

and, for spirits, a transfer tax are included. A drawback of 90 p.c. of the duty may be granted when domestic spirits, testing not less than 50 p.c. over proof, are delivered in limited quantities for medicinal or research purposes to universities, scientific or research laboratories, public hospitals, or health institutions in receipt of federal and provincial government aid.

23.—Gross Excise Duties Collected, Years Ended Mar. 31, 1956-60

Item	1956	1957	1958	1959	1960
	\$	\$	\$	\$	\$
Spirits.....	77,518,388	88,180,032	89,928,576	96,550,734	102,353,962
Beer or malt liquor.....	80,742,806	83,077,741	88,225,546	83,058,147	90,704,392
Tobacco and cigarettes.....	110,092,584	120,818,541	131,378,168	140,881,924	145,503,942
Cigars.....	262,477	267,235	305,894	319,369	672,030
Licences.....	35,143	35,556	34,069	34,471	34,547
Totals.....	268,651,398	290,379,105	309,872,253	320,844,645	339,268,873

24.—Statistics of Licences and Distillation, Years Ended Mar. 31, 1956-60

Item	1956	1957	1958	1959	1960
Licences issued.....No.	30	28	28	27	28
Licence fees.....\$	6,500	7,750	7,250	7,000	7,250
Grain, etc., Used for Distillation—					
Malt.....lb.	40,523,848	41,788,225	39,096,917	38,307,971	44,931,157
Indian corn.....	256,237,853	281,299,649	247,011,281	240,221,429	280,449,929
Rye.....“	50,297,683	55,480,416	61,228,045	61,923,728	75,823,828
Wheat and other grain.....“	3,013,785	803,490	770,540	4,105,310	1,619,782
Totals, Grain Used.....lb.	350,073,169	379,371,780	348,106,783	344,558,438	402,824,096
Molasses used.....lb.	35,793,467	35,471,876	33,352,564	69,272,572	47,990,689
Wine and other materials.....“	5,303,650	4,114,008	4,875,894	8,485,879	7,949,327
Sulphide liquor.....gal.	409,830,302	368,070,334	374,711,047	339,002,204	341,939,637
Proof spirits manufactured.....proof gal.	28,535,869	30,028,834	28,135,387	29,763,383	32,188,806

The quantity of spirits manufactured has fluctuated greatly since 1920, varying from a low of 2,356,329 proof gal. in that year to a high of 35,555,059 proof gal. recorded in 1945. The total for 1960 was 32,188,806 proof gal.

The amounts of beverage spirits, malt beer, malt, cigars, cigarettes and other tobacco taken out of bond for consumption are given in the Domestic Trade Chapter, Table 38, p. 913.

Subsection 4.—Subsidies and Taxation Agreements with the Provinces

Subsidies.—A brief history of certain annual payments made by the Federal Government to the provinces under the provisions of the British North America Act and subsequent arrangements entered into from time to time appears in the 1956 Year Book, pp. 1068-1069. All payments made by the Federal Government to the provinces during the year ended Mar. 31, 1959 are shown in detail in Table 6, on p. 1053.

Taxation Agreements.—Early in World War II, the provincial governments vacated the personal income tax, corporation income tax and succession duty fields in favour of the Federal Government for the duration of the War and a limited period thereafter, in return