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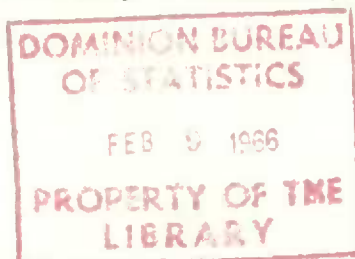
PROVINCIAL GOVERNMENT FINANCE

Revenue and Expenditure (Estimates)

1965

(Fiscal Year Ended March 31, 1966)

Formerly Financial Statistics of Provincial Governments—Revenue and
Expenditure—Summary of Estimates (First Analysis)



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68-207	Provincial Government Finance—Revenue and Expenditure (Formerly Financial Statistics of Provincial Governments—Revenue and Expenditure (Actual)) Based on detailed analyses of the Public Accounts of the provinces75
68-208	Provincial Government Finance—Funded Debt (Preliminary) (Formerly Financial Statistics of Provincial Governments—Funded Debt—Direct and Indirect (Interim)) Based on interim figures provided by provinces immediately after close of the fiscal year indicated.....	.50
68-209	Provincial Government Finance—Debt (Formerly Financial Statistics of Provincial Governments—Direct and Indirect Debt (Actual)) Based on analyses of the Public Accounts of the provinces50
68-211	Federal Government Finance (Formerly Financial Statistics of the Government of Canada—Revenue and Expenditure—Direct and Indirect Debt (Actual)) Based on analysis of the Public Accounts50
61-203	Federal Government Enterprise Finance (Formerly Financial Statistics of Federal Government Enterprises) Based on analyses of financial statements of federal government enterprises50
61-204	Provincial Government Enterprise Finance (Formerly Financial Statistics of Provincial Government Enterprises) Based on analyses of financial statements of provincial government enterprises75
63-202	The Control and Sale of Alcoholic Beverages in Canada Based on information provided by provincial liquor authorities, the federal Department of National Revenue and divisions of the Dominion Bureau of Statistics50

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TABLE OF CONTENTS

	Page
Introduction	5
Review of Estimates Data for 1965 - 66	5
Explanatory Comments	6
Five-year Summaries by Province	8
Five-year Summaries by Source and Function	9
Table	
1. Net General Revenue, 1965 - 66 Estimates	10
2. Net General Expenditure, 1965 - 66 Estimates	11
3. Gross Amounts Paid to Local Governments, 1965 - 66 Estimates	12
4. Reconciliation of Provincial Estimated Revenue with Estimated Net General Revenue 1965 - 66 per Table 1	13
5. Reconciliation of Provincial Estimated Expenditure with Estimated Net General Expenditure 1965 - 66 per Table 2	14

SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil and amounts under \$500 on the dollar tables and less than 0.05 per cent on the percentage tables.
- amount too small to be expressed.
- p preliminary figures.
- r revised figures.

Note: Figures appearing in footnotes to tables are in thousands of dollars.

PROVINCIAL GOVERNMENT FINANCE

Revenue and Expenditure (Estimates)

1965

(Fiscal Year Ended March 31, 1966)

INTRODUCTION

This report includes a condensed analysis of estimated expenditures and anticipated revenues of provincial governments for the current fiscal year. The information was derived mostly from the Estimates and Budget Speeches presented to the provincial legislatures by the provincial treasurers. Condensed statements of net general revenue and expenditure of provincial governments for the fiscal year ended March 31, 1965, prepared from preliminary statements contained in the Budget Speeches delivered in 1965, from interim statements tabled in conjunction therewith and in certain cases from condensed "actual" statements released since the fiscal year end, will be published in Catalogue No. 68-206.

Because of the variations in accounting and financial reporting methods in use among the

provinces, certain adjustments to the provincial figures are necessary to achieve interprovincial comparability. The accuracy of such adjustments, and also of the breakdown of revenue and expenditure into the standard statistical categories, depends upon the extent and detail of the available sources of information. The difference between "net general revenue" (estimated) and "net general expenditure" (estimated) as used in this report does not reflect an estimated surplus or deficit position of a government, but must be interpreted in accordance with the conceptual framework of this statistical series. The annual report "Provincial Government Finance - Revenue and Expenditure" explains in detail the various adjustments to provincial figures that are required to produce public finance statistics on this basis.

