

The Growth of Provincial Taxation.—Whereas in earlier years the Dominion subsidies, together with the revenues arising out of the natural resources of the provinces and from fees for specific services rendered to the citizens, nearly sufficed to cover the whole expense of government and rendered a resort to taxation for provincial purposes practically unnecessary in most of the provinces, the great increase in the functions of government since the commencement of the present century has put an end to this state of affairs. The aggregate amount of taxation for provincial purposes in the fiscal years prior to 1916 is unfortunately not available, but since that time provincial taxation has increased, according to the analyses made in the Dominion Bureau of Statistics, from \$15,718,146 in 1916 to \$76,683,166 in 1926—a five-fold increase in 10 years.

Bonded Indebtedness of the Provinces.—The bonded indebtedness of the provinces amounts to about four-fifths of their total direct liabilities. In recent years, the aggregate bonded indebtedness of the provinces has steadily increased. The total for the nine provinces was \$644,195,268 in 1923, \$705,230,487 in 1924, \$708,900,342 in 1925, \$715,489,427 in 1926 and \$757,168,785 in 1927. This bonded indebtedness was divided by provinces as follows:—P.E.I., \$1,933,000; N.S., \$41,708,457; N.B., \$36,554,409; Que., \$79,272,226; Ont., \$307,146,095; Man., \$67,293,828; Sask., \$56,944,576; Alta., \$90,890,458; B.C., \$75,485,736. The development of the principle of public ownership is largely responsible for the high bonded indebtedness in certain provinces, particularly in Ontario, where the hydro-electric system and the provincially-owned Temiskaming and Northern Ontario railway largely account for the bonded indebtedness of the province. These particular public utilities are, however, meeting from their revenues the interest on the indebtedness incurred in their construction.

Interest Payments of the Provinces.—The interest payments of the provincial governments have naturally increased in proportion with their growing indebtedness described above. In 1916, the first year for which aggregate figures are available on a comparable basis, the total interest payments of the provinces were \$6,196,933; in 1921 they had risen to \$19,818,266; in 1926 they were \$37,366,925 and in 1927 \$39,899,948. The 1927 interest payments of the provincial governments were as follows:—P.E.I., \$70,020; N.S., \$1,849,637; N.B., \$1,072,766; Que., \$3,839,506; Ont., \$19,344,779; Man., \$3,859,648; Sask., \$2,160,379; Alta., \$4,018,611; B.C., \$3,684,601.

Fiscal Years of the Provinces.—In 1927 the fiscal years of the provinces ended as follows:—P.E.I., Dec. 31; N.S., Sept. 30; N.B., Oct. 31; Quebec, June 30; Ontario, Oct. 31; Manitoba and Saskatchewan, April 30; Alberta, Dec. 31; British Columbia, Mar. 31.