

7.—Federal, Provincial and Municipal Government Revenue and Surplus or Deficit 1939-54

(Millions of dollars)

Item	1939	1944	1946	1950 ¹	1951	1952 ²	1953 ²	1954
Direct Taxes: Persons—								
Income taxes.....	62	772	711	612	890	1,177	1,287	1,290
Succession duties.....	28	39	54	66	69	73	73	77
Miscellaneous taxes.....	22	27	31	62	71	73	71	59
Direct Taxes: Corporations—								
Income and excess profits taxes ²	115	598	654	981	1,429	1,378	1,226	1,164
Withholding taxes.....	10	27	29	54	56	55	54	58
Indirect taxes.....	716	1,378	1,505	2,081	2,606	2,814	3,011	3,001
Investment Income—								
Interest.....	71	105	120	155	181	215	213	232
Profits of government business enterprises	19	222	243	245	275	317	349	331
Employer and employee contributions to social insurance and government pension funds.....	35	133	149	256	329	358	390	395
Deficit (+) or surplus (-) (on transactions relating to the national accounts).....	+41	+2,566	+133	-648	-1,053	-288	-253	-18
Totals, Revenue (plus deficit or minus surplus).....	1,119	5,867	3,629	3,864	4,853	6,172	6,421	6,589

¹ Newfoundland included from 1950.² Excess profits tax ceased to apply after Jan. 1, 1948.

8.—Federal, Provincial and Municipal Government Expenditure 1939-54

(Millions of dollars)

Item	1939	1944	1946	1950 ¹	1951	1952 ²	1953 ²	1954
Purchases of goods and services.....	735	5,022	1,832	2,326	3,243	4,245	4,359	4,361
Transfer Payments—								
Interest.....	172	319	455	442	450	467	492	540
Other.....	229	259	1,106	1,033	1,032	1,360	1,460	1,601
Subsidies.....	-17	267	236	63	128	100	110	87
Totals, Expenditure.....	1,119	5,867	3,629	3,864	4,853	6,172	6,421	6,589

¹ Newfoundland included from 1950.

Section 2.—Canada's International Investment Position*

Since 1948 there has been a sharp rise in the amount of non-resident capital invested in Canada and Canada's balance of international indebtedness had by 1955 risen to a new peak of close to \$7,500,000,000. The earlier peak of international indebtedness occurred in 1930 when it amounted to about \$6,500,000,000. This indebtedness had been accumulated in several periods of rapid Canadian growth in which dependence on external sources of capital was much greater than it is now. In the period ending in 1914, characterized by railway and other expansion associated with the opening of the Canadian West, Great Britain was the principal external source of capital. In the inter-war period of growth which followed, culminating in the early 1930's, there was a very great rise in

* Prepared in the Balance of Payments Section, International Trade Division, Dominion Bureau of Statistics. A more extended review appears in DBS report, *Canada's International Investment Position, 1926 to 1954* and some more recent statistics in the report, *The Canadian Balance of International Payments, 1955, and International Investment Position*.