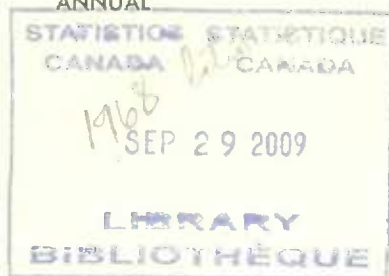


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CANADA

A CONSOLIDATION OF PUBLIC FINANCE STATISTICS

MUNICIPALITIES, PROVINCES AND
THE GOVERNMENT OF CANADA

1961

(Fiscal Year Ended Nearest December 31, 1961)

Actual

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INTRODUCTION

This publication consolidates public finance statistics of federal, provincial and municipal governments for the fiscal year ended nearest to December 31, 1961. Inter-governmental relationships have been eliminated to permit presentation of the true relationship between government and the public in respect of revenue raised, expenditures made and debt owed. Consolidation also permits review of the relevant position of each level of government in raising revenue, making expenditures and incurring debt.

The statistics for the federal and provincial governments are based on final information obtained from the Public Accounts for the fiscal year ended March 31, 1962. For municipal governments the statistics are based primarily on published reports

of provincial departments of municipal affairs, in most cases for the calendar year 1961, supplemented by information from individual municipal reports and other authoritative sources.

The classifications, concepts and definitions followed are those which have been the subject of discussions and agreements at Dominion-Provincial conferences on provincial and municipal finance statistics. The federal accounts have been analysed and presented in a form comparable thereto insofar as possible. Details of the bases of presentation of public finance statistics for provincial and municipal governments and the Government of Canada may be obtained by reference to the other publications of the Dominion Bureau of Statistics listed on the inside cover of this report.

EXPLANATORY COMMENT

Tables 1 and 2. Net General Revenue and Expenditure

In this presentation transfer payments from one level of government to another have been treated as follows:

(a) Grants-in-aid and shared-cost contributions received by provincial governments have been eliminated from revenue and the related expenditures; payments of a similar nature included in the revenue of municipal governments have also been eliminated from revenue and related expenditures, but capital grants not included in municipal revenue have been deducted only from expenditures. In each instance the grants are included in the expenditure of the paying government under the appropriate function of expenditure.

(b) General grants and subsidies and payments made under tax-sharing arrangements are eliminated from the expenditure of the paying government and from the revenue of the receiving government.

Details of the above transfer payments are given in Table 5. Because of differences in fiscal year-ends, accounting methods, etc., the amounts

received by one level of government do not necessarily agree with the amounts paid by the other level of government.

The ordinary revenues and expenditures of municipal utilities and enterprises, hospitals, libraries and certain special areas are not included nor is capital expenditure of municipal utilities and enterprises; only surpluses, deficits and levies actually taken into the municipal accounts are reflected. Municipal expenditure on education includes interest on school debentures, included under debt charges up to and including 1959.

Municipal property taxes include all municipal and school taxes levied on real and personal property—its use and occupancy. Grants in lieu of municipal taxes on federal and provincial property paid to municipal governments have been eliminated from revenue of the municipal governments and from the expenditure of the paying governments. However, similar grants from federal and provincial enterprises have not been eliminated from municipal revenue; they are shown as a separate item in Table 1.

Net general expenditure includes expenditures of a current or ordinary nature and also expenditures for the construction or acquisition of fixed assets. These latter are included in the federal "budgetary" expenditures. For provincial and municipal governments expenditures on capital account (for the construction or acquisition of property, public works and other projects) are combined with ordinary account expenditures. Receipts of the provincial governments in respect of capital account transactions, such as grants, contributions or other recoveries of amounts expended, are deducted from related expenditures. **For the first time, because of more and better information being made available, capital grants received by municipalities from the other levels of government, in aid of capital expenditures for fixed assets, have been deducted from related expenditures in arriving at net general expenditure. This should be kept in mind when making comparisons with previous years in respect of both dollar values and percentage values. The grants in question can be identified in Table 5 (III).**

Provisions for debt retirement, including both principal instalments and sinking fund provisions, have been omitted from expenditure totals. The amounts omitted are shown at the foot of Table 2.

In Table 1, "other revenue", item 24, includes the following:

Federal—revenue of the Post Office Department, Exchange Fund profit, revenue from bullion and coinage, fines and penalties and other miscellaneous items.

