

and also on interest received by a non-resident parent company from a Canadian subsidiary, except where an agreement had been entered into prior to Apr. 1, 1933, for the payment of such interest in a currency other than Canadian. The tax also includes fees for copyrights and rights for the use of films, phonograph records and similar devices. The tax on rents and royalties (Sect. 27) is imposed at the rate of 15 p.c. on non-residents in respect of the gross amount of all rents, royalties, etc., for the use in Canada of real or personal property, patents or for anything used or sold in Canada. The gift tax (Sect. 88) is imposed at the rate of 10 p.c. on gifts up to \$5,000 and at rates varying from 11 p.c. to 28 p.c. on gifts from \$5,000 to \$1,000,000 or over.

18.—Collections Under the Income War Tax Act, Years Ended Mar. 31, 1934-48

(Tax and Applicable Section of the Act)

NOTE.—Figures for the years 1919-33 will be found at p. 966 of the 1947 year Book.

Year	General Income Tax		Tax on Dividends and Interest Sect. 9B	Tax on Rents and Royalties Sect. 27	Gift Tax Sect. 88	Total ¹
	Individuals Sect. 9-1	Corporations Sect. 9-2				
	\$	\$	\$	\$	\$	\$
1934.....	29,183,715	27,385,822	4,829,635	-	-	61,399,172
1935.....	25,201,392	35,790,239	5,816,435	-	-	66,808,066
1936.....	32,788,746	42,518,971	7,207,601	-	194,485	82,709,803
1937.....	35,358,302	58,012,843	8,910,014	-	84,083	102,365,242
1938.....	40,070,942	69,768,605	10,152,088	-	373,897	120,365,532
1939.....	46,591,449	85,185,887	9,903,046	-	345,756	142,026,138
1940.....	45,008,858	77,920,002	11,121,632	-	398,074	134,448,566
1941.....	75,636,231	131,565,710	12,282,259	759,957	226,847	248,143,022 ²
1942.....	189,237,538	185,835,699	26,642,106	1,626,669	264,258	510,243,017 ³
1943.....	533,915,059	347,969,723	26,710,946	1,369,851	223,093	910,188,672
1944.....	809,570,762	311,378,714	25,670,804	1,272,389	1,546,633	1,151,757,035 ⁴
1945.....	763,896,322	276,403,849	27,052,692	1,546,445	532,599	1,072,758,068 ⁵
1946.....	689,506,763	217,833,540	26,823,894	1,485,725	770,369	937,729,273 ⁶
1947.....	691,989,231	196,819,253	28,428,143	1,708,003	1,538,888	963,458,245 ⁷
1948.....	656,873,403	351,535,006	33,928,935	1,960,093	2,268,845	1,059,848,357 ⁸

¹ These figures include the estimated refundable portion and therefore do not agree with the totals given in Table 8. ² Includes national defence tax amounting to \$27,672,018. ³ Includes national defence tax amounting to \$106,636,747. ⁴ Includes 1942 deferred tax amounting to \$2,317,733. ⁵ Includes 1942 deferred tax amounting to \$3,326,161. ⁶ Includes 1942 deferred tax amounting to \$1,308,982. ⁷ Includes 1942 deferred tax amounting to \$1,002,027 and tax on private companies amounting to \$41,972,700. ⁸ Includes 1942 deferred tax amounting to \$685,967 and tax on private companies amounting to \$12,596,108.

Subsection 4.—Subsidies and Loans to Provinces

Subsidies.—By the provisions of the British North America Act and subsequent arrangements entered into from time to time, the Federal Government makes certain annual payments to the provinces: these are summarized as follows.

Interest on Debt Allowances.—By the terms of the union of the provinces at Confederation in 1867, the Federal Government assumed all the outstanding debts and liabilities of the provinces and undertook to pay, except in the case of Ontario and Quebec, interest at 5 p.c. on the amounts by which the actual per capita indebtedness of the provinces fell short of a basic debt allowance calculated at approximately \$25 per capita. On the subsequent entry of additional provinces into Confederation, similar arrangements were effected regarding the assumption of their pre-Confederation indebtedness. From time to time, adjustments have been made in the basis of calculating the debt allowances of provinces; moreover, the Federal Government pays interest at 5 p.c. per annum on the amounts by which the actual debts of the