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Revenue and Expenditure (Estimates)

1967

(Fiscal Year Ended March 31, 1968)

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TABLE OF CONTENTS

	Page
Introduction	5
Review of Estimates Data for 1967-68	5
Explanatory Comments	8
Summary of Net General Revenue and Expenditure	10
Table	
1. Net General Revenue, 1967-68 Estimates.....	12
2. Net General Expenditure, 1967-68 Estimates.....	13
3. Grants to Local Governments, 1967-68 Estimates.....	14
4. Reconciliation of Provincial Estimated Revenue with Estimated Net General Revenue 1967-68 per Table 1.....	15
5. Reconciliation of Provincial Estimated Expenditure with Estimated Net General Expenditure 1967-68 per Table 2	16

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.
- * preliminary figures.
- † revised figures.

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

PROVINCIAL GOVERNMENT FINANCE

Revenue and Expenditure (Estimates)

1967

(Fiscal Year Ended March 31, 1968)

INTRODUCTION

This report presents a statistical analysis of the estimated revenue and expenditure of provincial governments for the fiscal year ended March 31, 1968. Information was derived primarily from the Estimates and Budget Speeches presented to the provincial legislatures by the respective provincial treasurers together with an estimate of the revenue and expenditure of special funds and agencies.

The terms "general revenue" and "general expenditure" as used in this publication cannot be compared with revenue and expenditure as appearing in the financial statements presented by provincial governments.

Provincial Estimates present financial transactions according to an established accounting framework, while the figures shown in this report are designed to provide totals which are basically consistent and uniform in nature as between provinces according to a statistical framework that differs in both scope and nature from the financial accounts of

provincial governments. These statistics provide a basis, however, for intergovernmental comparisons having a greater degree of consistency than is possible through the use of the various Estimates documents.

It follows therefore that the difference between "general revenue" and "general expenditure" as used in this report, does not reflect a budgetary surplus or deficit position of a government, but must be interpreted in accordance with the conceptual framework of this statistical series.

Because of the variations in accounting systems and financial reporting used by the provinces, 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 (revenue classified by source and expenditure by function), depends upon the detail of the available sources of information.

Review of Estimates Data for 1967-68

Estimated Revenue 1967-68

Of the total estimated provincial revenue of \$7.0 billion for the fiscal year ending March 31, 1968, \$4.8 billion or over 68 per cent is estimated to be derived from taxation. Of the total tax revenue individual income tax accounts for 30.6 per cent, general sales tax for 26.1 per cent, tax on motor fuel and fuel oil for 16.6 per cent and corporation income tax for 12.7 per cent.

The Budget Estimates presented by the Province of British Columbia for the year 1967-68 are shown on a total rather than on a net basis. In calculating net general revenue, some items included by the province as revenue were deducted from the total revenue shown in the provincial Estimates. These items are:

(a) Canada's share of joint service programmes	\$105,000,000
(b) Municipal share of joint service programmes	6,500,000
(c) Contributions from other provinces ..	275,000
(d) Institutional maintenance receipts ..	2,600,000
	\$114,375,000

The \$114 million was also offset against total expenditure to calculate total net general expenditure for the Province of British Columbia. As information, concerning the functional classification of expenditure to which these revenue items were applicable, was not available, it was not possible to present a functional breakdown of net general expenditure either for the Province of British Columbia or for all provinces combined as a "Canada Total."

Tax Changes in 1967-68

Newfoundland.—The general sales tax was increased by one per cent to six per cent, in order to provide free tuition in all elementary and high schools; it is expected that this additional revenue will offset previously collected school fees and school taxes. The gasoline tax was increased by one cent a gallon to 20 cents effective April 1, 1967; it is anticipated that the revenue from motor fuel and fuel oil tax will increase two and one-half million dollars over that of the 1966-67 fiscal year. The tax on the taxable income of corporations has increased from 10 per cent to 11 per cent.

New Brunswick.—Under the new "Program for Equal Opportunity" which became effective January 1, 1967, the province has assumed all financial

responsibilities for public schools, the responsibilities formerly held by the municipalities for the provision of public health services, all welfare programs, including the financing thereof, and full costs and responsibility for the administration of justice, including correctional institutions. To compensate in part for the assumption by the province of responsibility for these four functions, and primarily to cover the cost of education, the province now levies a uniform real property tax at the rate of \$1.50 per hundred dollars of assessment at market value, and in addition makes a business assessment of all business property.

The provincial sales tax has been increased from 3% to 6%, and the following taxes have been abolished: personal property taxes on automobiles; taxes on equipment of fishermen; taxes on livestock; the poll tax; the occupancy tax; the non-resident tax; and the wildland tax.

