

**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 respective Year Books.

**The 1962-63 Budget.**—The Budget presented to the fifth session of the 24th Parliament on Apr. 10, 1962 did not change personal income tax rates but the exemption for children qualified for family allowance was raised from \$250 to \$300 each, and for other dependants from \$500 to \$550.

Benefits were announced for corporations engaged in manufacturing or processing (except those whose principal business is shipbuilding, mining, logging or the operation of oil or gas wells) in the form of a reduction in tax on profits derived from increased sales calculated in accordance with prescribed methods. These benefits consist of cancellation of 50 p.c. of the tax on the first \$50,000 of taxable income arising from increased sales and cancellation of 25 p.c. of the tax on any additional income arising from increased sales. Corporations undertaking increased industrial research in Canada are permitted to deduct 150 p.c. of their increased expenditures on scientific research for industrial purposes when computing taxable income.

Minor tariff changes were announced, consisting of reductions or extensions of free entry provisions due to expire shortly.

**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, 1959 and 1960.

**4.—Details of Net General Revenue of the Federal Government, Years Ended Mar. 31, 1959 and 1960**

Source	1959	1960	Source	1959	1960
	\$'000	\$'000		\$'000	\$'000
<b>Taxes—</b>					
Income—			Privileges, Licences and Permits—		
Corporations <sup>1</sup> .....	1,075,878	1,234,216	Natural resources.....	10,878	5,924
Individuals <sup>1</sup> .....	1,499,849	1,752,194	Other.....	18,571	20,221
Interest, dividends and other income going abroad.....	61,213	73,353	Sales and services other than institutional.....	56,910	46,843
General sales <sup>1</sup> .....	868,114	1,002,658	Fines and penalties.....	1,216	1,462
Excise Duties and Special Excise Taxes—			Exchange fund profits.....	18,626	25,513
Alcoholic beverages.....	179,264	192,634	Receipts from government enterprises.....	99,924	88,366
Tobacco.....	288,581	331,069	Bullion and coinage.....	4,518	5,617
Automobiles.....	59,308	64,281	Postal service.....	183,380	193,660
Other.....	29,735	32,677	Other revenue.....	11,683	9,022
Customs import duties.....	486,508	525,722	Non-revenue and surplus receipts.....	37,620	40,610
Succession duties and estate taxes.....	72,535	88,431			
Other.....	1,213	1,373			
<b>Totals, Taxes.....</b>	<b>4,622,198</b>	<b>5,298,608</b>	<b>Totals, Net General Revenue.....</b>	<b>5,065,524</b>	<b>5,735,846</b>

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

Table 5 gives details of expenditure by function for the years ended Mar. 31, 1959 and 1960 and Table 6 shows the amounts paid by the Federal Government to provincial governments and municipal corporations in the year ended Mar. 31, 1960.