

21.—Excise Taxes Collected, by Commodity, Years Ended Mar. 31, 1963-65

Commodity	1963	1964	1965
	\$	\$	\$
Sales tax ¹	805,970,471	946,054,797	1,204,609,934
Other Excise Taxes—			
Automobiles.....	1,016	194	239
Cigarettes, tobacco and cigars.....	217,807,695	226,938,710	218,343,946
Electric power export.....	463,396	126,937	—
Jewellery, watches, ornaments, etc.....	5,793,140	6,353,314	6,864,180
Matches and lighters.....	1,157,962	1,261,797	1,181,009
Television sets, radios, tubes and phonographs.....	19,933,817	22,009,701	23,521,713
Toilet preparations.....	10,142,400	11,125,893	12,790,734
Wines.....	3,727,029	3,814,127	4,092,094
Sundry commodities.....	1,236,911	1,301,810	1,426,553
Interest and penalties.....	491,123	814,291	1,208,554
Less refunds and drawbacks.....	-376,416	-331,330	-346,938
Total.....	1,066,348,544	1,219,470,241	1,473,692,013

¹ Excludes tax credited to the old age security fund.² Net after deduction of refunds and drawbacks.

Excise Duties

Gross excise duties collected are given in the following statement for the years ended Mar. 31, 1963 and 1964. The totals do not agree with net excise duties as shown in Table 9 because refunds and drawbacks are included. A drawback of 99 p.c. of the duty may be granted when domestic spirits, testing not less than 50 p.c. over proof, are delivered in limited quantities for medicinal or research purposes to universities, scientific or research laboratories, public hospitals, or health institutions in receipt of federal and provincial government aid.

Item	1963	1964
	\$	\$
Spirits.....	122,020,603	129,399,249
Beer or malt liquor.....	98,097,105	102,914,379
Tobacco and cigarettes.....	165,875,416	164,804,918
Cigars.....	731,736	836,018
Licences.....	33,581	35,770
TOTALS.....	386,758,441	397,990,334

Section 4.—Federal-Provincial Conditional Grants and Shared-Cost Programs*

During the past decade there has been a rapid increase in federal expenditures on joint federal-provincial programs. These programs take three forms: (1) the Federal Government contributes financial assistance to a program administered by a province; (2) the federal and provincial governments each assume the sole responsibility for the construction, administration and financing of separate aspects of a joint project; or (3) the province contributes financially to a joint program administered by the Federal Government.

The first category of joint programs is by far the most common and such programs are commonly called conditional grant programs. They are characterized by the Federal Government agreeing to make money available to a province on certain conditions, such

*Prepared (August 1965) in the Federal-Provincial Relations Division, Department of Finance, Ottawa.

Additional Readings:—

Donald V. Smiley, *Conditional Grants and Canadian Federalism* (Canadian Tax Papers No. 32), Toronto, Canadian Tax Foundation, February 1963. Federal-Provincial Relations Division, Department of Finance, *Federal-Provincial Conditional Grant and Shared-Cost Programmes, 1962*, Ottawa, Queen's Printer, October 1963, \$3 (Catalogue No. F2-2563). Appendix to House of Commons Debates of Sept. 10, 1964. Statutes of Canada, 1964-65, c. 54.