

earnings are not included as revenue. The tables present the *net* cost of services to the provinces after the following revenues have been offset against the corresponding expenditures: shared cost contributions of other governments, institutional revenue and certain other sales of commodities and services, and interest revenue exclusive of sinking fund earnings.

During the years 1940-45 Provincial Government revenues and expenditures reached very high levels. The combined net ordinary and capital revenues in 1945 totalled \$427,000,000 as compared with the 1944 total of \$374,000,000, an increase of 14.4 p.c. The combined net ordinary and capital expenditures amounted to \$383,000,000 as compared with \$350,000,000 in 1944, an increase of 9.4 p.c. With the exception of Prince Edward Island and New Brunswick, surpluses were recorded by all provinces for 1945 and the total surplus amounted to over \$44,000,000 (\$56,000,000 in 1943 and \$24,000,000 in 1944). Included in the total expenditures were capital account expenditures of more than \$30,000,000, an increase of about 16 p.c. over such expenditures in 1944.

An examination of the details relating to both combined net ordinary and capital revenues and expenditures gives some insight into the factors contributing to the high levels reached in 1945. Liquor revenues increased over 1944 by 41.5 p.c., and gasoline tax revenues by 23.3 p.c. Increases in expenditures were chiefly accounted for by the following: highways, bridges and ferries, 22.4 p.c.; education, 13.6 p.c.; and public welfare, 12.5 p.c. It is interesting to note that debt charges, exclusive of debt retirement, decreased by 3.0 p.c.

There was only a slight change from the year 1944 in the relative importance of revenue sources. While in both years, 30 p.c. of the total net revenue was derived from taxes, 25 p.c. was from other governments (29 p.c. in 1944), and 23 p.c. from liquor control (19 p.c. in 1944).

Expenditures on specific items were also made in just about the same ratios as in 1944. Expenditures on public welfare represented 22 p.c. of the total (22 p.c. in 1944); on highways, bridges and ferries, 20 p.c. (18 p.c. in 1944); on education, 19 p.c. (18 p.c. in 1944); and on debt charges, exclusive of debt retirement, 15 p.c. (17 p.c. in 1944).

Total net combined ordinary and capital revenues in 1945 amounted to \$35.30 per capita. Chief sources of revenue were: taxes, \$10.64; other governments, \$8.83; and liquor control, \$8.23. Total net combined ordinary and capital expenditures, per capita, were \$31.62. At the same time, the more important expenditure functions in per capita terms were: public welfare, \$7.01; highways, bridges and ferries, \$6.47; education, \$5.95; and debt charges, exclusive of debt retirement, \$4.71.

It should be noted that Tables 27, 28, 29 and 30 exclude cash collected and payments and expenditures made *re* the Debt Reorganization Program of the Government of the Province of Alberta.

Further statistical details are given in the report *Financial Statistics of Provincial Governments in Canada*, published by the Dominion Bureau of Statistics.