

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 respective Year Books.

**The 1960-61 Supplementary Budget.**—The Budget presented Dec. 20, 1960 to the fourth session of the 24th Parliament did not change the personal income tax rates, but the portion of corporation income subject to the 21-p.c. tax rate was changed from the first \$25,000 to the first \$35,000. The rate on the remainder continued at 50 p.c. The 4-p.c. surtax on investment income was repealed and the principal withholding taxes on interest and dividends paid to non-residents were raised to a uniform level of 15 p.c. A special 15-p.c. tax was made applicable to profits of Canadian branches of non-resident corporations.

**The 1961-62 Budget.**—This Budget was presented to the fourth session of the 24th Parliament on June 20, 1961. There were no changes in personal or corporation income tax rates, but the excise tax of 7½ p.c. on passenger cars was repealed. The maximum limits on allowable medical expenses for personal income tax purposes were removed, effective Jan. 1, 1961. Although there were no changes in the taxes on tobacco, cigarette manufacturers will be allowed to increase the amount of tobacco in each cigarette without becoming liable for a higher tax, effective Jan. 1, 1962.

The Minister of Finance announced that the Government would use the foreign exchange fund to lower the value of the Canadian dollar in terms of U.S. currency in an effort to reduce imports and encourage exports of Canadian goods abroad. Other proposals to stimulate the Canadian economy included expansion of the scope and lending capacity of the Industrial Development Bank to provide more credit for small and medium-sized businesses, and permission for companies to write off in a single year, instead of three, their capital expenditures on provision of industrial research facilities.

### 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, 1958 and 1959.

#### 4.—Details of Net General Revenue of the Federal Government, Years Ended Mar. 31, 1958 and 1959

Source	1958	1959	Source	1958	1959
	\$'000	\$'000		\$'000	\$'000
<b>Taxes—</b>			<b>Privileges, Licences and Permits—</b>		
Income—			Natural resources.....	4,280	10,878
Corporations <sup>1</sup> .....	1,295,471	1,075,878	Other.....	16,946	18,571
Individuals <sup>1</sup> .....	1,634,789	1,499,849	Sales and services other than institutional.....	57,291	56,910
Interest, dividends and other income going abroad	64,334	61,213	Fines and penalties.....	1,603	1,216
General sales <sup>1</sup> .....	878,962	868,114	Exchange fund profits.....	22,880	18,626
Excise Duties and Special Excise Taxes—			Receipts from government enterprises.....	78,114	99,924
Alcoholic beverages.....	171,679	179,264	Bullion and coinage.....	5,060	4,518
Tobacco.....	273,586	288,581	Postal service.....	177,493	183,380
Automobiles.....	72,331	59,308	Other revenue.....	9,848	11,683
Other.....	31,365	29,735	Non-revenue and surplus receipts.....	28,052	37,620
Customs import duties.....	498,069	486,508			
Succession duties.....	71,608	72,535			
Other.....	1,498	1,213			
<b>Totals, Taxes.....</b>	<b>4,993,692</b>	<b>4,622,198</b>	<b>Totals, Net General Revenue.....</b>	<b>5,395,259</b>	<b>5,065,524</b>

<sup>1</sup> Includes old age security taxes.

Table 5 gives details of expenditure by function for the years ended Mar. 31, 1958 and 1959 and Table 6 shows the amounts paid by the Federal Government to provincial governments and municipal corporations in the year ended Mar. 31, 1959.