

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 been due partly to the Great War with the resulting burden of interest, pension charges, etc., and partly to railway expenditures and social services including, latterly, unemployment relief. Increases on a commensurate scale have also taken place during the same period in provincial and municipal expenditures. Thus, in their fiscal years ended 1937, the total ordinary expenditure of the nine Provincial Governments was \$253,443,737 as compared with \$53,826,219 in 1916, only 21 years before—an increase of over 371 p.c. (The aggregate interest payments of Provincial Governments rose from \$7,817,844 in 1916 to \$67,222,797 in 1937.) Again, in recent years, between 1924 and 1936, the aggregate tax receipts of the municipalities of Ontario have increased from \$94,526,271 to \$121,825,930 (comparable figures are not available for earlier years)—an increase of about 29 p.c. In Quebec the ordinary receipts of municipalities increased from \$33,288,115 in 1915 to \$79,471,242 in 1933—an increase of 139 p.c.; the 1934, 1935, and 1936 figures given in Table 37 are not comparable as explained in the footnote thereto. While taxation receipts in the Prairie Provinces and the Maritime Provinces, for those years for which comparable figures are available, do not show an upward trend, except in the case of Nova Scotia, the figures cover relatively recent years in the majority of cases, and in the Prairie Provinces a larger proportion of tax levies has remained uncollected. In British Columbia the taxes collected by the municipalities totalled \$9,382,099 in 1917 and \$17,070,680 in 1936.

Public Debt of Canada.—The latest year for which a figure for the aggregate public debt of Canada can be given is 1937. The statement below is summarized from the statistics given in the respective sections of this chapter, the guaranteed or indirect debt being shown separately. The figures with regard to provincial debt are for the respective fiscal years of the provinces ended in 1937, given on p. 917.

SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA (CIRCA) 1937.		
(Dominion, Provincial, and Municipal Debt.)		
	\$	\$
NET DIRECT DEBT—		
Net Debt of Dominion Government, Mar. 31, 1937.....	3,083,952,202	
Net Direct Liabilities Provincial Governments, 1937 (sinking funds and available capital, current and trust account assets deducted).....	1,199,480,759	
Direct Liabilities all Canadian Municipalities, 1936 (less sinking funds and investments).....	1,415,637,719	
TOTAL NET DIRECT DEBT.....		5,699,070,680
GUARANTEED OR INDIRECT DEBT—		
Dominion Government, Mar. 31, 1937—		
Principal and interest guaranteed on railway and other securities.....	787,128,667	
Interest only guaranteed on railway securities.....	216,207,142	
Other guarantees.....	209,111,482 ¹	
Provincial Governments—individual fiscal years 1937.....	1,212,447,291	250,645,142
TOTAL GUARANTEED OR INDIRECT DEBT.....		1,463,092,433
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA.....		7,162,163,113

¹ Includes bank advances \$8,220,067, British Columbia and Manitoba Treasury Bills \$6,255,298, deposits of chartered banks in Bank of Canada \$194,275,314. There is also an unstated amount guaranteed for the Winnipeg Grain and Produce Clearing Association, Limited, for day-to-day margins of the Canadian Wheat Board. There was also \$60,000,000 authorized as a guarantee for bank advances re grain marketing for the Canadian Wheat Board against which no amount was shown as outstanding at Mar. 31, 1937.