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# PRELIMINARY ANALYSIS OF REVENUE AND EXPENDITURE OF PROVINCIAL GOVERNMENTS 1953

(Fiscal Years Ended March 31, 1954)



Memorandum

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# PRELIMINARY ANALYSIS OF REVENUE AND EXPENDITURE OF PROVINCIAL GOVERNMENTS 1953

(Fiscal Years Ended March 31, 1954)

## INTRODUCTION

This Preliminary Analysis incorporates information derived largely from the Budget Speeches delivered in the Spring of 1954 and interim statements published by the provinces at that time. Final figures in considerably greater detail will be prepared as soon as the Public Accounts are released by the provincial governments.

The same basis is followed in the preparation of this preliminary analysis as in the final statistics. Because of variations in accounting and reporting practices among the provinces, certain adjustments to the provincial figures are necessary to achieve interprovincial comparability. The accuracy of such adjustments and also of the presentation of revenue and expenditure in terms of standard statistical categories depends upon the extent and detail of the available sources of information. In making use of these statistics it should be clearly understood that they are intended to be only a preliminary forecast of what final tabulations will show.

"Net General Revenue" is arrived at by first adjusting the combined revenue of capital account, current or ordinary account and those working capital funds, provincial institutions and special funds for which separate accounts are kept, to a "gross"

basis and then deducting interest, premium, discount and exchange, institutional revenue, specified contributions from other governments and capital revenue. These amounts are also deducted from the related expenditure. The adjustments to a "gross" basis consist mainly of adding back revenue items which are deducted from expenditure and expenditure items which are deducted from revenue in the Estimates and Public Accounts. The specified contributions from other governments are grants in aid of specific provincial projects and shared-cost contributions. In these tables they are deducted from expenditure to show the "net" cost to the provinces of the services in question. However, general or unconditional fiscal subsidies, such as those payable to the provinces by the Government of Canada under the B.N.A. Act, remain in "net general revenue" i.e. are not offset against expenditure.

"Net General Expenditure" combines current and capital accounts as well as working capital funds, provincial institutions and special funds. Interest, premium, discount and exchange, institutional revenue, specified contributions from other governments and capital revenue have been deducted from the related expenditures, to achieve the "net" presentation.

## DESCRIPTION AND COVERAGE OF SPECIFIED ITEMS

**Privileges, Licences, and Permits**, revenue item 15, includes licences and permit fees for the purchase, sale or use of alcoholic beverages; motor vehicle licences and permit fees including operators' licences; royalties and permit fees for the use of natural resources, such as fishing, hunting and trapping licences, timber royalties, crown land leases or rentals, mining royalties, and water power or storage leases; and corporation and other business or occupational licences, rentals of government real estate and court and legal fees.

**Subsidies**, revenue item 16, includes only general and unconditional grants. Grants in aid of specific projects, such as the federal health grants, are offset against the related expenditure to arrive at the "net" presentation, used in these tables.

**Other Revenue**, item 22, combines revenue 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. The latter include refunds of previous years' expenditure and repayments of loans and advances—if credited to ordinary account. Transactions on account of loans and advances are, for purposes of these statistics, omitted from revenue and expenditure except for any amounts which have been treated as ordinary account transactions by the provinces. These latter are shown separately in the final report as "non-revenue and surplus receipts" and "non-expense and surplus payments". No attempt has been made to segregate such transactions in this report since they are relatively insignificant in the over-all totals.

**Revenue from Liquor Control** — Revenue from liquor control is divided into four sources in the table showing net general revenue for the year under review. These sources are: (1) taxes on the sale of alcoholic beverages, item 5, (2) licences and permit fees, part of item 15, (3) profits from the sale of alcoholic beverages by provincial govern-

ment vendors, item 21, and (4), miscellaneous revenue such as fines, and confiscations arising from infractions of liquor control regulations, part of item 22.

The following table shows revenue from liquor control for the past five years.

### Revenue of Provincial Governments from Liquor Control

Fiscal years ended nearest December 31

(Thousands of dollars)

	1949	1950	1951	1952 <sup>1</sup>	1953 <sup>2</sup>
Newfoundland.....	1,769	2,188	2,476	2,824	2,700
Prince Edward Island .....	887	971	1,035	1,218	915
Nova Scotia .....	8,341	10,389 <sup>3</sup>	8,562	9,532	9,652
New Brunswick .....	6,508	5,500	5,441	6,426	6,008
Quebec .....	29,135	32,835	32,357	35,485	35,735
Ontario .....	41,391	41,395	44,960	47,691	43,628
Manitoba .....	7,714	8,057	8,224	8,568	8,793
Saskatchewan.....	8,946	8,765	9,640	11,060	10,115
Alberta .....	12,133	12,195	13,304	15,228	14,770
British Columbia .....	18,148	18,994	20,157	20,896	21,620
Yukon .....	..	545	595	655	666
<b>Total .....</b>	<b>134,972</b>	<b>141,834</b>	<b>146,751</b>	<b>159,583</b>	<b>154,602</b>

1. Subject to revision.

2. Preliminary.

3. Covers 16 month period.

**Health—Other**, expenditure item 3, includes expenditures on public health; medical, dental and allied services; and administration of health services generally.

**Social Welfare—Other**, expenditure item 8, includes expenditures on child welfare, labour and general social welfare administrative costs.

**Contributions to Municipalities**, expenditure item 15, consists of all payments 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 for which provincial assistance is intended.