REVIEW OF ESTIMATES DATA FOR 1965-66

Of the total estimated revenue of \$4,702 million for the fiscal year ending March 31, 1966, \$3,113.7 million or 66.2 per cent is estimated to come from taxes. This total tax revenue of \$3,113.7 million is an increase of \$586 million or 23.2 per cent over the estimated total for the year ended March 31, 1965. Increased revenue from the general sales tax, from the tax on motor fuel and fuel oil sales, together with an overall increase in revenue from the corporation and individual income tax, accounted for this general increase. Of the total revenue derived from taxes, the general sales tax accounts for 24.6 per cent, motor fuel and fuel oil taxes for 20.9 per cent, individual income tax for 23.9 per cent and corporation income tax for 16.3 per cent.

Tax Changes in 1965-66

In Quebec the tax on gasoline was increased from 15 cents to 16 cents per gallon, and the tax on diesel fuel from 21 cents to 22 cents. It is anticipated that these increased rates together with normal

increases in sales will account for increased revenue of \$15 million in this province. An increase in the tax on tobacco and cigars from 10 per cent to 12 per cent and an increase in the tax on cigarettes of one cent on a package of twenty-five, accounts for additional estimated revenue of \$7.5 million over that estimated for the 1964-65 fiscal period. The general sales tax of 6 per cent was made applicable to hotel, motel and resort rooms, and to long distance telephone calls, telegrams and telecommunications; the tax on meals was increased to 6 per cent on meals costing over \$1.25, and is applicable to alcoholic beverages consumed in the licensed premises where the meals are served. Quebec is now turning over to the municipalities the 10 per cent amusement tax levied by the province, and has abolished the 2.5 per cent provincial surtax on amusements. In addition, increased rates of taxes on personal income have been established in line with the increased abatement of 44 per cent of the federal tax to individual taxpayers in the province.

In Manitoba an increase in the gasoline tax from 14 cents to 17 cents per gallon, and in the motive fuels tax from 17 cents to 20 cents per gallon effective in October 1964 resulted in increased estimated revenue of 9.2 million for 1965-66 over the corresponding estimated revenue for the fiscal year ending March 31, 1965. An increase in the tobacco tax has resulted in an estimated increased revenue of \$3.3 million over that received previously.

In Saskatchewan the Education and Health Tax was reduced from 5 per cent to 4 per cent on all taxable products and articles except liquor and beer, accounting for a decrease of 5.6 million under general sales tax as compared to the fiscal year ended March 31, 1965. The former 5 per cent sales tax on tobacco was removed and in its place a tobacco tax of approximately 10 per cent was imposed effective April 1, 1965, resulting in an estimated increase in the tobacco tax revenue of \$3.4 million.

Effective January 1, 1965 Saskatchewan raised its medical care and hospital premiums. This results in an increase in the combined medical care and hospital premiums from \$52 per year to \$72 per year for families and from \$26 per year to \$36 per year for unmarried adults.

Estimated Expenditures in 1965-66

Total net general expenditures are estimated at \$5,170 million in 1965-66 an increase of \$916 million or 21.5 per cent over the estimated expenditures for the year ended March 31, 1965. Estimated expenditures on health and social welfare represents 28.9 per cent of the total expenditure, education 28.4 per cent and an additional 18.2 per cent is allocated to transportation, mainly highways.

Item 7, Table 3 gives the gross grants, i.e., the federal and provincial governments' share of municipal school construction projects anticipated under the education programme.

It is estimated that the federal-provincial-municipal winter works programmes will be continued for another year. "Gross" grants to municipalities under the scheme are included in item 10, of Table 3.

The estimated net general expenditure of the Province of Quebec is considerably greater than in previous years, due primarily to the fact that Quebec has "opted out" of several shared-cost programmes with the Federal Government.

Compensation due to withdrawal from these joint programmes will be paid to the Province of Quebec by the Federal Government under authority of the Established Programmes (Interim Arrangements) Act.

EXPLANATORY COMMENTS

Net General Revenue and Expenditure

"Net General Revenue" and "Net General Expenditure" are arrived at by first analyzing the combined revenues and expenditures of capital account, current or ordinary account and those working capital funds and special funds for which separate accounts are kept. Then the following types of revenue are deducted from revenue and offset against the related expenditure: (a) interest, premium, discount and exchange; (b) institutional revenue; (c) grants-in-aid and shared-cost contributions from other governments; and (d) capital revenue. Tables 4 and 5 are included herewith to explain as clearly as possible the differences between the revenue and expenditure Budgetary Estimates submitted to the provincial legislatures and the net general revenue and expenditure as they appear in Tables 1 and 2 of this report.

Other Taxes, revenue item 12, includes hospital and medical insurance premiums where applicable, security transfer and property transfer taxes in Ontario and Quebec and other minor taxes.

