

aggravated by the inelasticity of the major local revenue source—the taxation of real property; at the same time the small populations of most municipalities have hindered their attempts to provide services which require economies of scale for efficient operation.

The provinces have taken a number of steps to assist local governments to meet these challenges. There has been a proliferation of special agencies, joint boards and commissions to provide certain services or parts of the services previously described for groupings of municipalities. Local government revenue has been supplemented by grants from the provinces, either made unconditionally or for specific purposes. Certain functions traditionally assigned to local government have been assumed in whole or in part by the provinces, the most notable example being the assumption of the responsibility for justice, health, welfare and education by the provincial government in New Brunswick. Besides encouraging the amalgamation of small units, the provinces have also established new levels of local government to discharge those functions that provide obvious examples of economies of scale. The establishment of the Municipality of Metropolitan Toronto in 1954 was followed by that of the Metropolitan Corporation of Greater Winnipeg in 1960. At present British Columbia is establishing regional districts which will provide local government throughout the entire province for the first time by the end of 1967. These regional districts, like the metropolitan governments, are superimposed on existing municipalities and have been made responsible for supplying services whose efficiency depends upon economies of scale which cannot be achieved by the individual municipalities. A very different program is under way in Newfoundland where the scattered population in the many outports is being encouraged and assisted to move to larger and more viable settlements.

As previously stated, the major local revenue source available to local governments is the taxation of real property, supplemented in varying degrees by taxation of personal property and business. (Taxation of persons and tenants has now largely disappeared.) In three provinces municipalities may levy an amusement tax, in three they may impose sales taxes on specific commodities. Miscellaneous general revenue is derived from licences, permits, rents, concessions, franchises and fines. A great many municipalities operate enterprises which sometimes provide surplus funds that may become available to help pay for other municipal services. On the other hand, expenditures of municipalities often include provision for the deficits of their enterprises.

Since a description of all forms of local government would be too complex for easy comprehension, the following paragraphs describe only municipal organization in each province and in the territories as at Jan. 1, 1967. Table 36, which gives the total number of each type of municipality in each province and territory, shows separately the number of all fully incorporated cities, towns, villages, and county and regional municipalities as well as municipalities in Census Metropolitan Areas. It should be noted that the five new "borough" municipalities of Metropolitan Toronto have been included in the count of "cities". Municipalities in Quebec functioning under the name of "Ville de", such as Ville de Montréal and Ville de Laval, which are incorporated as cities, have been counted according to their incorporation.

Newfoundland.—The Province of Newfoundland has two cities—St. John's and Corner Brook. A number of the province's many settlements have been organized into 62 towns, four rural districts, 10 local improvement districts and 74 local government communities. The towns, rural districts and local improvement districts operate under the Local Government Act; towns and rural districts have elected councils and local improvement districts have appointed trustees. Local government communities established under the Community Councils Act in the smaller settlements have limited powers and functions. There are no rural municipalities in the usual sense. Only about one fifth of 1 p.c. of the total area is municipally organized. Municipalities are supervised by the Department of Municipal Affairs and Housing.