Provincial—fines, penalties and other miscellaneous items.

Municipal—rents, concessions, franchises, tax penalties, contributions other than from governments or government enterprises, and sundry items which either do not fall into recommended classifications or cannot be classified properly from information available.

In Table 2, "other expenditure" as indicated by item 23 includes the following:

Federal and Provincial—recreation and cultural services, trade and industrial development, local government planning and development, civil defence, housing and other sundry items. On the federal level expenditure of the Post Office Department, and expenditure for immigration and external affairs are also included.

Municipal—recreation and community services, joint or special expenditures and sundry miscellaneous items.

Tables 3 and 4. Percentage Distribution of Total net General Revenue and Expenditure

The percentage distributions shown in Tables 3 and 4 are based on Tables 1 and 2. They indicate the proportion applicable to each level of government of the totals of the principal sources of revenue and

functions of expenditure, exclusive of transfers from one level of government to another. The treatment of these inter-government transfers is explained in the explanatory comment on Tables 1 and 2. Reference to other publications of the Bureau, dealing with financial statistics of each level of government, will show the relative significance to each level of government of the principal sources of revenue and functions of expenditure.

Table 6. Distribution of Total Net General Revenue Excluding Inter-Government Transfers

This table presents, first, the distribution of net general revenue as raised by each level of government, secondly, transfers between levels of government, and lastly, the distribution of net general revenue as between levels of government after such transfers. In effect, it records first where the revenues were raised, and lastly, where they were available for expenditure.

It should be noted that payments made directly to local school boards by provincial governments have been included in municipal revenue in this table, although revenue shown elsewhere in municipal finance statistics does not include payments received directly by school boards from the provinces. The remainder of the revenue of local school boards is derived largely from taxes levied by municipal governments, and, in some cases, by the school boards themselves. In both cases the taxes are included in municipal revenue statistics. As education plays such an important part in municipal affairs, and is administered largely as a form of local government, it is considered appropriate, for purposes of this table, to include in municipal revenue the amounts received from provincial governments as noted above.

Table 7. Direct and Indirect Debt

In arriving at consolidated debt, elimination has been made of:

- (a) Direct debt of one level of government to another level of government, such as specifically identifiable treasury bills, loans and advances or other liabilities.
- (b) Indirect debt of one level of government to another level of government resulting from its guarantee of inter-government direct debt.
- (c) Indirect debt of one level of government resulting from its guarantee of the direct debt of another level of government to the public.

Securities such as bonds or debentures issued by one government and held as investments by another government are not considered as inter-government debt and consequently have not been eliminated.

Only sinking funds or special debt retirement funds are shown as deductions from funded debt. Otherwise the statistics reflect the gross debt of each level of government.

TABLE 1. Net General Revenue — All Governments
After Elimination of Inter-government Transfers
For the Fiscal Year Ended Nearest to December 31, 1961

No.	Source	Federal	Provincial	Municipal	Total
		thousands of dollars			
	Taxes:				
	Income:				
1	Corporations	1,302,179	267,684	—	1,569,863
2	Individuals	2,051,606	85,080	—	2,136,686
3	Interest, dividends and other income going abroad	112,306	—	—	112,306
4	General sales	1,044,557	354,930	85,388	1,484,875
5	Motor fuel and fuel oil sales	—	449,548	451	449,999
6	Other sales	—	61,143	2,830	63,973
7	Excise duties and special excise taxes	623,636	—	—	623,636
8	Customs import duties	534,516	—	—	534,516
9	Real and personal property	—	8,723	1,391,064	1,399,787
10	Business	—	—	45,463 ¹	45,463
11	Estate taxes and succession duties	84,579	65,871	—	150,450
12	Other	1,043	188,907 ²	15,061	205,011
13	Total taxes	5,754,422	1,481,886	1,540,257	8,776,565
	Privileges, licences and permits:				
14	Liquor control and regulation	11	50,974	—	50,985
15	Motor vehicles	—	181,885	—	181,885
16	Natural resources	3,805	296,467	—	300,272
17	Other	20,574	31,704	27,910	80,188
18	Total privileges, licences and permits	24,390	561,030	27,910	613,330
19	Sale and services	64,000	50,347	—	114,347
	Contributions from government enterprises:				
	Own enterprises:				
20	Liquor boards and commissions	—	196,950	—	196,950
21	Other	122,427	6,836	25,710	154,973
22	In lieu of municipal taxes from federal and provincial government enterprises	—	—	11,394	11,394
23	Total contributions from government enterprises	122,427	203,786	37,104	363,317
24	Other revenue	265,642	13,619	112,805	392,066
25	Sub-total items 1 to 24	6,230,881	2,310,668	1,718,076	10,259,625
26	Non-revenue and surplus receipts	18,477	3,991	—	22,468
27	Total net general revenue after elimination of inter-government transfers	6,249,358	2,314,659	1,718,076	10,282,093