Quebec.—Effective March 17, 1967, the retail sales tax and the tax on telecommunications were raised from 6 per cent to 8 per cent. Effective April 15, 1967, taxes on meals and hotel rooms were also increased by 2 per cent to 8 per cent. It is anticipated that these increases will produce additional revenue of \$119 million from the increased sales tax, \$1.8 million from the additional tax on telecommunications, and \$10.7 million from the higher tax on meals and hotel rooms; the estimated revenue from these sources exceeds by \$166 million the estimate for the corresponding taxes for the 1966-67 fiscal year.

Effective January 1, 1967, Quebec has adopted a change in income tax for persons with lower incomes. Single persons earning less than \$2,000 and married persons with incomes below \$4,000 are granted an income tax abatement equal to the tax they would normally pay under the system. In short, taxpayers whose earnings fall short of the applicable ceiling are fully exempt from personal income tax. Abatement is also extended to persons with earnings slightly above these ceilings so that the tax payable will in no instance reduce their incomes below \$2,000 or \$4,000 as applicable. The \$300 per child income tax exemption has been abolished as of July 1, 1967, (see last paragraph on this page).

Manitoba.—Effective June 1, 1967, a general sales tax of 5 per cent on the retail price of taxable goods and services was introduced. It is estimated that the revenue from this source for the nine months of actual collections will be \$33.7 million. Some of the main exemptions provided under this tax are in respect of children's clothing and footwear, food and lodgings other than of a transient nature, prescription drugs, dentures, hearing aids, eye glasses, agriculture equipment and seeds, farm fertilizers, equipment for commercial fishermen, and capital equipment for industry. Effective May 1, 1967, the exemption for gasoline taxation was extended to cover its use in farm trucks.

A more detailed analysis of these tax changes are included in "Principal Taxes and Rates, Federal, Provincial and Selected Municipal Governments, 1967" (Catalogue No. 68-201).

Estimated Expenditure 1967-68

Total net general expenditure for all provinces is estimated at \$7.4 billion in 1967-68, an increase of 18.7 per cent over the estimated provincial expenditure for the previous fiscal year.

Expenditure on education has increased in all provinces. Newfoundland estimates that it will pay to the University \$1.7 million to cover the cost of tuition fees of all students at Memorial University with the exception only of a few who do not ordinarily reside in the province. This plan was started in the 1966-67 fiscal year. Beginning in September 1967 free tuition for all the elementary and high schools becomes effective. It is estimated that it will cost the government between four and five million dollars in the first year to reimburse the school boards for the loss of operating revenue that they will incur through the abolition of school fees and school taxes.

In Prince Edward Island universities will receive grants of \$775 per student replacing the previous \$300 provincial grant plus the university's share of the \$5.00 per capita grant from the Federal Government. Universities will thus receive through this arrangement about \$200,000 more than they would have received under the previous year's formula. In this province the estimates for teachers' salaries is approximately \$1 million over that of the fiscal year 1966-67.

In Nova Scotia it is estimated that expenditure on education will be \$27.7 million over that estimated for the fiscal year 1966-67. This amount includes \$8.5 million for assistance to universities; another \$3.4 million of the estimated increase is for vocational education; and \$9.2 million for general education.

In New Brunswick \$17.5 million of the total educational budget of \$81 million will go for new school construction, renovation, and equipment, including school buses. The 1967-68 Estimates include the substantive changes in services resumed by the province under the "Program for Equal Opportunity."

In Quebec estimates of expenditure by the education department including contributions for financing university investments amount to \$662 million exceeding by \$143 million the expenditure by this department forecast for 1966-67.

To compensate for the abolition of the \$300 per child income tax exemption in Quebec, effective April 1, 1967, a family allowance program over and above the federal plan was introduced. These family allowances are payable for Quebec children from birth until their sixteenth birthday at the annual rate

of \$30 for the first child, \$35 for the second, \$40 for the third, \$50 for the fourth, \$60 for the fifth and \$70 for other children under age sixteen. In addition a \$10 annual supplementary allowance is payable for children aged 12 to 15 years inclusive.

There is no change in schooling allowances for children not eligible for family allowances, and income tax exemptions will be maintained at \$550 per child.

Effective January 1, 1967, the province will also refund half the Quebec Pension plan contribution made by self-employed people earning less than \$2,000 if single and less than \$4,000 if married.

In Ontario total capital expenditures on education and training facilities will amount to some \$260 million, \$85 million more than was spent in 1966-67. The legislative grants to school boards will be increased by \$60 million. The university operating grants will be doubled to \$161 million. It is estimated that universities will receive an average of \$2,181 per full time student to meet operating costs during the present academic session. Funds for student awards have also been increased from \$10 million in 1966-67 to \$19 million in 1967-68.

In Manitoba 34 per cent of the provincial budget is directed toward education. The Foundation grant and educational cost-sharing program alone will add some \$13 million to the expenditure program. The province will also direct 59 per cent more assistance to universities and colleges. Some \$26 million of the capital budget will be spent on school, university and college building projects.

