

## CHAPTER XXI.—PUBLIC FINANCE.

The following treatment of public finance includes an outline of Dominion, provincial and municipal finance in Canada, supported by the necessary detailed statistics, and closes with a brief discussion of the national wealth and national income of the Dominion as the basis of all public finance.

The great increase in Dominion expenditure since 1913 has, of course, been mainly due to the Great War and the burden of interest, pension charges, soldiers' civil re-establishment, etc., resulting from the War. Similar increases have also taken place during the same period in provincial and municipal expenditures. Thus, in their fiscal years ended 1933, the total ordinary expenditure of the nine Provincial Governments was \$200,528,217 as compared with \$53,826,219 in 1916, only 17 years before—an increase of almost 273 p.c. (The aggregate interest payments of Provincial Governments rose from \$7,817,844 in 1916 to \$62,546,792 in 1933.) Again, between 1913 and 1932, the aggregate taxes imposed by the municipalities of Ontario increased from \$34,231,214 to \$126,835,014—an increase of 270·5 p.c. In Quebec the ordinary receipts of municipalities increased from \$33,865,750 in 1915 to \$85,798,988 in 1932—an increase of 153·4 p.c. In Manitoba the increase in municipal taxation has been from \$7,730,122 in 1913 to \$20,598,300 in 1932—an increase of 166·5 p.c. In Saskatchewan the grand total of municipal tax levies was \$13,358,627 in 1914 and \$24,388,477 in 1932. In Alberta the municipal taxes levied amounted to \$9,791,846 in 1914 and to \$15,453,640 in 1932. In British Columbia the taxes collected by the municipalities totalled \$9,382,099 in 1917 and \$17,089,972 in 1932. Finally in the extreme east the aggregate tax receipts of the municipalities of Nova Scotia were \$6,613,675 in 1932 as compared with \$3,443,681 as recently as 1919—an increase of 92·1 p.c. in the last thirteen years. The seven provinces covered by these statistics contained in 1931 approximately 95 p.c. of the population of the Dominion.

### Section 1.—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 seigneurial 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, after 1763, 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 "towards defraying

\* The statistics in this section have been made up from the Public Accounts and were finally revised by the Department of Finance, with the exception of those parts dealing with war tax revenue and inland revenue on pp. 896 to 902, which were revised by the Department of National Revenue.