

### Subsection 3.—Analysis of Revenues from Taxation

Table 13 gives a picture of the proportions of total expenditures that have been met by taxation and from all sources of revenue for each of the fiscal years since 1936. Prior to the War, and as Canada was pulling away from the depression of the early 'thirties, the record shows a substantial improvement and in 1938, 96·7 p.c. of all expenditures was being met from all revenue and almost 84 p.c. from taxation revenue. Subsequently, as is to be expected, the reverse was the case. The high level of the percentage figures for 1942 was the result of the early imposition of high taxation levels and the fact that at this time war expenditures were still relatively low.

As shown in Table 12, the revenues from customs and excise duties, the two most important sources prior to the War of 1914-18, now amount to only about one-quarter of the revenue derived from taxation.

The analyses of taxation revenue below are confined to excise duties and war-tax revenue since customs receipts constitute a single item in the "Public Accounts" and cannot be further analysed here. Excise statistics cover distillation of spirits and alcohol and tobacco taken out of bond and those of war-tax revenues include income tax collections. These income tax figures are analysed at length at pp. 969-977.

**Excise Duties.**—Excise duties proper are presented here together with a summary of the excise tariff and statistics arising as a by-product of administration, such as the quantities of grain and other products used in distillation and the quantities of excisable goods taken out of bond. Excise war taxes are shown under the heading "War-Tax Revenue"

**Canadian Excise Tariff.**—The following is a statement of the Canadian excise tariff, as existing at Apr. 1, 1944:—

1. Spirits distilled in Canada, per proof gal..	\$11·00	3. Beer or Malt Liquor:—	
Canadian brandy, per proof gal.....	\$ 9·00	Brewed in whole or part from any substance other than malt, per gal.....	\$ 0·45
Except Spirits as follows:—			
(a) Used in a bonded manufactory for medicines, extracts, etc., per proof gal.....	\$ 1·50	4. Malt:—	
(b) Used in a bonded manufactory for perfumes, per proof gal.....	\$ 1·50	(a) Produced in Canada and screened, per lb.....	\$ 0·16
(c) Used in a bonded manufactory for vinegar, per proof gal.....	\$ 0·60	(b) Imported, per lb.....	\$ 0·16
(d) Used for chemical compositions approved by Governor in Council, per proof gal.....	\$ 0·15	5. Malt Syrup:—	
(e) Sold to licensed druggists for pharmaceutical preparations, per proof gal.....	\$ 1·50	(a) Produced in Canada, per lb.....	\$ 0·24
(f) Distilled from native fruits and used by a licensed wine manufacturer for fortification of native wines, per proof gal.....	\$ 1·50	(b) Imported, per lb.....	\$ 0·40
2. Spirits imported (in addition to any of the duties otherwise imposed), per proof gal.....	\$ 0·30	6. Tobacco, Cigars and Cigarettes:—	
		(a) Manufactured tobacco, per lb.....	\$ 0·35
		(b) Cigarettes weighing not more than 2½ lb. per M, per M.....	\$ 6·00
		(c) Cigarettes, weighing more than 2½ lb. per M, per M.....	\$11·00
		(d) Cigars, per M.....	\$ 3·00
		(e) Canadian raw leaf tobacco, when sold for consumption, per lb.....	\$ 0·20

A drawback of 99 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 to universities, scientific or research laboratories, or to any bona fide public hospital for medicinal purposes only.