Federal-Provincial Fiscal Arrangements Act 1962, items 15 to 18 of Table 1

Under the Federal-Provincial Fiscal Arrangements Act, which came into effect on April 1, 1962, the federal government partially withdrew from the

personal income tax field. The amount of the withdrawal was 16 per cent of the federal tax in 1962, and under the original arrangement was to have increased by one additional percentage point each year to 1966. In April 1964, following the federal-provincial conference, the legislation was amended to increase the federal abatement in 1965 to 21 per cent, in lieu of the 19 per cent which would have been the reduction applicable to this year under the original arrangement. However, Quebec expressed its desire to take up a federal offer of further income tax abatements in 1965, and in return to undertake other services planned or currently provided by the federal and provincial governments on a joint basis. Thus, Quebec only, will now receive a 44 per cent federal personal income tax abatement in 1965 and has raised its provincial personal income tax rates accordingly.

The federal corporation income tax remains at 9 per cent of taxable income in all provinces except Quebec where it is 10 per cent. The federal government collects (free of charge) the provincial income taxes, (revenue items 2 and 3) provided they are levied on the same basis as the federal income taxes. Quebec has not entered a collection agreement. Ontario collects its own corporation taxes. All other provincial personal and corporation income taxes are being collected by the federal government on behalf of the provinces.

Under the revised federal-provincial fiscal arrangements which came into effect on April 1, 1964, all provinces except Ontario, Alberta and British Columbia will receive equalization payments for the year under review. Equalization is based not on the national average but on the average yield of the standard taxes in the two provinces having the highest per capita yield, namely, Ontario and British Columbia. The three year average of provincial revenue from natural resources is retained as a factor in the new formula but the method of treatment has changed. The equalization payable under the new arrangements to any province having natural resources above the national average will be reduced by one half of the amount that such per capita revenue exceeds the national average.

Effective April 1, 1964 the federal government increased the rate of abatement of federal estate tax from 50 to 75 per cent. Seven provinces continue to receive this proportion of the Federal estate tax. Ontario and Quebec levy their own succession duties. They did not increase their own rates and so receive the additional 25 per cent abatement from the federal government. British Columbia raised its provincial rate under the Succession Duty Act in lieu of accepting the additional abatement (See line 15, Table 1).

The Atlantic Provinces Adjustment Grants continue and the distribution of these grants is shown in item 17 of Table 1.

Privileges, Licences and Permits, revenue item 25, Table 1, includes licences and permit fees for the manufacture, purchase, sale or use of alcoholic beverages; motor vehicle licences and permit fees; licences, royalties and permit fees for the use of natural resources, such as fishing and hunting licences, timber royalties, Crown land leases, mining royalties, water power or storage leases and also the income taxes on logging and mining corporations which the provinces may levy under the federal-provincial fiscal arrangements; and corporation and other business or occupational licences, rentals of government real estate and court and legal fees.

Subsidies, revenue item 14, Table 1, include only general and unconditional grants, for example the B.N.A. Act Subsidies. Grants in aid of specific projects, such as health grants and trans-Canada highway grants from the Government of Canada, are offset against the related expenditure to arrive at the "net" presentation used in these tables.

Share of Income Tax on Power Utilities, revenue item 22, Table 1. All provinces continue to receive a share of the income tax collected by the Govern-

ment of Canada from corporations whose main business is the distribution to, or generation for distribution to, the public of electric energy, gas or steam.

Other Revenue, item 27, Table 1, combines revenues from the following sources: sales and services, fines and penalties, and miscellaneous items not otherwise provided for in the classification, as well as non-revenue and surplus receipts, such as refunds of previous years' expenditure and repayments of loans and advances, where such have been included in current account revenue by the provinces.

Health - Other, expenditure item 5, Table 2, includes expenditures on public health, medical, dental and allied services; and administration of health services generally.

Social Welfare - Other, expenditure item 10, Table 2, includes expenditures on child welfare, labour and general social welfare administration.

Contributions to Municipalities, expenditure item 16, Table 2, includes payments in the form of general subsidies having no relation to any particular municipal expenditure and shared-revenue contributions whether or not such contributions are related to specific municipal expenditures. All other payments to municipal governments have been classified according to the nature of the municipal expenditure to which the provincial payment is related. For example, municipal highway subsidies are included under "Transportation and Communications" in Table 2. See Table 3 for a breakdown of estimated grants-in-aid and shared-cost contributions to local governments. In Table 3 the amounts are "gross", i.e. they include any amounts received from the Government of Canada and passed on to the local governments, whereas Table 2 reflects only the net cost to the provinces of the various services provided.

Other Expenditure, item 17, Table 2, includes expenditures on the following functions: general government, protection of persons and property, recreational and cultural services, trade and industrial development, local government planning and development, and miscellaneous items not otherwise specifically provided for in the classification as well as non-expense and surplus payments such as refunds of previous years' revenue, and loans and advances where such have been included in current account expenditures by the provinces.

