

## CHANGING STRUCTURE OF GOVERNMENT REVENUES, EXPENDITURES

**NATIONAL ACCOUNTS:** The Dominion Bureau of Statistics has released a supplement to the National Accounts, under the title "Government Transactions Related to the National Accounts, 1926-1951", which sheds further light on the relationships between federal and provincial -- municipal revenues and expenditures and other components and aggregates of the National Accounts.

The report features a number of new statistical tables providing detail of figures which were previously available only as consolidated totals. These figures are presented and analyzed against the broad background of the National Income and Gross National Product and Expenditure.

Among the highlights of the statistical results, the following points are singled out:

If defence expenditures are included, the proportion of "gross national expenditure" on goods and services accounted for by the three levels of government (federal, provincial and municipal) has increased from approximately 10 per cent in 1926 to 15 per cent in 1951. If defence expenditures are eliminated from the figures, however, the Government's share of gross national expenditure has declined slightly, from 9.6 per cent in 1926 to 9.2 per cent in 1951.

Wages and salaries (including military pay and allowances) paid by all levels of Government accounted for 5.8 per cent of the National Income in 1926, compared with 7.2 per cent in 1951. If military pay and allowances are excluded, the figures are 5.6 per cent and 6.1 per cent, respectively.

Transfer payments (such as family allowances, old age pensions, veterans' benefits and unemployment benefits) have increased from \$74 million in 1926 to \$1,001 million in 1951, or from 10 per cent of total Government ex-

penditure for all purposes to 21 per cent. As a proportion of personal income, transfer payments were two per cent in 1926 compared with six per cent in 1951.

Interest on the public debt of all three levels of Government has risen from \$231 million in 1926 to \$556 million in 1951. Almost all of this increase occurred at the federal level and was mainly due to the growth of the public debt during the war period. As a percentage of National Income, however, total interest on the public debt has declined from 5.5 per cent in 1926 to 3.2 per cent in 1951.

Indirect taxes, (i.e. those which are chargeable as costs by business) accounted for 76 per cent of total Government revenue in 1926; in 1951, they amounted to only 44 per cent, despite a four-fold increase in absolute terms. On the other hand, direct taxes on persons and corporations increased from 11 per cent of total revenue in 1926 to 43 per cent in 1951.

Direct personal taxes were 1.3 per cent of personal income in 1926 compared with 6.4 per cent in 1951. Direct corporation taxes absorbed 8.4 per cent of corporation profits in 1926 compared with 50.7 per cent in 1951.

The sources of indirect taxes have undergone a marked change in the past 25 years. Real and personal property taxes have declined from 37 per cent of total indirect taxes in 1926 to 18 per cent in 1951, and customs import duties from 23 per cent of the total in 1926 to 14 per cent in 1951. On the other hand, excise taxes have risen from 17 per cent of the total in 1926 to 35 per cent in 1951; gasoline taxes, from one per cent to seven per cent; and provincial -- municipal sales and amusement taxes from one per cent to six per cent.

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**WHEAT EXPORTS:** Exports of Canadian wheat as grain in November amounted to 38,000,000 bushels, the highest monthly total since July and almost 11,000,000 greater than October exports. November exports were also greater than in the same month in recent years, exceeding the November, 1951 total of 35,500,000 bushels by 2,500,000 and more than doubling the November, 1950 total of 17,800,000. Preliminary data indicate an additional 5,100,000 bushels were exported in the form of wheat flour in November as compared with adjusted totals of 4,000,000 and 5,700,000 in the same month in 1951 and 1950, respectively.

Combined exports of wheat and wheat flour in terms of wheat during the August-November period of 1952-53 amounted to 137,900,000 bushels, an increase of 19.9 per cent over the 115,000,000 exported during the first four months of 1951-52. Of the 1952-53 total, ex-

ports of wheat as grain accounted for some 118,200,000 bushels, an increase of 16.6 per cent over the 101,400,000 bushels of wheat exported during the four months ending November, 1951.

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**CAMP GAGETOWN:** The Canadian Army's projected divisional training camp in New Brunswick will be known in future as Camp Gagetown. Selection of the name for the twenty-five million dollar development, on which work is expected to start this year, was announced on January 16 by the Minister of National Defence.

The name "Gagetown" came from General Thomas Gage who commanded British Forces in America in 1763. Second son of the first Viscount Gage, General Gage, along with 17 other United Empire Loyalists, was given a grant of 20,250 acres in the area that is now named after him.