

Special Grants.—In the case of certain of the provinces, grants have been added to the original scale of subsidies in view of special circumstances obtaining, which, for the fiscal year 1940, amounted in the aggregate to \$2,280,880 as set forth below:—

Prince Edward Island.—A special grant of \$195,000 less a deduction of \$39,120 (net grant of \$155,880).

New Brunswick.—An annual grant of \$150,000 since 1875 in consideration of the repeal of lumber duties reserved to the provinces by the B.N.A. Act of 1867.

Manitoba.—A special grant on the basis of population amounting at present to \$562,500 per annum.

Saskatchewan and Alberta.—Receive an annual sum as compensation for loss of Public Lands revenue, based on their respective populations and amounting at present to \$750,000 for Saskatchewan and \$562,500 for Alberta.

British Columbia.—A special grant amounting at present to \$100,000 per annum.

Other Special Grants.—In addition to the above, there are other special grants paid to the Maritime Provinces and British Columbia that are voted annually, aggregating, in the fiscal year 1940, \$3,225,000 as follows:—

Prince Edward Island.....	\$ 275,000
Nova Scotia.....	1,300,000
New Brunswick.....	900,000
British Columbia.....	750,000

Temporary grants were made to the Provinces of Manitoba and Saskatchewan in the amounts of \$750,000 and \$1,500,000, respectively, in the fiscal year 1940.

Loans to Provinces.—All of the provincial loans recently advanced by the Dominion have been made to the western provinces under the authority of relief legislation beginning with the Unemployment and Farm Relief Act, 1931, and these have been secured by interest-bearing treasury bills of the respective provinces, the rate being 3 p.c. since July 1, 1936. The sum total of such loans outstanding as at Mar. 31, 1941, was \$177,353,329 less write-offs of \$19,861,035, making net loans outstanding \$157,492,294.

In addition to these, however, there were also outstanding at that date \$870,500 of housing loans, being the balance of loans made to the provinces in the years following the War of 1914-18, on the authority of Orders in Council passed in 1918 and 1919, and of the Appropriation Acts of 1920 and 1921. Upon these loans the Province of Ontario repaid the whole of the advances in 1928, the Province of Quebec repaid in full in 1937, and New Brunswick in full in 1938. The other provinces concerned have, in most cases, reduced their indebtedness from year to year.

35.—Loans to Provincial Governments Under the Relief Acts, by Provinces, Fiscal Years 1937-41

NOTE.—Figures for 1932 (the first year such loans were made) and 1933 will be found at p. 844 of the 1936 Year Book, for 1934 and 1935 at p. 858 of the 1938 edition, and for 1936 at p. 852 of the 1940 edition.

Province and Item	1937	1938	1939	1940	1941
	\$	\$	\$	\$	\$
Manitoba—					
Loans during year.....	4,627,000	2,982,000	2,312,000	2,012,000	Nil
Less cash repayments and credits of Dominion's share of expenditures.....	1,000	22,812	906,501	129,507	355,924
Net loans for year.....	4,626,000	2,959,188	1,405,499	1,882,493	-355,924
Net loans outstanding at beginning of year..	15,504,856	20,130,856	23,090,044	24,495,543	26,378,036
Totals Outstanding Mar. 31.....	20,130,856	23,090,044	24,495,543	26,378,036	26,022,112