In Saskatchewan the provincial share of total capital school construction is estimated at \$6.6 million, an increase of \$1.8 million over the 1966-67 estimates. Operating grants to school boards will be increased by approximately \$3.9 million. Including northern educational school grants, total estimated school grants in this province show an increase of \$10.7 million over the 1966-67 figure, or an increase of \$6.1 million on a net basis. The estimated operating budget for technical schools in the province has increased by approximately \$2.2 million. The province is also estimating a total operating grant of \$16.4 million to universities in the fiscal year 1967-68.

In Alberta the gross expenditure on education accounts for nearly 25 per cent of the total budget. The estimates provide for a contribution of \$118 million to the Foundation Program of School Financing which is an increase of \$20 million over the previous year. A further sum of \$13 million is estimated for the construction of vocational high schools of which 50 per cent will be recovered from the federal government. It is estimated that a total of \$9 million will be spent on the operation of the Institutes of Technology, an increase of \$2.7 million over the fiscal year 1966-67. The estimates also include \$5 million toward the construction and operation of

junior colleges. Assistance to university and vocational students will be increased to \$2.7 million to make grants available to eleven thousand students. Approximately \$44 million is estimated for the construction of buildings on the university campuses, one half the cost of which will be financed by the sale of debentures guaranteed by the province.

British Columbia estimates that it will spend over \$193 million on education in 1967-68. To assist qualified students to attend provincial institutions of higher learning, the province since 1959 has paid a portion of the registration fees. During the year under review these percentage payments will be increased. For this purpose, the appropriate vote has been doubled from one million to two million dollars.

Grants to home-owners to alleviate the burden of municipal taxation, continue in the Province of Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. In Ontario the grant (\$38 million in 1967-68) is paid to the municipality to be applied solely for the benefit of persons paying taxes on residential and farm properties. The tax levy on these ratepayers is reduced by the amount of this grant.

In Saskatchewan the estimated home-owner's grant of \$8.5 million will be paid by the province to eligible property owners on the basis of the lesser of \$50 or one half of the current year's taxes.

In Alberta the estimated home-owner tax discount of \$12 million provides for a discount of \$50 on the taxes of owner-occupied eligible residences in the province. The amount of the discount is paid by the province to the municipality when the home-owner has paid the balance of his taxes.

In British Columbia the estimated home-owners' grants of \$42 million provide tax relief for resident home-owners. The maximum amount of this grant has been set at \$125 in 1967. The amount of the grant is paid to the municipality on behalf of the home-owner who pays the balance of the taxes levied on his property.

In Manitoba the school tax rebate is now provided only in school divisions which have not become "unitary" and hence do not participate in the Education Foundation Programme. The rebate remains unchanged at the lesser of \$50 or 50 per cent of the yearly school tax, but is now applied as a discount at the time of payment of the balance of the taxes rather than as a grant by the province to the taxpayer after payment.

The grant by the Province of Ontario for residential and farm tax relief is included as grants to local governments in Table 3, item 12 (see footnote 8 to Table 2 for the classification of this item in other provinces).

EXPLANATORY COMMENTS

Net General Revenue and Expenditure

"Net General Revenue" and "Net General Expenditure" are arrived at by first analyzing and combining revenues and expenditures respectively 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 Budgetary Estimates of revenue and expenditure submitted to the provincial legislatures and net general revenue and expenditure as they appear in Tables 1 and 2 of this report.

Other taxes, Table 1 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 April 1, 1967 to March 31, 1969 (items 15 to 17 of Table 1)

The former Federal-Provincial fiscal arrangements terminated on March 31, 1967.

During 1967 under the terms of the transitional arrangements the tax collection agreement was extended for a further two years, under the following conditions:

- (1) Each province is to receive an additional four per cent of total personal income tax revenue and one additional point of taxable corporate income. Since the federal government will lower its personal income tax by one percentage point the increased provincial government taxes will not affect the total tax payable by individuals and corporations.
- (2) Commencing April 1, 1967, equalization is based on a formula which relates all provincial revenues to the economic activity from whence it is derived and is designed to increase the revenue from these basic sources in all provinces to at least the national average revenue yield therefrom.
- (3) There is to be a revenue stabilization payment to any province whose total revenues from all sources, at constant tax rates, fall by more than 5% from the immediately preceding fiscal year's receipts. This is to have the effect of stabilizing the position of a province in the event of a period of recession.
- (4) The Atlantic Provinces' Adjustment Grants are discontinued, but the provinces which received these grants are guaranteed that the equalization payments to them under the new arrangements will be at least equal to, but not lower than, the aggregate of the amount of equalization paid to

the province under the former act in respect of the fiscal year commencing April 1, 1966, and the amount of the former Adjustment Grant.

