

EXPENDITURES JUDGED BY COMPARISON

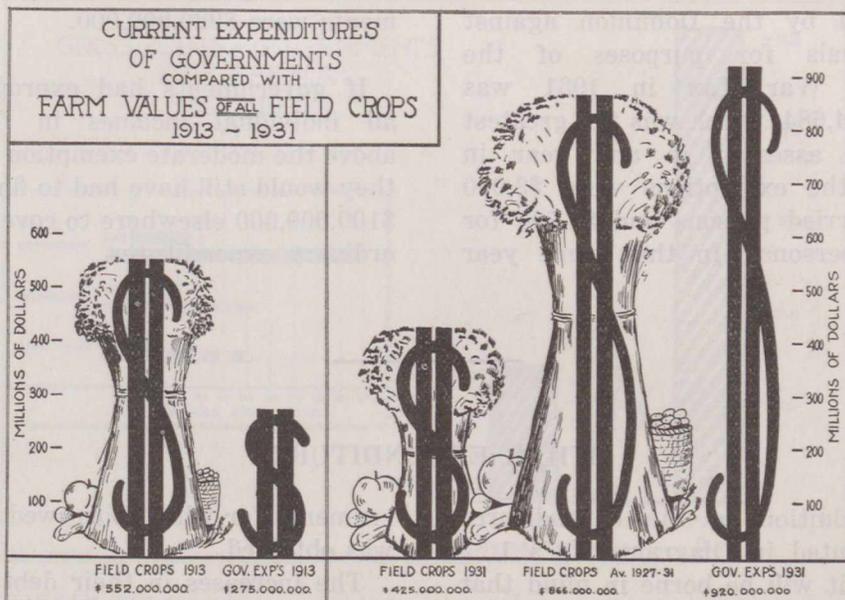


DIAGRAM NO. 3.

By comparisons, the relative proportions of the ordinary expenditures of governments may best be realized.

One of the main sources of national income is the field crops, including all grains, hay and other fodder crops and vegetables.

A comparison of government expenditures with the farm value of all field crops is presented in Diagram No. 3.

In 1913 the total sum expended by governments for ordinary purposes was equal to 50 per cent of the farm value of all field crops in Canada in that year, as estimated by the Dominion Bureau of Statistics.

In 1931 governments expended a sum equal to 216 per cent of the value of all field crops.

As prices were exceptionally low and yield not high in 1931, another comparison is added. The average value of all field crops for the 5 years, 1927-31, including three years of good prices, was \$866,000,000, while the ordinary expenditures of governments in 1931 were \$920,000,000.

Whereas in 1913 a sum equal to one-half the value of the field crops sufficed to meet ordinary government expenditures, a stage has now been reached where the average value of all field crops falls short by many millions of dollars of meeting the ordinary requirements of governments.

The startling comparison of the value of the field crops of 1931 with government expenditures for that year has point and validity, however, because it illustrates the inadaptability of government charges to sudden changes in national income.