

### Section 5.—Bounties\*

In cases where it is considered advisable for the Government to encourage the production of a particular commodity, bounties paid by the Government are recognized substitutes for protective duties. In the past they have been made use of by Canada to a considerable degree, but the only bounties that involved payments in the past few years were those on copper bars and rods, hemp, and bituminous coal mined in Canada and used in the manufacture of iron or steel. The bounty on bituminous coal was the outcome of a recommendation of the Royal Commission on Maritime Claims relating to the use of Canadian coal in the manufacture of iron and steel and the payments have been as follows:—

Paid in the fiscal year—

|                               |                               |               |
|-------------------------------|-------------------------------|---------------|
| 1930-31.....                  | 273,148 net tons at 49½c..... | \$ 135,209·23 |
| 1931-32.....                  | 126,356 net tons at 49½c..... | 62,546·18     |
| 1932-33.....                  | 118,783 net tons at 49½c..... | 58,797·54     |
| 1933-34.....                  | 213,841 net tons at 49½c..... | 105,851·25    |
| 1934-35.....                  | 336,849 net tons at 49½c..... | 166,740·02    |
| 1935-36.....                  | 390,168 net tons at 49½c..... | 193,133·12    |
| 1936-37.....                  | 564,695 net tons at 49½c..... | 279,523·96    |
| 1937-38.....                  | 588,817 net tons at 49½c..... | 288,989·41    |
| 1938-39.....                  | 369,434 net tons at 49½c..... | 182,869·80    |
| 1939-40.....                  | 605,909 net tons at 49½c..... | 299,924·93    |
| 1940-41 to Oct. 31, 1940..... | 392,388 net tons at 49½c..... | 194,232·04    |

Bounties have been paid at various times in the past on iron and steel, lead, crude petroleum, manila fibre, zinc, and linen yarns, but the bounties on iron and steel ceased in 1911, on lead in 1918, on zinc in 1921, on linen yarns in 1923, and on crude petroleum in 1927. The total amounts paid in bounties on these commodities between 1896 and the date of expiration were: iron and steel, and manufactures of (1896-1912), \$16,785,827; lead (1899-1918), \$1,979,216 for 1,187,169,878 lb.; zinc† (1919-21), \$400,000; linen yarns (1921-23), \$17,523; manila fibre (1903-13), \$367,962; crude petroleum‡ (1905-27), \$3,457,173 on 233,135,217 gallons. Total payments for expired bounties since 1896, including the \$611,763 paid on copper bars and rods‡ and the \$26,847 for hemp,‡ aggregated \$23,646,311, exclusive of the bounties on coal shown above. The Year Book of 1915, pp. 459-461, gives a description of the bounties that had been payable since 1883, as well as tables showing, for each commodity, the quantities on which bounties were annually paid and the amounts of such bounties for the years 1896 to 1915, inclusive.

### Section 6.—Control and Sale of Alcoholic Beverages§

The early French and English colonies prohibited the sale of intoxicating liquors to Indians and the English colonies placed certain restrictions upon their sale to whites. The real movement towards prohibition did not appear, however, until the middle of the nineteenth century and the first regulatory legislation was enacted in Upper Canada in 1853.

After Confederation, uncertainty as to whether the regulation of liquor licences was a Dominion or Provincial matter caused much confusion for several years. In 1878, the Dominion enacted the Canada Temperance Act, providing for 'local option'. In 1883, the Dominion Licence Act was enacted, but this Act was later declared ultra vires by the Privy Council.

The whole question of the growth of prohibitory legislation and the division of powers between the Dominion and the Provinces is dealt with in the report mentioned in the footnote (§) to this page.

\* Revised in the Head Office of the Department of Trade and Commerce.

† For details of bounties on zinc and crude petroleum, see p. 635 of the 1927-28 Year Book.

‡ A statement of the bounties paid under the Copper Bounty Act, which expired on June 30, 1931, and the Hemp Bounty Act, which expired on Dec. 31, 1932, is given at p. 662 of the 1934-35 Year Book.

§ Abridged from the report "The Control and Sale of Liquor in Canada", by Miss L. J. Beehler, M. A., published by the Dominion Bureau of Statistics.