¹ Incomplete. Not separable from real property taxes in some provinces.

² Includes hospital insurance premiums 121,812.

TABLE 2. Net General Expenditure — All Governments
After Elimination of Inter-government Transfers
For the Fiscal Year Ended Nearest to December 31, 1961

No.	Function	Federal	Provincial	Municipal	Total
		thousands of dollars			
1	Defence services and mutual aid	1,647,055	—	—	1,647,055
2	Veterans' pensions and other benefits	337,318	—	—	337,318
	Health:				
3	Hospital care	317,153	542,741	41,344	901,238
4	Other	48,753	57,468	24,605	130,826
5	Total health	365,906	600,209	65,949	1,032,064
	Social welfare:				
6	Aid to aged persons.....	656,065	65,350
7	Aid to unemployed and unemployables	108,478	91,260
8	Family allowances	523,917	—	—	523,917
9	National employment services	102,964	—	—	102,964
10	Other	32,499	118,685
11	Total social welfare	1,423,923	275,295	41,893	1,741,111
12	Education	93,569	840,739	886,063 ¹	1,820,371
	Transportation and communications:				
13	Highways, roads and bridges	88,557	653,976	345,561	1,088,094
14	Other	341,724	5,168	—	346,892
15	Total transportation and communications	430,281	659,144	345,561	1,434,986
16	Natural resources and primary industries	403,323	201,565	—	604,888
17	Debt charges excluding debt retirement	689,449	83,941	106,125	879,515
18	Contributions to own government enterprises	170,931	5,110	18,290	194,331
	Other expenditure:				
19	General government	287,117	134,896	149,397	571,410
20	Protection of persons and property	88,121	140,971	257,752	486,844
21	Sanitation and waste removal	—	—	178,858	178,858
22	International co-operation and assistance	67,396	—	—	67,396
23	Other	449,004	87,983	219,704	756,691
24	Total other expenditure	891,638	363,850	805,711	2,061,199
25	Sub-total items 1 to 24	6,453,393	3,029,853	2,269,592	11,752,838
26	Non-expense and surplus payments	293	6,923	—	7,216
27	Total net general expenditure after elimination of inter-government transfers	6,453,686	3,036,776	2,269,592	11,760,054
28	Funded debt retirement reported as ordinary expenditure and excluded from above.	—	60,074	215,097	275,171

¹ Includes interest portion of school debenture debt charges.
 ..Figures not available.

**TABLE 3. Percentage Distribution of Net General Revenue as per Table 1 — All Governments
For the Fiscal Year Ended Nearest to December 31, 1961**

Source	Federal	Provincial	Municipal	Total
Total taxes	65.6	16.9	17.5	100.0
Total privileges, licences and permits	3.9	91.5	4.6	100.0
Total sales and services	56.0	44.0	—	100.0
Total contributions from government enterprises	33.7	56.1	10.2	100.0
Other revenue	67.7	3.5	28.8	100.0
Non-revenue and surplus receipts	82.2	17.8	—	100.0
Total net general revenue	60.8	22.5	16.7	100.0

**TABLE 4. Percentage Distribution of Net General Expenditure as per Table 2 — All Governments
For the Fiscal Year Ended Nearest to December 31, 1961**

Function	Federal	Provincial	Municipal	Total
Defence services and mutual aid	100.0	—	—	100.0
Veterans' pensions and other benefits	100.0	—	—	100.0
Health	35.4	58.2	6.4	100.0
Social welfare	81.8	15.8	2.4	100.0
Education	5.1	46.2	48.7	100.0
Transportation and communications	30.0	45.9	24.1	100.0
Natural resources and primary industries	66.7	33.3	—	100.0
Debt charges excluding debt retirement	78.4	9.5	12.1	100.0
Contributions to own government enterprises	88.0	2.6	9.4	100.0
Other expenditure	43.3	17.6	39.1	100.0
Non-expense and surplus payments	4.1	95.9	—	100.0
Total net general expenditure	54.9	25.8	19.3	100.0

