Business Profits War Tax was renewed (c. 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 c. 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 exceed-