

higher rates of excise on certain commodities, including liquors and tobacco, imposed soon after the commencement of the war, were followed in 1915 by a war tax on transportation tickets, telegrams, money orders, cheques letters, patent medicines, etc. In 1915 an increase of $7\frac{1}{2}$ per cent ad valorem to the general tariff and 5 per cent ad valorem to the British preferential tariff was made on all commodities with the exception of certain foodstuffs, coal, harvesting machinery, fisheries equipment, etc.

Increase of Customs Duties.—In 1918 a special customs duty was imposed on tea and coffee and the excise on tobacco was increased. In addition, various other taxes were imposed or increased, and a special war excise tax was imposed on various articles, including automobiles, jewellery, etc.

Business Profits Tax.—Under the Business Profits War Tax Act, the Government, at one time in the case of all businesses having a capital of \$50,000 and over, took 25 per cent of the net profits over 7 per cent and not exceeding 15 per cent, 50 per cent of the profits over 15 per cent and not exceeding 20 per cent, and 75 per cent of the profits beyond 20 per cent. In the case of businesses having a capital of \$25,000 and under \$50,000 the Government took 25 per cent of all profits in excess of 10 per cent on the capital employed. Companies employing capital of less than \$25,000 were exempted, with the exception of those dealing in munitions or war supplies.

Income Tax.—The Canadian income tax, which came into effect in the year 1918-19, is in some respects higher than that in force in the United States. The scale provides for the exemption of incomes, in the case of unmarried persons with an income of \$1000 and under, and in the case of married persons with an income of \$2,000 and under. There is also provision for the exemption of \$200 for each child.