

Dept. of Munitions and Supply	...	80	253	679	725	183
War Services Dept.	...	2	3	9	15	16
Miscellaneous Depts.	6	23	73	171	344	416
United Nations financial assistance (budgetary).....	1,000 ^x	913 ^{xx}	800 ^{xx}
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Total War Expenditure.....	118	752	1,340	3,724	4,625	4,450
Other Govt. Expenditures.....	563	498	545	663	736	702
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TOTAL EXPENDITURES.....	681	1,250	1,885	4,387	5,360	5,152
TOTAL REVENUES ^{xxx}	562	872	1,489	2,249	2,701	2,617
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Over-all deficit..	119	378	396	2,138	2,659	2,535
Total revenue to total expenditure	82%	70%	79%	51%	50%	51%
U.K. financial assistance (non-budgetary) ^x	104	361	1,053

^x Financial assistance in 1942-43 provided for in budget and included in war costs. In previous years assistance to the United Kingdom was provided outside the budget as it involved investment or debt redemption rather than expenditures.

^{xx} Mutual Aid Act to provide United Nations war equipment, war materials, food.

^{xxx} Net after refundable taxes deducted.

For the five years ending March 31, 1945, Canada's total financial contribution to the war effort of the United Nations will have exceeded \$16,500,000,000. Of this amount approximately \$1,500,000,000 represents assistance provided the United Kingdom outside the budget through investment or debt redemption and not included therefore in the budgetary figures of war expenditures.

TAXATION

An indication of the wartime increase in taxation is given in the following tabulation of the principal specific taxes levied by the federal government in the fiscal years 1938-1939, 1943-44 and forecast for 1944-45:

	1938-39 (millions of dollars)	1943-44	1944-45 Budget forecast
Corporation taxes (including excess profits tax)	85	780	725
Individual income tax	47	813	760
Succession duties	(not levied)	15	17
Sales tax	122	305	290
Import duties and taxes (including war exchange tax)	94	287	280
Excise duties and taxes	78	357	375
Withholding tax on dividends, interest, etc.	10	35	35
Total	436	2592	2482

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 profits tax will be refunded to enable the companies to restore and rebuild machinery and equipment worn down by wartime operations.