- (5) In the case of Saskatchewan, the guaranteed equalization is the amount of equalization paid to the province under the former act in respect of the fiscal year commencing April 1, 1966, multiplied by four-fifths for the fiscal year commencing April 1, 1967, and decreasing one-fifth each year until it is discontinued for the fiscal year commencing April 1, 1971.
- (6) The federal government continues to collect 100 per cent of the estate tax in all provinces except Ontario, Quebec and British Columbia and remits 75 per cent thereof to the provinces concerned. In Ontario and Quebec which levy their own succession duties at rates not in excess of those in effect on March 31, 1964, the federal government abates 50 per cent of the estate tax otherwise payable and remits one-half of the balance (25 per cent of total) to the provinces. In British Columbia the provincial rates of succession duties are adjusted to yield the equivalent of 75 per cent of the federal estate tax. The federal tax is abated to the extent of 75 per cent in that province and no remittances are made by the federal government to the province. In Alberta under the Estate Tax Rebate Act the province will rebate its share (75 per cent) of the federal estate tax (received from the federal government) on the estate of persons dying on or after April 1, 1967, provided certain conditions of domicile and residence in Alberta are met.

Federal Contributions to Education

Technical and vocational training.—Under the Technical and Vocational Assistance Act 1960, the federal government had been sharing provincial expenditure in retraining unemployed workers and provincial capital expenditure for technical and vocational facilities. As of October 1, 1966, the federal government will now make capital grants available to the provinces, without limit as to time, until they reach for each province \$800 per capita of its population aged 15 to 19 in 1961. During the phase-out period, the federal government will share provincial expenditures up to 75% until the maximum payment of \$480 has been reached; it will then share 50% of additional expenditures up to a maximum of \$320 per capita.

With regard to adult training, the federal government on April 1, 1967, assumed the full cost of paying training allowances directly to the persons taking training. It will also reimburse a province for the full cost of instruction and will assist industrial firms in the training of employees. Persons who are qualified for such assistance must have been in the work force for a specified period.

"Post-secondary" education.—A new approach has been introduced to assist the provinces in financing their requirements for higher education. As of

March 31, 1967, the federal government ceased making per capita grants to universities and shared cost grants to technical and vocational schools, subject to the phasing-out of capital grants described above. To replace these grants the federal government offered the transfer of four personal income tax points and one point of corporation taxable income mentioned above, augmented by unconditional payments which would bring the total up to an amount equal to \$15.00 per capita in a province, or up to 50% of the "operating costs" of "post-secondary" educational institutions involved in the training of students who have attained the level of not lower than junior matriculation in the province.

Privileges, licences and permits, revenue item 22, 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 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 18, Table 1. All provinces continue to receive a share of the income tax collected by the Government 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 24, 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 9, Table 2, includes expenditures on child welfare, labour and general social welfare administration.

Contributions to municipalities, expenditure item 15, 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 or shared costs contributions to municipal governments have been classified according to the function 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. Table 3 gives 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 16, 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.

An explanation of the statistical terms used in this report is included as Part II (conceptual framework) classifications and sources of the "Historical Review, Financial Statistics of Governments in Canada 1952-62", published by DBS in February 1966 (Catalogue No. 68-503).

October 2, 1967.

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	1964	1965	1966 (Est.)	1967 (Est.)	1968 (Est.)
millions of dollars					
Newfoundland	81	94	104	122	167
Prince Edward Island	19	21	23	31	33
Nova Scotia	114	129	141	163	215
New Brunswick	95	110	121	144	221
Quebec	948	1,240	1,559	1,857	2,307
Ontario	1,182	1,358	1,471	1,978	2,269
Manitoba	136	163	189	217	292
Saskatchewan	217	236	244	292	318
Alberta	320	383	375	470	522
British Columbia	398	464	475	566	659
Total net general revenue	3,510	4,198	4,702	5,840	7,003

Net General Expenditure of Provincial Governments (Current and Capital)

Fiscal Years Ended March 31

Province	1964	1965	1966 (Est.)	1967 (Est.)	1968 (Est.)
millions of dollars					
Newfoundland	105	126	114	143	207
Prince Edward Island	23	24	30	31	34
Nova Scotia	126	132	155	183	250
New Brunswick	112	117	128	146	231
Quebec	1,097	1,437	1,815	2,072	2,462
Ontario	1,240	1,381	1,625	2,074	2,415
Manitoba	162	185	207	237	281
Saskatchewan	209	227	241	289	315
Alberta	276	311	402	532	604
British Columbia	392	407	453	550	681
Total net general expenditure exclusive of debt retirement	3,742	4,347	5,170	6,257	7,430