LIQUOR CONTROL REVENUE

Revenues of this nature arise from the following sources: profits on the operation of provincial wholesale vendors and retail outlets, Table 1, item 26; taxes on the sale of liquor, item 5; privileges, licences and permit fees included in Table 1, item

25; miscellaneous revenue such as fines, penalties and confiscations included in item 27 of Table 1. The following table shows the amount estimated for the current year in relation to the latest totals available for prior years.

Total Liquor Control Revenue

Fiscal Years Ended March 31

Province	1962	1963	1964 (Prel.)	1965 (Est.)	1966 (Est.)
thousands of dollars					
Newfoundland	4,640	5,020	5,417	7,250	6,620
Prince Edward Island	1,863	1,893	2,013	2,150	2,250
Nova Scotia	12,676	13,144	13,443	13,630	14,060
New Brunswick	9,576	9,886	10,417	10,640	11,870
Quebec	54,481	62,447	65,636	66,210	75,310
Ontario	83,957	89,822	98,379	111,450	114,000
Manitoba	15,043	15,568	16,673	16,820	20,010
Saskatchewan	14,152	14,696	16,102	16,400	17,090
Alberta	22,465	26,068	27,435	27,030	29,070
British Columbia	29,392	31,482	33,120	33,250	33,500
Total liquor control revenue	248,245	270,026	288,635	304,830	323,780

SUMMARIES OF NET GENERAL REVENUE AND EXPENDITURE

The following summaries, first by province and secondly by source and function for all provinces,

show the current year's estimates in relation to prior years' operations.

Net General Revenue of Provincial Governments

Fiscal Years Ended March 31

Province	1962	1963	1964 (Prel.)	1965 (Est.)	1966 (Est.)
millions of dollars					
Newfoundland	69	76	81	90	104
Prince Edward Island	18	19	19	21	23
Nova Scotia	102	114	114	124	141
New Brunswick	84	90	95	103	121
Quebec	758	865	945	1,129	1,559
Ontario	927	1,095	1,165	1,293	1,471
Manitoba	118	131	136	147	189
Saskatchewan	157	201	221	223	244
Alberta	273	294	285	321	375
British Columbia	347	364	398	400	475
Total net general revenue	2,853	3,249	3,459	3,851	4,702

Net General Expenditure of Provincial Governments (Current and Capital)

Fiscal Years Ended March 31

Province	1962	1963	1964 (Prel.)	1965 (Est.)	1966 (Est.)
millions of dollars					
Newfoundland	83	101	100	102	114
Prince Edward Island	19	23	23	23	30
Nova Scotia	107	113	126	142	155
New Brunswick	95	101	113	118	128
Quebec	848	952	1,093	1,296	1,815
Ontario	1,037	1,172	1,264	1,435	1,625
Manitoba	137	146	156	178	207
Saskatchewan	159	179	210	222	241
Alberta	279	282	290	333	402
British Columbia	339	357	395	405	453
Total net general expenditure exclusive of debt retirement	3,103	3,426	3,770	4,254	5,170

Net General Revenue of Provincial Governments
Fiscal Years Ended March 31

Source	1962	1963	1964 (Prel.)	1965 (Est.)	1966 (Est.)
millions of dollars					
Taxes:					
Corporation	56	56	44	44	48
Income: Corporations	268	395	427	434	508
Individuals	85	360	389	451	744
Property	8	9	10	10	10
Sales:					
Amusements and admissions	24	25	27	30	34
Motor fuel and fuel oil	449	483	538	598	651
Tobacco	27	28	32	39	52
General	355	516	559	659	767
Other	10	11	12	14	27
Succession duties	66	72	85	93	99
Other	133	132	135	155	174
Total taxes	1,481	2,087	2,258	2,527	3,114
Government of Canada payments:					
Federal-provincial tax-sharing arrangements ¹	478	24	—	—	—
Federal-provincial Fiscal Agreements Act, 1962	—	175	178	251	351
Federal-Provincial tax-sharing Arrangements Act, 1956 — Adjustment for fiscal years 1957-58 to 1959-60	—	—	—	—	5
50% share of income tax on power utilities	6	10	10	9	8
Subsidies ²	57	66	66	67	67
Compensation due to withdrawal from joint programmes	—	—	—	—	44
Total Government of Canada payments	541	275	254	327	475
Privileges, licences and permits	561	589	633	670	742
Liquor profits	195	215	226	242	260
Other revenue	75	83	88	85	111
Total net general revenue	2,853	3,249	3,459	3,851	4,702

¹ Includes tax rentals, tax equalization and revenue stabilization.

