

The figures represented in the diagram are those of ordinary expenditures in 1930-31 and the total is \$959,544,708.

A few comments may be offered:-

1. Debt Service, \$226,603,554, or 23.62 per cent. Interest and sinking fund payments are, of course, only elements in cost, not special fields of expenditure or functions of government. These payments should properly be distributed among the other groups according to the purposes for which the money was borrowed, but this distribution was not practicable with the information available. This is the largest single item in the compilation, and would be materially larger if all governments segregated in one account their entire interest liabilities.

2. Education, \$166,190,565, or 17.32 per cent. Of all the services performed by governments in 1930-31 the provisions for education involved the largest expenditure.

3. Protection of Persons and Property, \$140,682,134, or 14.66 per cent. Under this heading are grouped many different services, from the administration of justice to national defence and including fire protection.

4. Communications, \$140,080,176, or 14.60 per cent. This is a clearly defined section of the general field and includes railways, waterways, highways, airways, the post office, etc. All will agree as to its importance, but this is a case where the necessity for an examination of functions and methods clearly appears.

There is the legislative

function, as in the passing of the Railway Act, the Traffic Acts, etc., etc. A government might stop there, leaving enforcement to the courts. But our governments have added the function of administrative regulation, as in the Board of Railway Commissioners. Again there might be a stop, but there has been added direct service by governments through steam and electric railways and steamships they have constructed or have bought, and now operate either by departments or indirectly through boards. Some utilities are operated in competition with private interests and some are made monopolies. Another function or method is the granting of rail, steamship and highway subsidies.

Communications, as well as other important interests, must, of course, be served, but the question is by what functions or methods?

The other classes of expenditure are:

5. Legislation and General Overhead, \$117,909,778, or 12.29 per cent.

6. Public Welfare & Charity Grants, \$64,526,466, or 6.72 per cent.

7. Development and Conservation of National Resources, \$18,832,626, or 1.96 per cent.

8. Agriculture, \$18,396,080, or 1.92 per cent.

9. Health and Sanitation, \$16,380,322, or 1.71 per cent.

10. Immigration & Colonization, \$13,952,048, or 1.45 per cent.

11. Recreation, including National Parks, \$7,672,192, or .80 per cent.

12. Undistributed, \$28,318,767.

How these services have grown will next be examined.