

26.—Securities Guaranteed by the Dominion Government, as at Mar. 31, 1934—conc.

Security.	Amount of Guarantee Authorized.	Amount Outstanding and Held by the Public as at Mar. 31, 1934.	Where Payable.
Relief Act Guarantees—	\$	\$	
31. Bank Advances, re Beauharnois Light, Heat and Power Company.....	15,538,500	14,105,559	—
32. Bank Advances, re Province of Manitoba Savings Office.....	12,442,400	10,844,853	—
33. Bank Advances, re Government of Newfoundland	625,000	625,000	—
34. Bank Advances, re Canadian Pacific Railway Company.....	60,000,000	60,000,000	—
35. Bank Advances, re Algoma Steel Corporation (order for rails).....	660,000	660,000	—
36. Bank Advances, re Dominion Steel and Coal Corporation (order for rails).....	1,100,000	540,000	—
37. Province of British Columbia Treasury Bills....	626,534	626,534	—
38. Province of Manitoba Treasury Bills.....	5,894,127	5,894,127	—
39. Bank Advances, re Wheat Marketing.....	Unstated	Unstated	—

Section 2.—Provincial Public Finance.*

Provincial Governments in Canada are in the position, under Section 118 of the British North America Act, 1867 (30 and 31 Vict., c. 3), and the British North America Act, 1907 (7 Edw. VII, c. 11), of having a considerable assured income in subsidies from the Dominion Treasury. Details of these payments are given for recent years in Tables 16 and 17 of this chapter. In addition, through their retention of ownership of their lands, minerals and other natural resources, the provinces which, by the voluntary action of their previously existing Governments entered Confederation, raise considerable revenues through land sales, sales of timber, mining royalties, leases of water powers, etc., while the Prairie Provinces formerly received from the Dominion special grants in lieu of land revenues. However, under legislation of 1930 whereby the Prairie Provinces were given control of their natural resources, all the provinces were placed on an equal footing in the administration of natural resources within their boundaries and as regards revenues accruing therefrom. Further, under Section 92 of the British North America Act, Provincial Legislatures are given authority to impose direct taxation within the province for provincial purposes and to borrow money on the sole credit of the province.

While the *laissez faire* school of political thought was predominant throughout the country, provincial receipts and expenditures were generally very moderate, as may be seen, both for individual provinces and for the provinces collectively, from Tables 29 and 30. From the commencement of the twentieth century, however, the Canadian public, more especially in Ontario and the West, began to demand increased services from their Governments, particularly in respect of education, sanitation, and public ownership and operation of public utilities. The performance of these functions necessitated increased revenues, which had in the main to be raised by taxation. Among the chief methods of taxation to be employed has been the taxation of corporations and estates, succession duties showing a considerably increased yield even within the comparatively short period of seventeen years from 1916 to 1933 covered by the statements compiled by the Finance Branch of the Bureau of Statistics.† The fact that provincial government is cheaper per head

* Revised by Col. J. R. Munro, Chief of the Finance Branch of the Dominion Bureau of Statistics. This Branch issues detailed statements on Provincial Finance which may be obtained from the Dominion Statistician. For a list of these publications see Section 1 of Chapter XXIX.

† The succession duties collected by the provinces in 1933 amounted in the aggregate to \$13,104,687, as compared with \$1,020,972 as recently as 1904, or an increase of more than 12-fold in 29 years. The aggregate revenue raised by taxation of corporations, land, income and miscellaneous (exclusive of gasoline taxes, succession duties and amusement taxes), increased from \$7,217,548 in 1916 to \$32,771,095 in 1933, an increase of 354 p.c. in 17 years.