TABLE 5. Analysis of Inter-government Transfers
For Fiscal Year Ended Nearest to December 31, 1961

I. Eliminated from revenue of receiving governments as reported in Table 1

	Received by provincial from		Received by municipal from	
	Federal	Municipal	Federal	Provincial
thousands of dollars				
Tax-sharing arrangements	479,270	—	—	—
Share of income tax on power utilities	6,276	—	—	—
Subsidies	56,555	—	—	71,288
Special payments	—	—	1,632	—
Grants in lieu of municipal taxes on federal and provincial property	—	—	31,295	1,640
Totals	542,101	—	32,927	72,928

II. Eliminated from expenditure of paying governments as reported in Table 2

	Paid by federal to		Paid by provincial to municipal	Paid by municipal to provincial
	Provincial	Municipal		
thousands of dollars				
Tax-sharing arrangements	479,269	—	—	—
Share of income tax on power utilities	6,396	—	—	—
Subsidies	56,556	—	69,884	—
Special payments	—	1,682	—	—
Grants in lieu of municipal taxes on federal and provincial property	—	25,034	1,617	—
Totals	542,221	26,716	71,501	—

III. Eliminated from revenue and expenditure of receiving governments

	Received by federal from provincial	Received by provincial from		Received by municipal from			
		Federal	Municipal	Federal		Provincial	
thousands of dollars							
Grants-in-aid and shared-cost contributions:							
Highways, roads and bridges	—	51,825	460	410	2,852	84,135	20,857
Hospital care	—	300,479	6,990	—	—	1,705	1,167
Other health	—	30,663	1,706	—	—	1,463	—
Aid to aged persons	—	30,981	—	—	—	—	2,648
Aid to unemployed and unemployables	—	86,064	3,490	—	—	58,772	—
Education	—	33,734	294	—	117	3,213	44,853
Natural resources and primary industries	554	12,574	132	—	—	—	—
Other	—	49,631	2,201	—	643	10,806	1,120
Totals	554	595,951	15,273	410	3,612 ¹	160,094	70,645 ¹

¹ Capital grants, not in current revenue, eliminated from expenditure only of receiving government.

**TABLE 6. Distribution of Total Net General Revenue Excluding Inter-government Transfers
All Governments in Canada
For Fiscal Year Ended Nearest to December 31, 1961**

	Federal	Provincial	Municipal	Total
	thousands of dollars			
Net general revenue, as per Table 1	6,249,358 (60.8%)	2,314,659 (22.5%)	1,718,076 (16.7%)	10,282,093 (100.0%)
Adjustment to show inter-government transfers in- revenue of recipient governments only:				
Inter-government transfers:				
By Government of Canada	- 1,171,389	1,138,052	33,337	-
By provincial governments	554	- 783,934 ¹	783,380	-
By municipal governments	-	15,273	- 15,273	-
Adjusted distribution of net general revenue ²	5,078,523 (49.4%)	2,684,050 (26.1%)	2,519,520 (24.5%)	10,282,093 (100.0%)

¹ Includes 550,358 paid to school boards.

² See Introduction, page 4.

**TABLE 7. Direct and Indirect Debt—All Governments
After Elimination of Inter-government Debt¹
as at Fiscal Year End Nearest to December 31, 1961**