Net General Revenue of Provincial Governments

Fiscal Years Ended March 31

Source	1964	1965	1966 (Est.)	1967 (Est.)	1968 (Est.)
millions of dollars					
Taxes:					
Corporation	61	59	48	55	57
Income: Corporations	412	455	508	573	605
Individuals	389	508	744	1,047	1,465
Property	9	10	10	12	39
Sales:					
Amusements and admissions	27	32	34	39	51
Motor fuel and fuel oil	538	615	651	738	793
Tobacco	30	31	52	75	78
General	562	726	767	1,003	1,247
Other	13	15	27	30	52
Succession duties	86	92	99	115	115
Other	137	155	174	282	278
Total taxes	2,264	2,698	3,114	3,969	4,780
Government of Canada payments:					
Federal-Provincial Tax-Sharing Arrangements Act - Adjust- ments	-	-	5	-	-
Federal-Provincial Fiscal Arrangements Act	177	268	351	435	671
50% share of income tax on power utilities	10	10	8	7	6
Subsidies	67 ¹	70 ^{1,2}	67 ¹	67 ¹	32
Compensation due to withdrawal from joint programmes	-	21	44	31	8
Unconditional contribution	-	-	-	12	31
Post secondary education adjustment payment	-	-	-	-	98
Total Government of Canada payments	254	369	475	552	846
Privileges, licences and permits	669	760	742	875	891
Liquor profits	231	249	260	298	338
Other revenue	92	122	111	146	148
Total net general revenue	3,510	4,198	4,702	5,840	7,003

¹ Includes Atlantic Provinces Adjustment Grants and additional subsidies to Newfoundland, as well as the B.N.A. Act subsidies.

² Includes Crown Corporations (Provincial taxes and fees) 4.

Net General Expenditure of Provincial Governments

Fiscal Years Ended March 31

Function	1964	1965	1966 (Est.)	1967 ¹ (Est.)	1968 ¹ (Est.)
millions of dollars					
Transportation and communications	789	854	940	..	..
Health:					
Hospital care	582	733	951	..	..
Other	109	106	121	..	..
Total health	691	839	1,072	..	..
Social welfare:					
Aid to aged and blind persons	80	85	105	..	..
Aid to unemployed	107	134	182	..	..
Mothers' allowances	37	36	36	..	..
Other	86	97	101	..	..
Total social welfare	310	352	424	..	..
Total health and social welfare	1,001	1,191	1,496	..	..
Education	1,086	1,240	1,465	..	..
Natural resources and primary industries	208	243	270	..	..
Debt charges (excluding debt retirement)	122	135	152	..	..
Contributions to municipalities	79	164	197	..	..
Other expenditures	457	520	650	..	..
Total net general expenditure excluding debt retirement	3,742	4,347	5,170	6,257	7,430

¹ A functional breakdown is not available. See page 5 of this report.

TABLE 1. Net General Revenue (Estimated)

Fiscal Year Ending March 31, 1968

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	500 ¹	150 ¹	1,200	1,070 ¹	43,100 ¹	²	1,750 ¹	1,300 ¹	3,800 ¹	4,500 ¹	57,370
	Income:											
2	Corporations ³	7,740	942	8,967	7,659	155,000	287,500	23,202	15,336	34,378	64,464	605,188
3	Individuals ⁴	11,439	2,328	25,782	17,953	537,250	549,816	55,353	49,926	77,965	137,248	1,465,060
4	Property	—	—	95	25,990	—	1,670	—	20	—	11,300	39,075
	Sales:											
5	Alcoholic beverages	—	700	—	—	—	—	—	—	—	—	700
6	Amusements and admissions	90	100	535	360	20,650	23,680	1,210	510	1,400	2,560 ⁵	51,095
7	Motor fuel and fuel oil	15,500	4,070	28,730	24,720	225,850	301,010	39,970	36,790	51,280	64,680	792,600
8	Tobacco	2,200	410	—	2,720	41,580	18,500	8,460	4,070	—	—	77,940
9	General	28,000	3,700	25,250 ⁶	34,320	495,820	420,410	33,750	51,310	—	154,640	1,247,200
10	Other commodities and services	—	—	550	—	46,590	—	4,840 ⁷	—	—	—	51,980
11	Succession duties	—	—	—	—	42,500	57,000	—	—	—	15,500	115,000
12	Other	401	—	101	148	2,200	236,784	15,145	21,468	57	258	276,562
13	Total taxes	65,870	12,400	91,210	114,940	1,610,540	1,896,370	183,680	180,730	168,880	455,150	4,779,770
	Government of Canada:											
14	Statutory subsidies ⁸	9,656	657	2,132	1,745	4,023	4,624	2,127	2,155	2,955	1,673	31,747
	Federal-Provincial Fiscal Arrangements Act:											
15	Share of federal estate tax ⁹	1,010	231	5,069	1,928	13,146	19,807	3,749	2,850	5,890	—	53,680
16	Equalization (including stabilization) ⁹	67,781	14,071	77,133	66,317	322,142	—	43,456	26,438	—	—	617,338
17	Post-secondary education adjustment payment ⁹	1,920	1,208	5,227	2,369	40,598	10,922	7,103	8,172	15,767	4,423	97,709
18	Share of income tax on power utilities ⁹	329	67	650	34	628	1,111	94	13	3,094	233	6,253
19	Compensation due to withdrawal from joint programmes ⁹	—	—	—	—	8,335	—	—	—	—	—	8,335
20	Unconditional contribution ⁹	—	—	—	—	31,215	—	—	—	—	—	31,215
21	Total Government of Canada	80,696	16,234	90,211	72,393	420,087	36,464	56,529	39,628	27,706	6,329	846,277
22	Privileges, licences and permits	14,410	1,270	11,750	14,480	159,330	192,980	28,510	58,220	275,800	134,730	891,480
23	Liquor profits	5,090	2,400	15,940	14,020	75,650	107,500	19,250	21,500	33,570	42,550	337,470
24	Other revenue	434	816	5,669	5,137	41,793	36,156	3,671	17,902	15,704	20,581 ¹⁰	147,863
25	Total net general revenue	166,500	33,120	214,780	220,970	2,307,400	2,269,470	291,640	317,980	521,660	659,340	7,002,860

