

provinces, on their entry into Confederation, fell short of the allowed debts as adjusted. The aggregate annual payment by the Federal Government 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 specific grants were made to the various provinces for the support of their governments and legislatures. These 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 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 year ended Mar. 31, 1946, amounted to \$8,779,089.

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 year ended Mar. 31, 1946, 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 Province 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.—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.

19.—Subsidy Allowances to Provincial Governments, Years Ended Mar. 31, 1942-48

Province	1942	1943	1944	1945	1946	1947	1948
	\$	\$	\$	\$	\$	\$	\$
Prince Edward Island.....	381,932	381,932	381,932	381,932	381,932	381,932	656,932
Nova Scotia.....	701,323	708,958	705,140	705,140	705,140	705,140	2,005,140
New Brunswick.....	729,167	735,605	732,386	732,386	732,386	732,386	1,632,386
Quebec.....	2,859,245	2,873,935	2,866,590	2,866,590	2,866,590	2,866,590	2,866,590
Ontario.....	3,136,394	3,173,621	3,155,007	3,155,007	3,155,007	3,155,007	3,155,007
Manitoba.....	1,713,284	1,722,475	1,717,879	1,716,987	1,717,284	1,709,043	1,722,202
Saskatchewan.....	2,132,175	2,052,162	2,092,169	2,028,578	2,049,775	2,034,650	10,079,651
Alberta.....	1,788,589	1,801,031	1,794,810	1,855,207	1,835,075	1,794,561	10,272,767
British Columbia.....	966,513	1,040,366	1,003,440	1,003,440	1,003,440	1,003,440	1,003,440
Totals.....	14,408,622	14,490,085	14,449,353	14,445,267	14,446,629	14,382,750	33,394,115