

Section 2.—Federal Public Finance

Subsection 1 of this Section contains tables dealing with statistics of the Federal Government prepared as far as possible, in accordance with the classifications, concepts and definitions used in the preparation of provincial and municipal finance statistics. These tables differ from the information presented in Subsection 2 in that the latter has been extracted directly from the *Public Accounts*. Detailed reports published by the Dominion Bureau of Statistics provide reconciliations of revenue, expenditure and debt as set out in Subsections 1 and 2. The *Public Accounts* presentation is retained for continuity, and also because there is interest in and use for information on this basis.

Historical Data.—A sketch of public finance from the French régime to the outbreak of World War I appears in the 1941 Year Book, pp. 742-743. 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 in the 1945 Year Book, pp. 918-923. The postwar financial policy of the Government of Canada is outlined in the 1954 Year Book at pp. 1061-1064, and tax changes proposed in subsequent Budgets are outlined briefly in the 1955, 1956, 1957-58 and 1959 Year Books.

The 1959-60 Budget.—The Budget presented Apr. 9, 1959 to the second session of the 24th Parliament announced several changes in tax rates. On taxable income of individuals in excess of \$3,000 the existing rates were increased by 2 percentage points. The old age security taxes were each increased from 2 p.c. to 3 p.c. These taxes now consist of a tax of 3 p.c. (maximum \$90) on personal incomes, a tax of 3 p.c. on corporate incomes and a tax of 3 p.c. on sales. The increased rates apply to corporation income from Jan. 1, 1959, to personal income from July 1, 1959, and to sales from Apr. 10, 1959. The personal income tax schedule for 1959 is a composite of the new rates and those in effect prior to July 1, 1959; the new rates are applicable to the whole of 1960. On taxable income of corporations, effective from Jan. 1, 1959, the rates on amounts in excess of \$25,000 were increased from 45 p.c. plus 2 p.c. old age security tax, to 47 p.c. plus 3 p.c. old age security tax. Amendments to the Excise Tax Act and the Excise Act provided for increases in the tax on cigarettes and in the duties on spirits and cigars, respectively.

The 1960-61 Budget.—This Budget was presented to the third session of the 24th Parliament on Mar. 31, 1960. The Minister of Finance introduced no major tax changes. However, certain amendments of a technical nature were proposed which represented significant improvements in the fairness of the tax structure but did not affect over-all revenue collections.

Subsection 1.—DBS Statistics of Federal Public Finance

Revenue and Expenditure.—Table 4 shows details of net general revenue of the Federal Government for the years ended Mar. 31, 1957 and 1958.

4.—Details of Net General Revenue of the Federal Government, Years Ended Mar. 31, 1957 and 1958

Source	1957	1958	Source	1957	1958
	\$'000	\$'000		\$'000	\$'000
Taxes—			Privileges, Licences and Permits—		
Income—			Natural resources.....	4,667	4,280
Corporations ¹	1,335,637	1,295,471	Other.....	15,979	16,946
Individuals ¹	1,525,451	1,634,789	Sales and services other than institutional.....	45,847	57,291
Interest, dividends and other income going abroad.....	76,447	64,334	Fines and penalties.....	866	1,603
General sales ¹	896,351	878,962	Exchange fund profits.....	17,420	22,880
Excise Duties and Special Excise Taxes—			Receipts from government enterprises.....	124,701	78,114
Alcoholic beverages.....	153,405	171,679	Bullion and coinage.....	4,134	5,060
Tobacco.....	252,887	273,586	Postal service.....	167,880	177,493
Automobiles.....	79,693	72,331	Other revenue.....	11,262	9,848
Other.....	52,091	31,365	Non-revenue and surplus receipts.....	29,405	28,052
Customs import duties.....	549,075	498,069			
Succession duties.....	79,709	71,608			
Other.....	18,271	1,498			
Totals, Taxes.....	5,019,017	4,993,662	Totals, Net General Revenue.....	5,441,178	5,395,259

¹ Includes old age security taxes.