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-mutual betting tax only.⁶ Includes special taxes on spirits and tobacco levied under the Hospital Tax Act.⁷ Represents estimated revenue under the Manitoba Revenue Tax Act.⁸ Estimates supplied by federal Department of Finance.⁹ Estimates supplied by federal Department of Finance, except for Quebec, for which the figures were taken from the 1967 Budget speech of the Province of Quebec.¹⁰ Includes miscellaneous revenue 6,000, sales and service fees 8,950.

TABLE 2 Net General Expenditure (Estimated)
(Current and Capital)

Fiscal Year Ending March 31, 1968

No.	Expenditure by function	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C. ¹	Total ¹
		thousands of dollars										
	Transportation and communications:											
1	Highways, roads and bridges	34,630	7,130	44,335	43,950	284,230	407,300	39,820	62,393	92,800	..	..
2	Other	130	20	515	770	1,850	—	70	687	250	..	..
3	Total transportation and communications	34,760	7,150	44,850	44,720	286,080	407,300	39,890	63,080	93,050	..	..
	Health and social welfare:											
	Health:											
4	Hospital care ²	23,200	3,010	46,100	30,970	559,020	367,790	46,130	53,450	94,740	..	..
5	Other	4,740	1,000	5,790	5,390	38,960	168,290 ³	11,710	34,090 ³	26,760	..	..
6	Sub-total health	27,940	4,010	51,890	36,360	597,980	536,080	57,840	87,540	121,500	..	..
	Social welfare:											
7	Aid to aged and blind persons	1,790	1,930	1,810	3,360	44,570	26,780	1,500	1,990	6,390	..	..
8	Aid to unemployed and unemployables ⁴	11,390	800	6,410	3,460	176,900 ⁵	45,270	5,630	6,730	17,250	..	..
9	Other	1,690	300	4,500	3,070	79,970	24,250	3,120	6,660	12,220	..	..
10	Sub-total social welfare	14,870	3,030	12,720	9,890	301,440	96,300	10,250	15,380	35,860	..	..
11	Total health and social welfare	42,810	7,040	64,610	46,250	899,420	632,380	68,090	102,920	157,360	..	..
12	Education	72,730	8,310	77,620	80,690	661,560	872,850	101,830	91,790	217,350	..	..
13	Natural resources and primary industries	8,620	2,120	10,790	9,110	127,360	103,710	26,230	19,060	34,680	..	..
14	Debt charges (exclusive of debt retirement) ⁶	13,340	3,530	15,530	14,870	85,620	74,660	8,900	— 2,970 ⁷	—23,940 ⁷	..	..
15	Contributions to municipalities	2,470	540	4,890	10,380	124,000	44,890	5,150	100	39,140	..	..
16	Other expenditure	32,250	5,540	31,350	24,800	278,090	278,750	31,710	41,170 ⁸	86,200 ⁸	..	..
17	Total net general expenditure exclusive of debt retirement	206,980	34,230	249,640	230,820	2,462,130⁹	2,414,540	281,800	315,150	603,840	630,500⁹	7,429,630

¹ A functional breakdown of net general expenditure for B.C. is not available. See page 5 of this report.

² Includes an estimate of expenditures to be made by the various hospital insurance plans.

³ Includes an estimate of expenditures to be made by the Medical Service Insurance Commission in Ontario, and the Medical Care Insurance Commission in Saskatchewan.

⁴ Includes expenditures under mothers' allowance.

⁵ Includes estimated payments under the family allowance programme of 86,900.

⁶ Provision for debt retirement in the provincial current account estimates was as follows; Nfld. 6,208; P.E.I. 1,714; N.S. nil; N.B. 10,099; Que. 27,204; Ont. 37,673; Man. 6,639; Sask. nil; Alta. 1,615.

