

27.—Subsidy Allowances to Provincial Governments, July 1, 1867, to Mar. 31, 1941

Province	Allowances for Government	Allowances on Basis of Population	Special Grants ¹	Interest on Debt Allowances ²	Total ³
	\$	\$	\$	\$	\$
Prince Edward Island.....	4,420,000	5,836,278	5,755,464	2,835,583	18,847,325
Nova Scotia.....	8,860,000	26,183,947	826,980	3,552,106	39,423,033
New Brunswick.....	8,220,000	20,064,102	10,830,000	1,582,890	40,696,992
Quebec.....	10,960,000	98,003,404	—	6,089,017	115,052,421
Ontario.....	11,360,000	119,992,056	—	5,883,005	137,235,061
Manitoba.....	8,065,000	20,783,817	23,831,733	16,021,709	68,702,259
Saskatchewan.....	7,036,667	20,596,600	22,281,250	14,593,500	64,508,017
Alberta.....	6,486,667	16,292,407	19,031,250	14,593,500	56,403,824
British Columbia.....	7,460,000	16,065,240	8,000,000	2,050,358	33,575,598
Totals.....	72,868,334	343,817,851	90,556,677	67,201,668	574,444,530

¹ See text at p. 771.
Grants" (see text following).

² Allowances in lieu of debt.

³ Does not include "Additional Special

Additional Special Grants.—In addition to the above, there are other special grants paid to the Maritime Provinces, Manitoba, Saskatchewan and British Columbia that are voted annually, aggregating, in the fiscal year 1941, \$5,475,000 as follows:—

Prince Edward Island.....	\$ 275,000
Nova Scotia.....	1,300,000
New Brunswick.....	900,000
Manitoba.....	750,000
Saskatchewan.....	1,500,000
British Columbia.....	750,000

As noted at p. 748, under the agreements negotiated between the Dominion Government and the provinces following the offer made in the Budget of April, 1941, these temporary special grants will be replaced by fiscal-need subsidies to certain provinces and by special payments in the following amounts: Prince Edward Island \$437,174; New Brunswick, \$371,493; Manitoba, \$600,000; Saskatchewan, \$1,500,000; Nova Scotia, \$324,122; a total of \$3,232,789.

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, 1942, was \$177,136,057 less write-offs of \$19,861,035, making net loans outstanding \$157,275,022.

In addition to these, however, there were also outstanding at that date \$130,500 of housing loans being the balance of loans made to the provinces in the years following the First World War, 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, New Brunswick in full in 1938 and Manitoba and British Columbia in full in 1941. The other two provinces have reduced their indebtedness from year to year.