

25.—Securities Guaranteed by the Dominion Government, as at Mar. 31, 1935—conc.

Security.	Amount of Guarantee Authorized.	Amount Outstanding and Held by the Public as at Mar. 31, 1935.	Where Payable.
Relief Act Guarantees—			
31. Bank Advances, <i>re</i> Province of Manitoba Savings Office.....	12,442,400	8,820,660	Canada.
32. Bank Advances, <i>re</i> Government of Newfoundland.....	625,000	625,000	Canada.
33. Bank Advances, <i>re</i> Canadian Pacific Railway Company.....	60,000,000	48,000,000	Canada.
34. Bank Advances, <i>re</i> Algoma Steel Corporation (order for rails).....	660,000	443,878	Canada.
35. Bank Advances, <i>re</i> Dominion Steel and Coal Corporation (order for rails).....	1,100,000	841,000	Canada.
36. Province of British Columbia Treasury Bills.....	626,534	626,534	Canada.
37. Province of Manitoba Treasury Bills.....	5,894,127	5,894,127	Canada.
38. Bank Advances, <i>re</i> Wheat Marketing.....	Unstated	39,274,661 ¹	Canada.
Bank of Canada—			
39. Reserve of chartered banks on deposit in Bank of Bank of Canada.....	-	149,028,902	Canada.

¹ Against these advances grain held and margin moneys amounted to \$36,896,440, leaving a net liability of \$2,378,221 at the valuations then made on the basis of current prices for grains.

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 15 and 16 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.

Prior to the opening of the present century, provincial receipts and expenditures were generally moderate, as may be seen, both for individual provinces and for the provinces collectively, from Tables 28 and 29. The demand, more especially in Ontario and the West, for increased services from Governments, particularly in respect of education, sanitation, and public ownership and operation of public utilities, and 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 eighteen years from 1916 to 1934 covered by the statements compiled by the Finance Branch of the Bureau of Statistics.† The fact that provincial govern-

*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 1934 amounted in the aggregate to \$11,019,033, 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 \$33,618,772 in 1934, an increase of 365 p.c. in 18 years.