

tures, nor special expenditures such as railway subsidies or direct expenditures on war and demobilization, although debt charges and pensions are included.

Dominion expenditures charged against Consolidated Fund do not fully account for expenditures out of revenue. When revenue exceeds the charges so classified, the excess is used to meet special or capital expenditures, and any surplus is applied to the reduction of net debt. In years when total revenue does not suffice for total expenditures, the balance is borrowed and added to debt.

In the 19 years, 1913-1931, Dominion income exceeded Consolidated Fund expenditures by \$1,120,110,467, or at the average rate of approximately \$60,000,000 per year. To put Dominion expenditures more nearly in line with Provincial and Municipal expenditures, these further payments out of revenue might not improperly have been added to the figures used, but as revenue in 1931 happened to fall short of meeting even Consolidated Fund expenditures, the line would finally have arrived at approximately the point shown in the diagram.

It is interesting to see that since 1913 Municipal expenditures, including schools, have been about equal to, and have been increasing at about the same rate as Dominion expenditures.

Provincial expenditures are smaller in amount, but since 1904 have been increasing at a higher percentage rate than Dominion and Municipal expenditures.

The scale in the Diagram is too small to emphasize minor fluctuations in expenditures from year to year, but two or three points appear which may suggest interesting enquiries. For example, there is a check to the rise in expenditures and an actual decline, which is common to both Dominion and Provincial curves, in the period 1914-16 and again in 1920-25. Was this due to economies in ordinary expenditures in the first period of war, and again in the depression of 1921-1924, or, in the latter case, was it due only to a decline in the prices of materials purchased?

The sharp downward jog in the Dominion line in 1907 was because the figures for that period were for 9 months only, owing to a change in the fiscal year, and do not represent a decline in the rate of expenditure.

ORDINARY EXPENDITURES OF GOVERNMENTS

(In Certain Years)

	Dominion Consol. Fund	Provincial Ordinary	Municipal Ord. (Incl. Schools)
1870	\$ 14,345,510	\$ 4,504,391	-----
1880	24,850,634	7,366,106	-----
1890	35,994,031	11,132,195	-----
1900	42,975,279	13,393,957	-----
1910	79,411,747	33,783,150	-----
1913	112,059,537	53,278,425	\$111,000,000
1920	303,843,930	88,250,675	-----
1922	347,560,691	112,874,954	260,000,000
1930	357,779,794	185,108,139	350,000,000
1931	389,558,289	-----	-----