⁷ Excess of interest premium discount and exchange revenue over interest expenditure and other debt charges.

⁸ Includes home-owners subsidies in Saskatchewan of 8,500 and home-owners tax discount of 12,000 in Alberta.

⁹ Does not include expenditures by the provincial toll road authorities.

TABLE 3. Grants to Local Governments (Estimated)

Fiscal Year Ending March 31, 1968

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)	990	60	220	240	7,880	124,010	4,510	13,285	26,600	650	178,445
	Health:											
2	Hospital care ¹	—	—	10	—	—	—	—	—	—	—	10
3	Other	550	10	10	—	—	2,300	50	210	2,270	550	5,950
	Social welfare:											
4	Aid to aged persons	—	—	—	—	—	14,910	—	—	—	—	14,910
5	Aid to unemployed and unemployables	—	—	3,280	2,980	—	34,970	950	14,035	3,200	27,780	87,195
6	Other	—	—	—	570	—	25,490	20	—	—	—	26,080
7	Education (schools operated by local authorities) ²	3	6,960	38,170	50,970	386,960	502,670	62,950	70,650	135,000	101,870	1,356,200
8	Natural resources and primary industries	—	—	—	70	—	1,080	20	560	560	20	2,310
9	Debt charges — Interest	490	—	—	—	3,050	—	—	—	—	—	3,540
10	Other ⁴	1,100	1,090	190	110	37,750	45,150	—	7,490	8,960	6,650	108,490
11	Sub-total items 1 to 10	3,130	8,120	41,880	54,940	435,640	750,580	68,500	106,230	176,590	137,520	1,783,130
12	Shared-revenue contributions, subsidies and grants in lieu of taxes	2,470	540	4,890	10,380	124,000 ⁵	44,000 ⁶	5,160	10	27,130 ⁷	27,620 ⁸	246,200
13	Total grants to local governments	5,600	8,660	46,770	65,320	559,640	794,580	73,660	106,240	203,720	165,140	2,029,330

¹ Excludes amounts paid directly to municipal hospital boards.

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

³ Excludes grants estimated at 33,384 to primary and secondary schools which are operated on a religious denominational basis.

⁴ Includes winter works and civil defence grants.

⁵ Includes payments to municipalities in lieu of the right to impose a retail sales tax 122,000.

⁶ Includes payments under the Municipal Unconditional Grants Act 40,000. (residential and farm tax relief 37,987, indigent hospitalization 2,000, administration of justice re Indians 13) see also page 7 of text.

⁷ Includes grants under Municipal Assistance Act 25,085.

⁸ Includes per capita grants under Municipalities Aid Act 27,000.

TABLE 4. Reconciliation of Provincial Estimated Revenue with Estimated Net General Revenue (Table 1)

Fiscal Year Ending March 31, 1968

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	169,357	42,107	215,247	266,227	2,303,565	2,029,408	264,324	303,086	674,882	740,000
	Add:										
2	Estimated revenue deducted from expenditure ¹	—	—	3,277	3,000	2,650	4,745	—	—	—	2,248
3	Estimated expenditure deducted from revenue ¹	1,610	—	868	660	9,842	12,957	811	1,844	1,330	5,810
4	Estimated revenue of administrative or special funds	728	292	458	967	3,393	539,460	92,617	43,154	2,291	2,817
5	Capital account revenue	—	5,010	—	—	—	—	—	—	—	—
6	Capital account revenue of an ordinary nature	—	—	—	—	—	1,290	—	—	1,800	—
7	To adjust tax arrangement revenue to federal estimates	—	1,780	5,762	—	1,457	28,112	11,790	1,080	19,028	28,156
	Total additions	2,338	7,082	10,365	4,627	17,342	586,564	105,218	46,078	24,449	39,031
	Deduct:										
9	Refunds of current year's expenditure included in revenue	—	—	70	—	—	7,341	3,031	23	2,343	—
10	Refunds of current year's revenue included in expenditure	—	81	—	511	60	—	—	—	—	—
11	Revenue of working capital funds to be offset against expenditure	—	—	200	—	—	—	—	—	300	—
12	Employees' contributions to pension plans	—	—	—	—	—	—	—	—	9,010	—
13	Offsets to adjust contributions to and from Government Enterprises to a "net" basis	1,668	—	—	—	—	—	—	—	9,153	—
14	Sinking fund earnings included in estimated revenue	—	—	—	—	7,650	—	—	—	—	—
15	Previous years' surplus included in revenue	—	—	—	—	—	—	—	—	—	—
16	Interfund eliminations	546	20	308	305	—	104,280	434	19,705	778	276
17	Interest, discount, premium and exchange ²	111	264	9,143	3,045	5,800	6,687	721	4,983	24,386	5,039
18	Grants-in-aid and shared-cost contributions ²	—	14,477	32	31,343	—	221,450	73,104	4,913	125,583	—
19	Institutional revenue ²	—	1,232	1,086	1,251	—	6,743	614	1,562	6,118	—
20	To adjust tax arrangement revenue to federal estimates	2,869	—	—	938	—	—	—	—	—	—
21	Other	—	—	—	12,490 ³	—	—	—	—	—	114,375 ⁴
22	Total deductions	5,194	16,074	10,839	49,883	13,510	346,501	77,904	31,186	177,671	119,690
23	Rounding	- 1	+ 5	+ 7	- 1	+ 3	- 1	+ 2	+ 2	—	- 1
24	Total estimated net general revenue (Table 1, item 25)	166,500	33,120	214,780	220,970	2,307,400	2,269,470	291,640	317,980	521,660	659,340

