

CHAPTER XXI.—PUBLIC FINANCE.

CONSPECTUS.

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The great increase in Dominion expenditure since 1913 has been due partly to the War of 1914-18 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 1937, the aggregate tax receipts of the municipalities of Ontario have increased from \$94,526,271 to \$120,502,561 (comparable figures are not available for earlier years)—an increase of about 27 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.; later figures given in Table 34 are not comparable.

Combined Statistics of All Governments.—In Appendix VI is a combined balance sheet for all Governments as Table 1, and a combined revenue and expenditure current accounts statement of all Governments as adjusted for comparative purposes. The statement below is summarized from the statistics given in the respective sections of this chapter, the guaranteed or indirect debt being shown separately.

SUMMARY OF THE AGGREGATE PUBLIC DEBT OF CANADA CIRCA 1938. (Dominion, Provincial, and Municipal Debt.)

NET DIRECT DEBT—	\$	\$
Net Debt of Dominion Government, Mar. 31, 1938.....	3,101,667,570	
Net Direct Liabilities Provincial Governments, 1938 (sinking funds and available capital, current and trust account assets deducted).....	1,260,256,621	
Direct Liabilities all Canadian Municipalities, 1937 (less sinking funds and investments).....	1,465,486,818	
TOTAL NET DIRECT DEBT.....		5,827,411,009
GUARANTEED OR INDIRECT DEBT—		
Dominion Government, Mar. 31, 1938—		
Principal and interest guaranteed on railway and other securities.....	\$ 834,400,643	
Interest only guaranteed on railway securities.....	216,207,142	
Other guarantees.....	213,259,230 ¹	
Provincial Governments—individual fiscal years, 1938.....		1,263,867,015
		275,728,633
TOTAL GUARANTEED OR INDIRECT DEBT.....		1,539,595,648
GRAND AGGREGATE PUBLIC NET DIRECT DEBT AND GUARANTEED OR INDIRECT DEBT OF CANADA.....		7,367,006,657

¹ Includes bank advances \$8,162,834, British Columbia and Manitoba Treasury Bills \$5,505,297, deposits of chartered banks in Bank of Canada \$194,859,595; bank loans under Saskatchewan Seed Loan Guarantee Act, 1936, \$2,555,113; and the Home Improvement Loans Guarantee Act \$2,176,391. 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. Bank loans guaranteed under the Seed Grain Loans Guarantee Act, 1937, have been authorized up to \$8,950,000 and an indeterminate amount has been guaranteed under the Dominion Housing Act, 1935.