² Includes Atlantic Provinces Adjustment Grants and additional subsidies to Newfoundland, as well as the B.N.A. Act subsidies.

Net General Expenditure of Provincial Governments
Fiscal Years Ended March 31

Function	1962	1963	1964 (Prel.)	1965 (Est.)	1966 (Est.)
millions of dollars					
Transportation and communications	659	710	794	833	940
Health:					
Hospital care	542	588	..	749	951
Other	57	66	..	102	121
Total health	599	654	704¹	851	1,072
Social welfare:					
Aid to aged and blind persons	67	77	..	83	105
Aid to unemployed	91	100	..	122	182
Mothers' allowances	37	36	..	31	36
Other	80	78	..	104	101
Total social welfare	275	291	316¹	340	424
Total health and social welfare	874	945	1,020	1,191	1,496
Education	839	984	1,097	1,191	1,465
Natural resources and primary industries	202	192	217	239	270
Debt charges (excluding debt retirement)	84	103	122	137	152
Contributions to municipalities	71	77	80	156	197
Other expenditures	374	415	440	507	650
Total net general expenditure excluding debt retirement	3,103	3,426	3,770	4,254	5,170

¹ Preliminary statements do not all show sufficient detail to provide a breakdown of "Total health" and "Total social welfare".

TABLE 1. Net General Revenue (Estimated)

Fiscal Year Ending March 31, 1966

No.	Revenue by source	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
thousands of dollars												
1	Taxes:											
	Corporations	400 ¹	110 ¹	980 ¹	825 ¹	37,400 ¹	²	1,550 ¹	1,100 ¹	2,500 ¹	3,425 ¹	48,290
	Income:											
2	Corporations ³	6,719	808	7,805	6,426	132,000	244,000	19,967	14,568	30,009	45,850	508,152
3	Individuals ⁴	5,502	1,089	12,556	8,391	293,000	264,668	30,723	25,574	38,664	64,015	744,182
4	Property	—	—	100	400	—	1,520	—	—	—	8,124	10,144
	Sales:											
5	Alcoholic beverages	—	480	—	—	—	—	—	—	—	—	480
6	Amusements and admissions	110	70	410	275	12,750	15,960	910	180	1,060	1,795 ⁵	33,520
7	Motor fuel and fuel oil	11,000	3,450	23,220	18,700	192,680	242,000	35,930	29,450	43,030	51,340	650,800
8	Tobacco	1,500	340	—	2,100	37,980	—	7,000	3,450	—	—	52,370
9	General	18,550	3,050	20,030 ⁶	13,275	332,540	213,210	—	40,880	—	125,710	767,245
10	Other commodities and services	—	—	440	—	21,400	—	4,000	—	—	—	25,840
11	Succession duties	—	—	—	—	44,000	46,000	—	—	—	9,000	99,000
12	Other	359	3	99	118	2,000	136,982	13,900	19,898	47	261	173,667
13	Total taxes	44,140	9,400	65,640	50,510	1,105,750	1,164,340	113,980	135,100	115,310	309,520	3,113,690
	Government of Canada:											
14	Statutory subsidies ⁷	1,656	657	2,132	1,745	3,964	4,624	2,117	2,124	2,887	1,672	23,578
	Federal-Provincial Fiscal Arrangements Act, 1962:											
15	Share of federal estate tax ⁷	531	152	2,705	2,412	9,385	16,060	3,351	1,721	5,087	—	41,404
16	Equalization (including stabilization) ⁸	22,970	5,711	32,411	27,746	167,615	—	23,687	29,269	—	—	309,409
17	Atlantic provinces adjustment grants	10,500	3,500	10,500	10,500	—	—	—	—	—	—	35,000
18	Newfoundland additional grant	8,000	—	—	—	—	—	—	—	—	—	8,000
	Federal-Provincial Tax-Sharing Arrangements Act, 1956-Adjustments for fiscal years 1957-58 to 1959-60: ⁸											
19	Tax Rental-Succession duties	142	— 9	443	— 5,444	—	—	767	— 21	539	6,137	2,554
20	Equalization	— 22	37	— 248	5,606	—	—	— 359	31	— 189	— 2,213	2,643
21	Stabilization	—	— 13	—	—	—	—	—	—	—	— 190	— 203
22	Share of income tax on power utilities ⁷	262	64	793	60	2,237	1,143	53	14	3,121	753	8,500
23	Compensation due to withdrawal from joint programmes ⁸	—	—	—	—	44,000	—	—	—	—	—	44,000
24	Total Government of Canada	44,039	10,099	48,736	42,625	227,201	21,827	29,616	33,138	11,445	6,159	474,885
25	Privileges, licences and permits	10,350	1,130	10,000	12,560	133,710	178,840	26,210	44,350	208,640	116,580	742,370
26	Liquor profits	3,380	1,720	13,670	11,810	53,940	81,980	15,850	16,840	27,330	33,210	259,730
27	Other revenue	1,711	511	2,994	3,805	38,592	24,033	3,104	14,902	11,875	9,481	111,008
28	Total net general revenue	103,620	22,860	141,040	121,310	1,559,193	1,471,020	188,760	244,330	374,600	474,950	4,701,683

