

The corporation tax is levied on the profits of all kinds of corporations. The minimum rate on net corporate profits is 40%. In the event that profits are still large, the federal government takes 116 2/3% of "standard" profits, based on average profits in the years 1936 to 1939, except in cases where companies were considered "depressed" in the basic period. After the war 20% of this excess profit tax will be refunded 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 brackets as the highest paid in the world. The number of persons paying tax has increased from 300,000 to 2,000,000 since war began.

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 and in 1943 in Ontario:

Salary	1938-39		1943-44	
	Total Federal and Ontario Tax	Total Federal Tax	Savings Portion Refundable after War	Net Tax
		<u>Single</u>		
\$1,500	\$ 22	\$ 367	\$120	\$ 247
2,500	74	826	200	626
5,000	265	2,128	400	1,728
10,000	940	5,112	800	4,312
30,000	7,108	19,196	800	18,396
		<u>Married, No Children</u>		
1,500	-----	200	100	100
2,500	22	651	250	401
5,000	177	1,878	500	1,378
10,000	779	4,762	1,000	3,762
30,000	6,770	18,446	1,000	17,446
		<u>Married, Two Children</u>		
1,500	-----	49	24	25
2,500	-----	435	217	218
5,000	118	1,662	600	1,062
10,000	660	4,546	1,200	3,346
30,000	6,499	18,230	1,200	17,030

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 face rising costs. In the case of imports, increased transportation costs and the rise in the cost of raw materials or of labour in the foreign country concerned, make 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 (agriculture and fishing were excluded from the Wartime Wages Control Order) and higher operating costs.

METHOD OF PREVENTING INCREASED PRICES