

*Corporation and Excess Profits Taxes—*

Corporation income tax at the rate of 30 p.c., plus a tax of 15 p.c. on excess corporation profits was continued. The excess profits tax is to be dropped, however, at the end of 1947.

A 5 p.c. withholding tax on dividends paid by wholly owned Canadian subsidiaries to their parent companies abroad was introduced.

**Subsection 1.—Balance Sheets of the Dominion**

Table 5 gives the Balance Sheets of the Dominion for 1942-46. On the asset side, accounts classified as *active assets* are shown; these represent cash or investments that are interest-producing or have a readily realizable cash value. On the liability side, such liabilities as have been ascertained and brought into the accounts are given. No liability is shown for interest accrued but not due, nor for current obligations incurred for supplies or services but not paid for at the end of the fiscal year. Indirect liabilities under guarantees are not reflected in the Balance Sheets, but are set out in a special schedule. (See p. 978.)

The excess of liabilities over active assets, designated the *net debt*, is analysed in a statement appended to the Balance Sheet, and is apportioned to non-active assets, which include capital expenditures and non-productive investments, and to accumulated deficits in Consolidated Deficit Account.

**5.—Balance Sheets of the Dominion of Canada, as at Mar. 31, 1942-46**

NOTE.—Dashes in this table indicate that the corresponding stub item is not applicable for those years.

Item	ASSETS				
	1942	1943	1944	1945	1946
<b>Active Assets—</b>	\$	\$	\$	\$	\$
Cash.....	803,243,657	91,908,327	18,239,121	157,766,568	808,611,430
Departmental working capital advances.....	6,418,681	6,839,988	7,813,296	7,373,699	9,327,052
Loans and Advances—					
To railway and shipping companies.....	446,938,591	576,663,686	572,756,589	656,364,583	699,528,379
To Foreign Exchange Control Board.....	725,000,000	400,000,000	585,000,000	850,000,000	1,550,000,000
To sundry Government agencies.....	145,081,450	187,762,676	305,858,515	282,169,911	275,657,064
To Provincial and Municipal Governments.....	163,990,778	163,092,312	162,655,193	178,253,940	173,903,894
To United Kingdom and other governments.....	152,169,281	999,904,469	1,190,124,511	1,151,852,580	817,311,425
Miscellaneous.....	29,412,032	32,961,699	28,405,282	35,066,038	19,513,724
Investments—					
Bank of Canada capital stock.....	5,920,000	5,920,000	5,920,000	5,920,000	5,920,000
Central Mortgage and Housing capital.....	-	-	-	-	25,000,000
Central Mortgage Bank capital stock.....	250,000	250,000	250,000	250,000	-
Canadian Farm Loan Board.....	36,537,282	34,029,927	29,025,335	24,024,189	21,623,227
Miscellaneous.....	41,873,851	34,228,796	190,160,114	343,712,367	162,169,357
Provincial debt accounts.....	2,296,152	2,296,152	2,296,152	2,296,152	2,296,152
Deferred charges—unamortized discounts and commissions on loans.....	55,575,167	74,958,535	81,660,678	86,739,038	92,551,071
Sundry suspense accounts.....	144,363	401,214,256	538,873,551	757,030,444	1,025,027,959
<b>Totals, Active Assets.....</b>	<b>2,614,851,285</b>	<b>3,012,030,823</b>	<b>3,719,038,337</b>	<b>4,538,819,509</b>	<b>5,688,440,734</b>
Less—Reserve for possible losses on ultimate realization of active assets.....	50,000,000	75,000,000	100,000,000	125,000,000	150,000,000
<b>Net Totals.....</b>	<b>2,564,851,285</b>	<b>2,937,030,823</b>	<b>3,619,038,337</b>	<b>4,413,819,509</b>	<b>5,538,440,734</b>
Balance of liabilities over active assets, being net debt Mar. 31.....	4,045,221,161	6,182,849,101	8,740,084,893	11,298,362,018	13,421,405,449
<b>Totals, Gross Debt.....</b>	<b>6,610,072,446</b>	<b>9,119,879,924</b>	<b>12,359,123,230</b>	<b>15,712,181,527</b>	<b>18,959,846,183</b>