

Section 4.—Municipal Finance*

Subsection 1.—The Organization and Growth of the Municipalities in Canada

Under the provisions of the British North America Act, the several provinces have jurisdiction and control over their respective organizations of municipal government. While the main types of municipalities are common to most provinces, there is little or no similarity from the standpoint of prerequisites to incorporation, either as to area or population.† In fact some provinces have no specified requirements in this regard. There are, nevertheless, two main divisions into which incorporated municipalities may be grouped—urban and rural—each of which displays more or less distinct characteristics. The former comprises the cities, towns and villages. The official designation of the municipalities in the rural group, however, varies widely as between provinces: Townships in Ontario; Districts in British Columbia; Municipal Districts in Alberta; Counties in New Brunswick; Municipalities in Nova Scotia; Parishes and Townships in Quebec; and Rural Municipalities in Manitoba and Saskatchewan.

In 1942 there were 4,014 incorporated municipalities in Canada, as compared with 4,018 in 1941. This reduction is accounted for principally by amalgamations in Alberta in the course of establishing "larger municipal units". Some of the other provinces are also considering this plan as a means towards the development of more financially and economically sound units of self-government. The number of each different class or type of municipality by provinces and for each of these years, is shown in Table 31.

It should be noted that the counties in Ontario and Quebec, which are incorporated municipalities, are comprised of local towns or villages and rural municipalities situated therein, which provide the necessary funds for the services falling within the scope of county administration. There are also 'counties' in two of the Maritime Provinces, Nova Scotia and New Brunswick, but these are basically the same as rural municipalities in the other provinces. In two of the western provinces, Saskatchewan and Alberta, there are also areas which are very much similar to rural municipalities except that they enjoy a lesser degree of local services and are not self-governing. These are called "Improvement Districts". The Provincial Governments administer the services provided in these areas and also levy and collect the necessary taxes.

* Revised under the direction of Col. J. R. Munro, Chief of the Finance Branch of the Dominion Bureau of Statistics. This Branch issues statements on "Financial Statistics of Urban Municipalities of 10,000 Population and Over", on "Bonded Indebtedness of Municipalities", and on "Assessment Valuations of Municipalities". For a list of publications see Chapter XXX, Section 1, under "Finance".

† A special bulletin "Classification of Different Types of Local Government Units in Canada" was issued by the Finance Statistics Branch of the Dominion Bureau of Statistics, in October, 1940.