No.		Federal	Provincial	Municipal	Total before elimination	Inter- government debt eliminated	Total after elimination
		thousands of dollars					
	Direct debt						
1	Debenture debt	15,060,736	4,036,301	4,733,356	23,830,393	124,219	23,706,174
2	Deduct sinking funds	19,432	646,429	167,165	833,026	-	833,026
3	Item 1 less item 2	15,041,304	3,389,872	4,566,191	22,997,367	124,219	22,873,148
4	Treasury bills ²	-	74,930 ³	667	75,597	61,158	14,439
5	Item 3 plus item 4	15,041,304	3,464,802	4,566,858	23,072,964	185,377	22,887,587
6	Short term treasury bills ⁴	1,885,000	68,062	-	1,953,062	-	1,953,062
7	Savings deposits and certificates	27,365	-	-	27,365	-	27,365
8	Temporary loans and overdrafts	-	20,103	277,457	297,560	-	297,560
	Accounts and other payables:						
9	Trust funds and other deposits	4,258,100	164,912	10,466	4,433,478	9	4,433,469
10	Other ⁵	1,104,607	267,493	295,033	1,667,133	90,889	1,576,244
11	Other liabilities	336,038	79,519	106,002	521,559	9,483	512,076
12	Total direct debt less sinking funds⁷	22,652,414	4,064,891	5,255,816	31,973,121	285,758	31,687,363
	Indirect debt						
13	Guaranteed bonds or debentures	1,636,115	4,259,455	12,924	5,908,494	445,819	5,462,675
14	Deduct sinking funds	-	114,159	297	114,456	3,216	111,240
15	Item 13 less item 14	1,636,115	4,145,296	12,627	5,794,038	442,603	5,351,435
16	Guaranteed bank loans	168,540	35,816	86	204,442	4,255	200,187
17	Municipal Improvement Assistance Act loans	-	1,466	-	1,466	1,466	-
18	Other guarantees	3,943,000	139,368	-	4,082,368	-	4,082,368
19	Total indirect debt less sink- ing funds	5,747,655	4,321,946	12,713	10,082,314	448,324	9,633,990
20	Total direct and indirect debt less sinking funds	28,400,069	8,386,837	5,268,529	42,055,435	734,082	41,321,353
21	Direct debt (item 12) per capita ⁸ .. \$	1,220	219	284	1,723	...	1,706

¹ See explanatory comment and Table 8 for details.

² Having a term of two or more years.

³ Net of sinking funds 14,667.

⁴ Consists of treasury bills, treasury notes and deposit certificates having a term of less than two years.

⁵ Included in item 9.

⁶ Includes bonds (or debentures) due and bond (or debenture) interest due.

⁷ Does not include surplus, reserves, unexpended balances and deferred revenue.

⁸ Population totals at June 1, 1962 as estimated by the Census Division, Dominion Bureau of Statistics.

... Figures not appropriate or not applicable.

TABLE 8. Analysis of Inter-government Debt¹
As at Fiscal Year End Nearest to December 31, 1961

	Due by federal to provincial	Due by provincial to		Due by municipal to		Total
		Federal	Municipal	Federal	Provincial	
thousands of dollars						
Direct debt						
Funded debt	—	60,263	—	6,659	118,455	185,377
Other liabilities	464	6,067	64,323	1,298	28,229	100,381
Total direct inter-government debt	464	66,330	64,323	7,957	146,684	285,758
Indirect debt						
Direct debt of municipal governments guaranteed by provincial governments:						
Bonds or debentures						445,819
Deduct sinking funds						3,216
Net bonds or debentures						442,603 ²
Bank loans						4,255
Municipal Improvement Assistance Act loans						1,466
Total indirect inter-government debt						448,324
Total direct and indirect inter-government debt						734,082

¹ See explanatory comment re Table 7, for interpretation of "Inter-government debt".

² Includes 161,021 debentures of the Alberta Municipal Financing Corporation issued to purchase debentures of municipalities.

TABLE 9. Analysis of Gross Bonded Debt — All Governments by Place of Payment
As at Fiscal Year End Nearest to December 31, 1961

Payable in	Federal	Provincial	Municipal	Total
thousands of dollars				
Canada only	14,930,570	3,060,981	2,721,061	20,712,612
London (Eng.) only	31,991	2,312	5,216	39,519
London (Eng.) and Canada	—	2,974	4,654	7,628
New York only	98,175	836,959	776,657	1,711,791
New York and Canada	—	67,710	37,505	105,215
London (Eng.), New York and Canada	—	56,262	7,153	63,415
Switzerland	—	9,103	4,500	13,603
Unclassified	—	—	1,176,610 ¹	1,176,610
Totals	15,060,736	4,036,301	4,733,356	23,830,393
Per capita ²	\$ 811	217	255	1,283

¹ Place of payment not indicated in Municipal reports, but probably mostly payable in Canada only.

² Population totals at June 1, 1962, as estimated by the Census Division, Dominion Bureau of Statistics.



BOOKS

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