

that, by the voluntary action of their previously existing governments, entered Confederation, raise considerable revenue through land sales, sales of timber, mining royalties, leases of water powers, etc. The Prairie Provinces, which have controlled their own natural resources since 1930, formerly received from the Dominion special grants in lieu of land revenues. Further, under Sect. 92 of the British North America Act, provincial legislatures are given authority to impose direct taxation within the province for provincial purposes and to borrow money on the sole credit of the province. The total revenues received by Provincial Governments in 1937 are analysed by source at pp. 912-913 of the 1939 Year Book.

For the half-century subsequent to Confederation, the provincial accounts, published by each Government according to its own system of accounting, were quite incomparable as among the provinces. Upon its establishment in 1918, the Dominion Bureau of Statistics undertook the work of placing the various provincial public accounts on a comparable basis, correlating, for example, the revenue derived from succession duties, taxation of corporations, sales of public lands, royalties on forest, mineral, and fisheries products, as well as the expenditures on such services as agriculture, civil government, education, and public works. As the result of the Bureau's exhaustive analysis of the provincial public accounts, a summary statement of the ordinary receipts and expenditures of the Provincial Governments appeared for the first time in the 1919 Year Book. The various items of receipts and expenditures were classified under appropriate headings and a uniform terminology was adopted. The detailed figures for the years 1916 to 1920 are given at pp. 680-685 of the 1921 Year Book, those for 1921 at pp. 786-791 of the 1922-23 Year Book and those for 1922 to 1926 at pp. 836-841 of the 1927-28 Year Book.

The Bureau now makes more extensive analyses of the finances of the provinces, including capital and trust accounts as well as ordinary revenue and expenditure. These analyses are based on a uniform classification adopted at a conference held in 1933 between provincial treasury officials and the Dominion Bureau of Statistics. This new extended analysis, however, does not affect the comparability of the summary totals of Table 46.

Subsection 1.—Provincial Revenues and Expenditures*

Sources of Provincial Revenues.—In earlier years Dominion subsidies and 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 expenses of government and rendered a resort to taxation for provincial purposes practically unnecessary in most of the provinces. However, the great increase in the functions of government since the commencement of the present century has put an end to this state of affairs, and nowadays the five main sources of provincial revenue are: taxation; Dominion subsidies and allowances; licences; profits from control of liquor traffic; and interest, revenue and exchange. The last-named item is made up largely of interest received from such revenue-producing assets as are held by hydro-electric commissions, agricultural loan boards and provincial government telephone systems.

The five sources mentioned accounted for over 87 p.c. of the total ordinary revenue of the Provincial Governments in their fiscal years ended in 1937; taxation accounting for 43·8 p.c., Dominion sources for 15·2 p.c., licences, etc., for 11·5 p.c., liquor control profits† for 9·6 p.c., and interest, etc., for 7·1 p.c.

* The figures given in this Subsection do not agree with those given for provincial revenues and expenditures in Section I of this Chapter. The latter, as explained at p. 731, are adjusted figures based on the work of the Special Committee on Dominion-Provincial Relations, whereas these are obtained from provincial returns, no attempt having been made to reduce them to a comparable basis as between provinces.

† For revenues from liquor control, see p. 531.