¹ Tax on premium income of insurance companies.² Various corporation taxes (other than on income). The amounts for Ontario are not separable from item 2 at this time.³ Collected by the federal government for all provinces except Quebec and Ontario. Estimates supplied by federal Department of Finance for all provinces except Quebec and Ontario.⁴ Collected by the federal government for all provinces except Quebec. Estimates supplied by Federal Department of Finance for all provinces except Quebec.⁵ Pari-mutuel betting tax only.⁶ Includes special taxes on spirits and tobacco levied under the Hospital Tax Act.⁷ Estimates supplied by federal Department of Finance.⁸ Estimates supplied by federal Department of Finance, except for Quebec, for which the figures were taken from the 1965 Budget Speech of the Province of Quebec.

TABLE 2. Net General Expenditure (Estimated)
(Current and Capital)
Fiscal Year Ending March 31, 1966

No.	Expenditure by function	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
		thousands of dollars										
	Transportation and communications:											
1	Highways, roads and bridges	23,130	7,773	32,205	25,410	290,010	330,740	37,560	41,810	68,040	76,020	932,698
2	Other	100	87	515	620	1,210	—	60	1,030	250	3,520	7,392
3	Total transportation and communica- tions	23,230	7,860	32,720	26,030	291,220	330,740	37,620	42,840	68,290	79,540	940,090
	Health and social welfare:											
	Health:											
4	Hospital care ¹	11,760	3,030	28,830	23,380	397,900	281,430	31,860	43,850	65,870	62,480	950,390
5	Other	3,040	460	3,910	3,110	18,650	19,780	5,120	33,100 ²	14,640	19,480	121,290
6	Sub-total health	14,800	3,490	32,740	26,490	416,550	301,210	36,980	76,950	80,510	81,960	1,071,680
	Social welfare:											
7	Aid to aged and blind persons	2,730	1,080	2,850	3,320	43,980	20,810	3,500	4,100	8,350	14,680	105,400
8	Aid to unemployed and unemployables	8,170	350	5,320	2,220	87,000	33,430	8,520	8,790	17,290	11,030	182,120
9	Mothers' allowance	3	220	3	1,680	20,100	13,570	3	3	600	3	36,170
10	Other	3,400	350	2,160	1,380	48,980	18,490	6,100	4,790	7,060	8,080	100,790
11	Sub-total social welfare	14,300	2,000	10,330	8,600	200,060	86,300	18,120	17,680	33,300	33,790	424,480
12	Total health and social welfare	29,100	5,490	43,070	35,090	616,610	387,510	55,100	94,630	113,810	115,750	1,496,160
13	Education	28,840	5,240	41,260	25,200	453,550	525,600	56,820	61,010	140,650	127,280	1,465,450
14	Natural resources and primary industries ..	5,180	1,110	6,570	7,490	88,220	62,250	24,600	16,720	24,240	33,060	269,440
15	Debt charges (exclusive of debt retire- ment) ⁴	10,740	2,760	14,020	12,410	55,260	72,300	6,550	— 1,940 ⁵	— 18,270 ⁵	— 1,670 ⁵	152,160
16	Contributions to municipalities	2,260	440	1,330	8,390	110,290	37,240	4,270	10	18,910	13,670	196,810
17	Other expenditure	14,670	7,080	15,860	13,760	200,130	209,360	21,860	27,420	54,380	85,390 ⁶	649,910
18	Total net general expenditure exclu- sive of debt retirement	114,020	29,980	154,830	128,370	1,815,280⁷	1,625,000	206,820	240,690	402,010⁷	453,020	5,170,020

¹ Includes expenditures under the various hospital insurance plans.

² Includes an estimate of expenditures to be made by the Medical Care Insurance Commission.

³ Now merged with other "Social allowances" in the provincial estimates and included in item 8 in these statistics.

⁴ Provision for debt retirement in the provincial current account estimates was as follows: Nfld. 4,624; P.E.I. 1,231; N.S. nil; N.B. 6,676; Que. 16,839; Ont. 38,127 Man. 6,141; Sask. nil; Alta. 1,637; B.C. nil.

