

## 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 and those included in the 1947-48 Budget at pp. 952-953 of the 1947 edition.

**The 1948-49 Budget.**—The Budget for the fiscal year ended Mar. 31, 1949† was presented to Parliament on May 18, 1948. The preliminary accounts for the fiscal year 1947-48 showed revenues of \$2,869,409,000 and expenditures totalling \$2,199,451,000, leaving a surplus for the year of \$669,958,000.

After taking account of the effect of proposed tax changes, a surplus of \$489,000,000 was forecast for the fiscal year 1948-49.

The principal features of the tax changes made were:—

*Personal Income Tax.*—An additional exemption of \$500 was granted to taxpayers of 65 years of age or over.

*Corporation Tax.*—The allowances and tax credits granted mining, oil and gas companies in respect of exploration and off-property drilling expenses were continued for another year.

### Subsection 1.—Balance Sheets of the Government of Canada

Table 5 gives the Balance Sheets of the Government of Canada for 1943-48. On the asset side, accounts classified as *active* assets are shown; these represent cash or investments that are interest-producing or have a readily realizable cash value. On the liability side, such liabilities as have been ascertained and brought into the accounts are given. No liability is shown for interest accrued but not due, nor for current obligations incurred for supplies or services but not paid for at the end of the fiscal year. Indirect liabilities under guarantees are not reflected in the Balance Sheets, but are set out in a special schedule. (See p. 990.)

The excess of liabilities over active assets, designated the *net debt*, is analysed in a statement appended to the Balance Sheet, and is apportioned to non-active assets, which include capital expenditures and non-productive investments, and to accumulated deficits in Consolidated Deficit Account.

\* Revised, except as otherwise indicated, under the direction of Dr. W. C. Clark, C.M.G., Deputy Minister, Department of Finance, Ottawa.

† Copies of the 1948-49 Budget may be obtained on application from the Department of Finance, Ottawa.