

4.—Combined Expenditures of All Governments in Canada, 1944

NOTE.—Figures as at governmental fiscal year ends nearest Dec. 31, 1944. See text on p. 949 *re* inter-governmental transfers.

Item	Dominion \$'000	Provincial \$'000	Municipal \$'000	Total \$'000
Public Welfare—				
Health and hospital care.....	1,747	35,978	17,235	54,960
Labour and unemployment insurance.....	32,855	2,001	—	34,856
Relief.....	5	3,383	2,852	6,240
Old age and blind pensions.....	39,544	17,243	273	57,060
Other.....	5,902	16,857	23,894	46,653
Totals, Public Welfare.....	80,053	75,462	44,254	199,769
Education.....	4,704	66,433	99,501	170,638
Transportation.....	176,498	63,969	42,232	282,699
Agriculture.....	74,745	14,792	—	89,537
Public domain.....	11,729	20,366	—	32,095
National defence.....	2,885,812	—	—	2,885,812
Veterans' pensions and aftercare.....	109,660	—	—	109,660
Mutual aid.....	860,465	—	—	860,465
Expansion of industry.....	—	—	—	—
Price control and rationing.....	192,006	—	—	192,006
Debt charges, net (excluding retirements) ¹	311,411	57,514	37,405	406,330
Other expenditures.....	95,966	40,995	93,433	230,394
Totals, Expenditure (excluding Inter-governmental Transfers).....	4,803,049	339,531	316,825	5,459,405
Inter-governmental Transfers—				
Dominion subsidies to provinces.....	14,445	—	—	14,445
Provincial subsidies to municipalities.....	—	3,290	—	3,290
Vacation of tax fields ²	82,977	—	—	82,977
Gasoline tax guarantee ²	10,357	—	—	10,357
Nova Scotia highway tax.....	—	—	440	440
Municipal Commissioner's Levy (Manitoba).....	—	—	878	878
Interest on Common School Fund and School Lands Fund Debentures.....	1,585	—	—	1,585
Totals, Inter-governmental Transfers.....	109,364	3,290	1,318	113,972
Grand Totals.....	4,912,413	342,821	318,143	5,573,377

¹ Excludes interest on common school fund and school lands fund debentures shown below under inter-governmental transfers. ² As per Dominion-Provincial Taxation Agreement Act. ³ Refunds in 1944-45 exceeded expenditures. (See Table 3, footnote 2.)

Section 2.—Dominion Public Finance*

A sketch of public finance, from the French regime to the outbreak of the War of 1914-18, appears at pp. 742-743 of the 1941 Year Book, while detailed sketches *re* tax changes from 1914 to 1938 will be found in issues of the Year Book beginning with the 1926 edition. An outline of the financing of Canada's war effort, including the more important changes in taxation during the war years from 1939 to 1945 is given at pp. 918-923 of the 1945 Year Book. Tax changes included in the 1945-46 and 1946-47 Budgets are given at pp. 883-884 of the 1946 edition.

The 1947-48 Budget.—The Budget for the year ended Mar. 31, 1948, was presented to Parliament on Apr. 29, 1947.† The financial accounts for the fiscal year 1946-47 showed revenues of \$2,984,277,000 compared with expenditures of \$2,632,127,000 leaving a surplus for the year of about \$352,000,000. After taking account of the effect of the tax changes outlined below, a surplus of \$190,000,000 was forecast for the fiscal year 1947-48.

The principal features of the tax changes made were:—

Personal Income Tax—

A new schedule of rates effective July 1, 1947, reduced income taxes, on the average, by 29 p.c., compared with the rates in effect for the first half of 1947. Reductions ranged from 54 p.c. in the bottom brackets to 6 p.c. or 7 p.c. in the top brackets. Exemptions and allowances remained as established in the 1946-47 Budget.

* Revised under the direction of Dr. W. C. Clark, C.M.G., Deputy Minister, Department of Finance, Ottawa.

† Copies of the 1947 Budget may be obtained on application from the Department of Finance, Ottawa.