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

³ Represents municipal real property and business assessment taxes collected on behalf of municipalities. See also line 21, Table 5.

⁴ Revenue items ordinarily offset against expenditure. See page 5 of this report.

TABLE 5. Reconciliation of Provincial Estimated Expenditure with Estimated Net General Expenditure (Table 2)

Fiscal Year Ending March 31, 1968

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	152,776	41,836	207,116	234,787	2,216,384 ¹	1,877,936 ²	363,378 ³	302,764 ⁴	630,065	739,381
2	Capital expenditure per provincial estimates	60,507	9,852	48,520	78,787	263,316	951,346	³	⁴	188,763	—
3	Total expenditure per provincial estimates	213,283	51,688	255,636	313,574	2,479,700	2,829,282	363,378	302,764	818,828	739,381
	Add:										
4	Estimated revenue deducted from expenditure	—	—	3,277	—	2,650	4,745	—	—	—	2,248
5	Estimated expenditure deducted from revenue	1,610	—	868	—	9,842	12,957	811	1,844	1,330	5,810
6	Estimated expenditure of administrative or special funds	621	329	696	753	3,000	524,945	2,151	41,725	2,058	2,746
7	Total additions	2,231	329	4,841	753	15,492	542,647	2,962	43,569	3,388	10,804
	Deduct:										
8	Refunds of current year's expenditure included in revenue	—	—	70	511	—	7,341	3,031	23	2,343	—
9	Refunds of current year's revenue included in expenditures	—	81	—	—	60	—	—	—	—	—
10	Revenue of working capital funds to be offset against expenditure	—	—	200	—	—	—	—	—	300	—
11	Employees' contributions to pension plans	—	—	—	—	—	—	—	—	9,010	—
12	Offsets to adjust contributions to and from government enterprises to a "net" basis	1,668	—	—	—	—	—	—	—	9,153	—
13	Estimated debt retirement included in estimated expenditure	6,208	1,714	—	—	27,204	38,673	6,639	—	1,615	—
14	Non-expenditure items included in provincial capital account expenditure	—	—	—	—	—	572,216	—	—	588	—
15	Estimated capital revenue to be offset against capital expenditure	—	—	—	34,562	—	—	—	—	38,507 ⁵	—
16	Interfund eliminations	546	20	308	305	—	104,280	434	19,705	778	276
17	Interest, discount, premium and exchange	111	264	9,143	3,045	5,800	6,687	721	4,983	24,386	5,039
18	Grants-in-aid and shared-cost contributions	—	14,477	32	31,343	—	221,450	73,104	4,913	125,583	—
19	Institutional revenue	—	1,232	1,086	1,251	—	6,743	614	1,562	6,118	—
20	To adjust tax arrangement revenue to federal estimates	—	—	—	—	—	—	—	—	—	—
21	Other	—	—	—	12,490 ⁶	—	—	—	—	—	114,375 ⁷
22	Total deductions	8,533	17,788	10,839	83,507	33,064	957,390	84,543	31,186	218,381	119,690
23	Rounding	- 1	+ 1	+ 2	—	+ 2	+ 1	+ 3	+ 3	+ 5	+ 5
24	Total estimated net general expenditure (Table 2, item 17)	206,980	34,230	249,640	230,820	2,462,130	2,414,540	281,800	315,150	603,840	630,500

¹ Represents estimated ordinary expenditure of 2,072,402 together with 108,982 debt service and extraordinary expenditure of 35,000 for the financing of "University investments".

² Represents estimated gross ordinary expenditure of 2,132,769 adjusted to a "net" basis.

³ Total "expenditure" including capital expenditure of 68,600.

⁴ Total "budgetary expenditure" including capital expenditure of 47,479.

⁵ This represents capital revenue of 92,071 as estimated by the province less 51,764 considered to be non-revenue items, and less 1,800 considered to be revenue of an ordinary nature. (See line 6, Table 4).

⁶ Represents municipal real property and business assessment taxes paid to municipalities. See also line 21, Table 4.

⁷ Revenue items ordinarily offset against expenditure. See also line 21, Table 4, and page 5 of this report.

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- 16 -

