

XII.—FINANCE.

Under the general heading of Finance in Section XII are grouped statistics relating to the public accounts of the Dominion Government, including revenue and expenditure, public debt, assets and liabilities and inland revenue. Tables have been added showing the receipts and expenditure of each of the nine provincial governments of Canada, and these are followed by financial statistics of urban municipalities, of the Ontario Hydro Electric Power Commission, values of building permits and statistics of currency and banking, loan and trust companies, commercial failures, government annuities and insurance companies.

DOMINION PUBLIC FINANCE.

Historical Sketch.—Both under the French *régime* and in the earlier part of the British, the territorial or casual revenues of Canada, consisting of certain seigniorial dues and the proceeds of the sale of government timber and land, were reserved to the Crown, while the right of levying taxes and of regulating the trade and commerce of the colony was deemed to be vested in the British Parliament.

By the Quebec Act of 1774, certain duties on spirits and molasses were imposed, to be expended by the Crown in order to provide a revenue "toward defraying the expenses of the administration of justice and the support of the civil government of the province." A little later, in 1778, the British Government by the Declaratory Act (18 Geo. V, c. 12), renounced forever the right of taxing the colonies to provide Imperial revenue, but maintained its claim to impose duties considered necessary for the regulation of trade, the proceeds to go towards defraying the expenditures of the colonial administration. After the Constitutional Act of 1791, the customs duties remained under the control of the Imperial Government, their revenue, as well as the territorial revenue above mentioned, coming in to the executive administration independently of the Legislative Assembly and thus making the executive power largely independent of the legislature. In case these revenues proved insufficient, recourse could generally be had to the grant made by the Imperial Government for the support of the army. As time went on, however, the Crown revenues became more and more inadequate to meet the increasing expenditure, while the wave of economy after 1815 in Great Britain made it impossible any longer to supplement these revenues from military sources. On the other hand, the purely provincial revenues collected under the authorization of the provincial legislature showed an increasing surplus. The power of the purse thus began to pass into the hands of the legislatures; in 1831 the British Parliament passed an Act placing the customs duties at the disposal of the legislatures.

Under the Act of Union a consolidated revenue fund was established. All appropriation bills were required to originate in the Legislative Assembly, which was forbidden to pass any vote, resolution or bill involving the expenditure of public money unless the same