⁵ Excess of interest, premium, discount and exchange revenue over interest expenditure and other debt charges.

⁶ Includes home-owner subsidies 32,830.

⁷ Does not include expenditures by the provincial toll road authorities.

TABLE 3. Specified Gross Amounts Paid to Local Governments (Estimated)

Fiscal Year Ending March 31, 1966

No.		Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
		thousands of dollars										
	Grants-in-aid and shared-cost contributions:											
1	Transportation and communications (roads)	310	80	220	240	7,540	102,950	11,700	8,160	8,340	650	140,190
	Health:											
2	Hospital care ¹	—	—	2,580	—	—	—	—	—	—	—	2,580
3	Other	150	—	—	—	6,200	2,490	180	730	1,890	340	11,980
	Social welfare:											
4	Aid to aged persons	—	—	—	—	—	8,470	—	—	—	670	9,140
5	Aid to unemployed and unemployables	—	—	1,810	3,140	—	50,180	2,260	11,910	2,750	23,500	95,550
6	Other	—	—	—	450	—	7,810	40	—	—	—	8,300
7	Education (schools operated by local authorities) ²	3	3,950	25,960	13,130	260,760	375,250	33,300	46,190	97,300	79,350	935,190
8	Natural resources and primary industries	—	—	—	30	—	900	930	100	360	20	2,340
9	Debt charges — Interest	—	—	—	—	3,710	—	—	—	—	—	3,710
10	Other ⁴	250	790	240	300	28,940	35,840	530	8,270	6,070	6,720	87,950
11	Sub-total items 1 to 10	710	4,820	30,810	17,290	307,150	583,890	48,940	75,360	116,710	111,250	1,296,930
12	Shared-revenue contributions, subsidies and grants in lieu of taxes	2,270	440	1,320	8,380	110,290	37,240	4,270	10	18,910	13,670	196,800
13	Total amounts paid to local governments	2,980	5,260	32,130	25,670	417,440	621,130	53,210	75,370	135,620	124,920	1,493,730

¹ Excludes amounts paid directly to municipal hospital boards.

² Includes estimated grants paid directly to teachers in P.E.I., N.B. and Que.

³ Excludes grants estimated at 20,570 to primary and secondary schools which are operated on a religious denominational basis.

⁴ Includes winter works and civil defence grants.

TABLE 4. Reconciliation of Provincial Estimated Revenue with Estimated Net General Revenue (Table 1)
Fiscal Year Ending March 31, 1966

No.		Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
		thousands of dollars									
1	Ordinary revenue per provincial estimates	130,383	28,712	139,973	145,946	1,552,582	1,316,945	185,477	220,996	452,703	447,227
	Add:										
2	Estimated revenue deducted from expenditure ¹	—	—	1,284	55	2,601	1,568	108	—	—	2,096
3	Estimated expenditure deducted from revenue ¹	—	—	793	601	8,350	10,374	436	2,025	1,040	4,635
4	Estimated revenue of administrative or special funds	5,415	181	382	488	2,914	355,576	48,398	34,421	1,973	2,270
5	Capital account revenue	—	3,652 ²	—	—	—	—	—	—	—	—
6	Capital account revenue of an ordinary nature	—	—	—	—	—	1,543	—	—	1,248	—
7	To adjust tax arrangement revenue to federal estimates	2,355	552	2,678	3,886	1,110	11,107	6,935	7,771	3,670	20,702
8	Total additions	7,770	4,385	5,137	5,030	14,975	380,168	55,877	44,217	7,931	29,703
	Deduct:										
9	Refunds of current year's expenditure included in revenue	63	6	60	155	—	1,145	471	—	1,134	—
10	Refunds of current year's revenue included in expenditure	—	54	—	—	59	—	—	—	—	—
11	Revenue of working capital funds to be offset against expenditure	475	—	200	115	—	—	—	481	200	—
12	Employees' contributions to pension plans	420	—	—	—	—	—	—	—	6,642	—
13	Offsets to adjust contributions to and from Government Enterprises to a "net" basis	1,521	—	—	—	—	—	—	—	6,453	—
14	Sinking fund earnings included in estimated revenue	—	—	—	—	5,500	—	—	—	—	—
15	Previous years' surplus included in revenue	—	—	—	—	—	—	10,457	—	—	—
16	Interfund eliminations	5,262	20	245	—	—	55,633	11,360	13,268	430	276
17	Interest, discount, premium and exchange ³	480	168	2,843	49	2,801	5,163	1,004	3,812	18,656	1,708
18	Grants-in-aid and shared-cost contributions ³	24,173	8,975	20	27,862	—	159,957	28,704	2,501	47,929	—
19	Institutional revenue ³	2,139	1,014	704	1,481	—	4,191	601	820	4,595	—
20	Total deductions	34,533	10,237	4,072	29,662	8,360	226,089	52,597	20,882	86,039	1,984
21	Rounding	—	—	+ 2	- 4	- 4	- 4	+ 3	- 1	+ 5	+ 4
22	Total estimated net general revenue (Table 1, item 28)	103,620	22,860	141,040	121,310	1,559,193	1,471,020	188,760	244,330	374,600	474,950

¹ Only those items which remain in net general revenue. For example, federal grants-in-aid which have been offset against expenditure in the Provincial Estimates have not been added back in item 2 and deducted in item 18.

