

the year 1931-32 to 1946-47 by the Canadian treasury to the Canadian National Railways on account of deficits incurred or in the way of loans.

What is the total debt of the Canadian National Railways including the Canadian National Steamships also the Trans-Canada Airlines and any other transportation facilities?

Answer: Attached is a table setting out the revenues and expenses of the Canadian National Railways for the years 1937-1946 inclusive. Since the Canadian National Railways was re-organised at the beginning of this period the statements of revenues and expenditures before 1937 are not at all comparable with those for the period shown. Therefore only the latter figures have been set out.

Also attached are statements showing the change in the character of liabilities of the Canadian National Railways. It will be noted that loans by the Dominion government to the Canadian National Railways have increased during the period while the amount of funded debt held by the public has decreased during the same period. The explanation for this is that during the recent war the Dominion government loaned funds to the Canadian National Railways to repatriate liabilities held by the public in the United Kingdom.

The balance sheet in the annual report of the Canadian National Railways indicates the assets and liabilities of the railway system. Also attached is a statement setting out the deficits of the Canadian National Railways paid by the Dominion government during the period 1937-46. From this is deducted the surpluses paid to the Dominion government by the railway and a statement of net payments by the Dominion government is shown.

Also attached is a statement setting out similar figures for Trans-Canada Airlines during the period 1938-46.

The annual report of Canadian National Steamships Ltd., contains the consolidated balance sheet of that company. A copy of the latest available annual report is attached.<sup>1</sup>

Question: What is the per capita tax of the federal government of Canada?

Answer: A very substantial portion of the Canadian government's revenues is derived from a graduated tax on personal incomes. Those below the exempt level pay no income tax and the weight of the tax rises proportionately to income. Succession duties are likewise related to the size of estates. Another substantial source of revenue is the corporation tax which ultimately affects the incomes of individual shareholders, most of whom are in the upper income brackets. Substantially less than half of federal revenues will this year be derived from what might be termed consumption taxes, such as customs, excise, sales tax, tobacco and liquor taxes, etc., and, even in respect of those, the incidence of the taxes varies greatly as between individuals because of differences in income and other circumstances. Moreover, figures of tax revenues in Canada include collections in respect of previous years and do not therefore reflect the current burden of the rates.

Any attempt to calculate the per capita tax in Canada by dividing the total tax revenue in any year by the population is therefore most misleading, particularly if the figure so derived is compared with a similar figure for any other country; indeed, such a comparison might produce manifestly absurd results. Apart altogether from the reasons given above it should be borne in mind that even though tax rates in country A are lower than in country B, if country A had a higher national income per capita it might well have a higher average tax per head of population than country B. The only relevant figures would be those showing taxes paid by individuals in different countries with the same income in respect of the same year, but this, of course, is a most difficult statistical computation.

Question: The annual revenues and expenditures of the Dominion of Canada each year from the year 1931-32 to the year 1946-47, both years inclusive, showing the surplus or deficit each year as the case may be.

Answer: In the attached table is set out a statement of revenues and expenditures of

<sup>1</sup>Tables containing detailed financial information on Canadian National Railways have not been printed here.