

TOTAL ORDINARY EXPENDITURES OF GOVERNMENTS

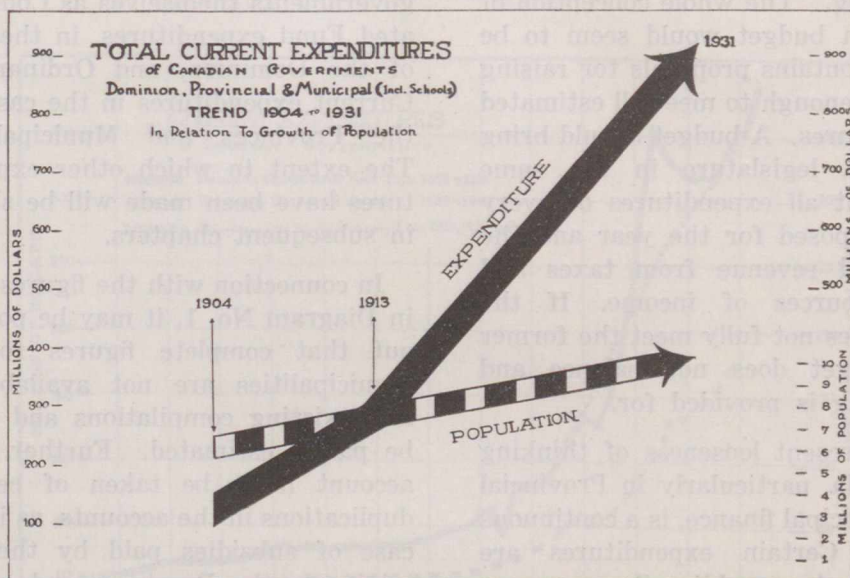


DIAGRAM NO. 1.

Government expenditures in Canada have, during the last twenty-five years, shown a very rapid rate of increase—relatively as well as absolutely.

From Confederation to about the year 1904 the increase, while almost continuous, was moderate. From 1904 to 1913 a marked acceleration of rate occurred, while the increase after 1913 has been at a sharply steeper angle.

In Diagram No. 1, above, is shown the trend of the aggregate ordinary expenditures of Dominion, Provincial and Municipal Governments from 1904 to 1931, in relation to the trend of population.

The relative proportions and trend will appear to the eye in the diagram. From approximately \$120,000,000 in 1904, the aggregate ordinary expenditures increased to \$275,000,000 in 1913 and to the very large total of

\$920,000,000 in 1931. Adjusted to population the expenditures per capita were \$19.08 in 1904, \$36.72 in 1913 and \$88.68 in 1931.

Expenditures represented in the diagram are the ordinary, recurrent ("current") yearly expenditures of governments, as distinguished from exceptional and occasional, and from what are classified as Capital Expenditures. The latter classes are not included in the totals used.

The classification by the various governments into "ordinary" or "capital" expenditures is not uniform or consistent. Except in the case of the Dominion, the distinction tends in practice to be really between expenditures out of yearly revenue and expenditures out of borrowed money. Whatever cannot be met out of income is borrowed for and transferred to capital account.

The need is great for the determination on sound lines of the condi-