² These items represent capital revenue of 5,133 estimated by the province, less 1,481 considered to be non-revenue items.

³ Only those amounts included in items 1 and 4. See also footnote 1.

TABLE 5. Reconciliation of Provincial Estimated Expenditure with Estimated Net General Expenditure (Table 2)
Fiscal Year Ending March 31, 1966

No.		Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
		thousands of dollars									
1	Ordinary expenditure per provincial estimates.....	128,717	28,619	130,696	145,467	1,548,799 ¹	1,204,383 ²	185,238	220,746 ³	391,228	446,001
2	Capital expenditure per provincial estimates.....	49,815	12,669	25,732	18,218	272,698	605,010	22,724	—	102,555	—
3	Total expenditure per provincial estimates.....	178,532	41,288	156,428	163,685	1,821,497	1,809,393	207,962	220,746	493,783	446,001
	Add:										
4	Estimated revenue deducted from expenditure.....	—	—	1,284	55	2,601	1,568	108	—	—	2,096
5	Estimated expenditure deducted from revenue.....	—	—	793	601	8,350	10,374	436	2,025	1,040	4,635
6	Estimated expenditure of administrative or special funds.....	5,324	161	392	370	2,527	350,562	46,591	38,800	2,388	2,275
7	Total additions.....	5,324	161	2,469	1,026	13,478	362,504	47,135	40,825	3,428	9,006
	Deduct:										
8	Refunds of current year's expenditure included in revenue.....	63	6	60	155	—	1,145	471	—	1,134	—
9	Refunds of current year's revenue included in expenditure.....	—	54	—	—	59	—	—	—	—	—
10	Revenue of working capital funds to be offset against expenditure.....	475	—	200	115	—	—	—	481	200	—
11	Employees' contributions to pension plans.....	420	—	—	—	—	—	—	—	6,642	—
12	Offsets to adjust contributions to and from government enterprises to a "net" basis.....	1,521	—	—	—	—	—	—	—	6,453	—
13	Estimated debt retirement included in estimated expenditure.....	4,624	1,231	—	6,676	16,839	38,127	6,141	—	1,637	—
14	Non-expenditure items included in provincial capital account expenditure.....	1,423	—	—	—	—	282,687	—	—	974	—
15	Estimated capital revenue to be offset against capital expenditure.....	29,255 ⁴	—	—	—	—	—	—	—	6,553 ⁵	—
16	Interfund eliminations.....	5,262	20	245	—	—	55,633	11,360	13,268	430	276
17	Interest, discount, premium and exchange.....	480	168	2,843	49	2,801	5,163	1,004	3,812	18,656	1,708
18	Grants-in-aid and shared-cost contributions.....	24,173	8,975	20	27,862	—	159,957	28,704	2,501	47,929	—
19	Institutional revenue.....	2,139	1,014	704	1,481	—	4,191	601	820	4,595	—
20	Total deductions.....	69,835	11,468	4,072	36,338	19,699	546,903	48,281	20,882	95,203	1,984
21	Rounding.....	— 1	— 1	+ 5	— 3	+ 4	+ 6	+ 4	+ 1	+ 2	— 3
22	Total estimated net general expenditure (Table 2, item 18).....	114,020	29,980	154,830	128,370	1,815,280	1,625,000	206,820	240,690	402,010	453,020

¹ Represents estimated ordinary expenditure of 1,441,976 together with 67,223 debt service and extraordinary expenditures of 35,000 for the financing of University investments plus 4,600 for investments under the Canadian World Exhibition Act.

² Represents estimated gross ordinary expenditure of 1,265,964 adjusted to a "net" basis.

³ Total "budgetary" expenditure including capital expenditure of 34,327.

⁴ This represents capital revenue of 31,259 estimated by the province less 2,004 considered to be non-revenue items.

⁵ This represents capital revenue of 18,441 estimated by the province less 10,640 considered to be non-revenue items and less 1,248 considered to be revenue of an ordinary nature. (See line 6, Table 4).

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