

The corporation tax is levied on the profits of all kinds of corporations. The minimum rate on net corporate profits is 15%. In the event that profits are still large, the federal government takes 15% of "available" profits, based on average profits in the years 1933 to 1935, except in cases where companies were considered depressed in the past period. After the war 30% of this excess profit will be returned to enable the companies to restore and rebuild machinery and equipment worn down by wartime operations.

The rate of personal income tax which the average Canadian pays is as high in some respects as the highest paid in the world. The number of persons paying tax has increased from 300,000 in 1918 to 1,000,000 in 1935.

Here is what a single man, a married man and a married man with two children in the province of Ontario paid in the last year of peace in 1935 in Ontario:

Salary	Total Federal and Ontario Tax	Total Federal Tax	Balance after Provincial Tax	Net Tax
\$1,500	\$ 282	\$ 282	\$120	\$162
2,500	424	424	200	224
5,000	538	538	400	138
10,000	640	640	800	40
20,000	7108	7108	900	6208
<u>Married, No Children</u>				
1,500	22	22	100	78
2,500	32	32	250	218
5,000	147	147	500	353
10,000	172	172	1,000	528
20,000	2,770	2,770	1,000	1,770
<u>Married, Two Children</u>				
1,500	—	—	24	24
2,500	—	—	57	57
5,000	118	1,232	800	432
10,000	280	4,246	1,200	3,046
20,000	2,299	18,230	1,200	16,930

The maintenance of the price ceiling and prevention of a rise in the cost of living has been an increasingly difficult job. In spite of the wage and price ceilings, producers and merchants have continued to raise their costs. In the case of the cost of raw materials in the foreign country the rise in the cost of raw materials or of labor in the foreign country has made the cost higher in Canada. In some cases the importer has had to change to new, higher-cost sources of supply because of the war.

In the case of domestic products, the rise in costs has been due to a number of causes among which are higher import prices in many cases, higher labor turnover, higher wages (agricultural and fishing were excluded from the War-time Wage Control Order) and higher operating costs.