

APPENDIX A.Finance.

1. In the Alberta Act (1905, c.3,s.20) provision is made for an annual subsidy by the Dominion of Canada to the Province and for the addition to this of a progressively increasing amount from time to time "inasmuch as the said Province will not have the public land as a source of revenue". Having regard to its present population, the subsidy the Province now receives in lieu of public lands is \$562,000 annually, but the total prospective relief to the Dominion, which would follow from the making of the agreement for the transfer of the public lands to the Province, would not be limited to this annual sum since the amount payable increases proportionately to the population until it reaches \$1,135,000 a year when the population of the Province exceeds 1,200,000.

2. It has been agreed that, notwithstanding the transfer to the Province of the natural resources within it, the annual payment in lieu of lands should continue to be made for three years, on the distinct understanding that, after the transfer, it should be so, not because there is any obligation to continue it, but only as a consideration sufficient to meet what may be necessary in the way of outlay on the part of the Government of Alberta in effecting the transfer and arranging for the administration of the resources under its control. Under the terms of the statute the present subsidy continues until the population exceeds 800,000, and as it was only 588,454 in 1921, no increase in the amount payable need be anticipated during the next three years.

3. It appears from the letter of the Premier of Alberta notifying the agreement of the Province to this limited continuation of the subsidy in lieu of lands, that the decision of the Provincial Government had been influenced by its understanding that

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