

of calculating the debt allowances of the provinces; moreover, the Dominion pays interest at 5 p.c. per annum on the amounts by which the actual debts of the provinces, on their entry into Confederation, fell short of the allowed debts as adjusted. The aggregate annual payment from the Dominion to the provinces in respect of interest on debt allowances is \$1,609,386.

Allowances for Governments and Legislatures.—Under the terms of the union, annual grants of specific amounts were made to the various provinces for the support of their governments and legislatures. These fixed amounts vary with the population of the provinces according to the following scale, approved in 1907:—

Where population is—	\$
Under 150,000.....	100,000
150,000, but does not exceed 200,000.....	150,000
200,000, " " 400,000.....	180,000
400,000, " " 800,000.....	190,000
800,000, " " 1,500,000.....	220,000
Over 1,500,000.....	240,000

Aggregate annual allowances presently paid under this head amount to \$1,750,000.

Allowances per Head of Population.—Under the British North America Act of 1867, a grant of 80 cents per head of the population was allowed to each province. The British North America Act of 1907 provided that the grant would be paid to each province at the rate of 80 cents per head up to a population of 2,500,000, and at the rate of 60 cents per head for so much of the population as exceeded that number. Such allowances paid to the provinces in the fiscal year 1940 reached \$8,128,688.

33.—Subsidy Allowances to Provincial Governments, Fiscal Years 1935-40

Province	1935	1936	1937	1938	1939	1940
	\$	\$	\$	\$	\$	\$
Prince Edward Island ¹	381,932	381,932	381,932	381,932	381,932	381,932
Nova Scotia ¹	653,048	653,048	653,048	653,048	653,048	653,048
New Brunswick ¹	693,040	693,040	693,040	693,040	693,040	693,040
Quebec.....	2,592,014	2,592,014	2,592,014	2,592,014	2,592,014	2,592,014
Ontario.....	2,941,424	2,941,424	2,941,424	2,941,424	2,941,424	2,941,424
Manitoba ¹	1,716,484	1,716,484	1,703,022	1,703,092	1,708,171	1,713,284
Saskatchewan ¹	2,144,975	2,144,975	2,120,084	2,120,095	2,126,132	2,132,175
Alberta.....	1,771,475	1,771,475	1,776,071	1,776,130	1,781,788	1,787,475
British Columbia ¹	874,561	874,561	874,561	874,561	874,561	874,561
Totals.....	13,768,953	13,768,953	13,735,196	13,735,336	13,752,110	13,768,953

¹ Receives additional special and temporary grants, not included in this table (see text following).

34.—Subsidy Allowances to Provincial Governments, July 1, 1867, to Mar. 31, 1940

Province	Allowances for Government	Allowances on Basis of Population	Special Grants ¹	Interest on Debt Allowances ²	Total
	\$	\$	\$	\$	\$
Prince Edward Island.....	4,320,000	5,749,016	5,599,584	2,796,793	18,465,393 ³
Nova Scotia.....	8,670,000	25,773,670	826,980	3,499,336	38,769,986 ³
New Brunswick.....	8,030,000	19,737,527	10,680,000	1,556,425	40,003,952 ³
Quebec.....	10,720,000	95,778,851	—	5,961,556	112,460,407
Ontario.....	11,120,000	117,433,047	—	5,740,591	134,293,638
Manitoba.....	7,875,000	20,204,617	23,269,233	15,640,125	66,988,975 ³
Saskatchewan.....	6,816,667	19,839,800	21,531,250	14,188,124	62,375,841 ³
Alberta.....	6,296,666	15,662,806	18,468,750	14,188,125	54,616,347
British Columbia.....	7,270,000	15,509,830	7,900,000	2,021,207	32,701,037 ³
Totals.....	71,118,333	335,689,164	88,275,797	65,592,282	560,675,576³

¹ Compensation for lands and allowances for buildings. not include special and temporary grants (see text following).

² Allowances in lieu of debt.

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