

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 revenues and expenditures. 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 35.

In order to obtain more comprehensive analyses of provincial finance activities and to assure the greatest degree of comparability a conference of provincial treasury officials was convened by the Bureau in 1933, and basic schedules were adopted and put into use in accordance with the recommendations of the conference. These schedules form the basis of subsequent years' compilations of provincial revenues, expenditures and debt. The Royal Commission on Dominion-Provincial Relations conducted extensive studies of provincial finance, embodying therein certain modifications of the basis previously followed by the Bureau. In order to continue the studies of provincial finance statistics on a basis as nearly comparable as possible with those of the Commission, the Bureau's forms have now been extended considerably and put into use for reporting by the provinces in their fiscal years ended nearest to Dec. 31, 1940. This basis will hereafter be followed, in contrast to the former practice of compiling data for fiscal years ending in each year. For this reason, some of the following tables are not extended beyond what was published in previous editions of the Year Book. At the time of going to press, reports from some of the provinces had not yet been received, so that it was impossible to complete the necessary analyses on the revised basis.

### 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 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. 743, 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.