**Other Expenditure**, item 16, 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. The latter item includes refunds of previous years' revenue and any loans and advances charged to ordinary account.

### Five Year Summary

An examination of the following summary tables reveals a steady increase in both revenue and expenditure in most provinces during the years 1949 to 1953.



**Net General Revenue by Source**  
Fiscal years ended nearest December 31  
(Millions of dollars)

Source	1949	1950	1951	1952 <sup>1</sup>	1953 <sup>1</sup>
<b>Taxes:</b>					
Corporations .....	21	23	25	14 <sup>2</sup>	14
<b>Income:</b>					
Corporations .....	106	127	163	52 <sup>2</sup>	51
Property .....	6	7	8	8	7
<b>Sales:</b>					
Amusements and admissions .....	20	19	20	21	23
Motor fuel and fuel oil .....	139	157	182	197	220
General .....	62	76	91	102	108
Other sales taxes .....	14	15	15	18	21
Succession duties .....	29	31	34	32	32
Other taxes .....	21	23	28	27	28
<b>Total taxes .....</b>	<b>418</b>	<b>478</b>	<b>566</b>	<b>471</b>	<b>504</b>
Federal tax rental agreements .....	80	93	96	303 <sup>2</sup>	309
Privileges, licences and permits .....	178	207	228	253	301
<b>Government of Canada:</b>					
Subsidies .....	26	25	27	26	25
Share of income tax on power utilities .....	1	4	4	4	7
Liquor profits .....	107	112	116	121	123
Other revenue .....	31	33	40	43	45
<b>Total net general revenue .....</b>	<b>841</b>	<b>952</b>	<b>1,077</b>	<b>1,221</b>	<b>1,314</b>

1. Preliminary.

2. Ontario entered tax rental agreements this year.

**Net General Expenditure by Function**  
Fiscal years ended nearest December 31  
(Millions of dollars)

Function	1949	1950	1951	1952 <sup>1</sup>	1953 <sup>1</sup>
Transportation .....	254	250	299	371	409
Health .....	143	158	174	202	214
Social welfare .....	80	87	92	91	104
Education .....	160	183	196	218	234
Natural resources .....	60	72	85	97	100
Interest and other debt charges .....	53	53	57	59	58
Contributions to municipalities .....	15	17	23	27	29
Other expenditures .....	111	122	148	168	178
<b>Net general expenditure (exclusive of debt retirement) .....</b>	<b>876</b>	<b>942</b>	<b>1,074</b>	<b>1,233</b>	<b>1,326</b>

1. Preliminary.

## DOMINION BUREAU OF STATISTICS

## Net General Revenue by Provinces

Fiscal years ended nearest December 31

(Millions of dollars)

	1949	1950	1951	1952 <sup>1</sup>	1953 <sup>1</sup>
Newfoundland .....	18	21	25	31	31
Prince Edward Island .....	5	5	6	7	8
Nova Scotia .....	34	36	39	45	48
New Brunswick .....	30	32	41	46	48
Quebec .....	207	239	277	282	297
Ontario .....	235	266	304	340	362
Manitoba .....	38	41	46	54	56
Saskatchewan .....	61	67	75	89	97
Alberta .....	89	105	106	142	179
British Columbia .....	124	139	157	185	187
Yukon .....	..	1	1	..	1
<b>Total .....</b>	<b>841</b>	<b>952</b>	<b>1,077</b>	<b>1,221</b>	<b>1,314</b>

1. Preliminary.

## Net General Expenditure by Provinces

Fiscal years ended nearest December 31

(Millions of dollars)

	1949	1950	1951	1952 <sup>1</sup>	1953 <sup>1</sup>
Newfoundland .....	26	27	30	29	34
Prince Edward Island .....	6	7	8	7	7
Nova Scotia .....	51	52	49	47	53
New Brunswick .....	37	41	40	45	49
Quebec .....	193	224	261	311	310
Ontario .....	261	279	336	391	443
Manitoba .....	35	35	43	39	47
Saskatchewan .....	58	62	72	85	86
Alberta .....	58	73	82	102	126
British Columbia .....	151	141	152	177	170
Yukon .....	..	1	1	..	1
<b>Total (exclusive of debt retirement) .....</b>	<b>876</b>	<b>942</b>	<b>1,074</b>	<b>1,233</b>	<b>1,326</b>

1. Preliminary.

**Net General Revenue**  
Preliminary  
For fiscal year ended March 31, 1954  
(Thousands of dollars)

No.	Revenue by sources	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Sub-total	Yukon	Total
	<b>Taxes:</b>													
1	Corporations <sup>1</sup> .....	—	—	—	—	14,600	—	—	—	—	—	14,600	—	14,600
	<b>Income:</b>													
2	Corporations <sup>1</sup> .....	—	—	—	—	50,980	—	— <sup>2</sup>	—	—	—	50,980	—	50,980
3	Individuals <sup>1</sup> .....	—	—	—	—	—	—	5	—	—	—	5	—	5
4	Property .....	—	—	94	230	—	1,600	—	290	—	5,198	7,412	87	7,499
	<b>Sales:</b>													
5	Alcoholic Beverages .....	—	265	—	—	1,600	—	—	—	—	—	1,865	69	1,934
6	Amusements and Admissions .....	85	132	707	400	4,690	10,691	1,215	58	1,400	3,459	22,837	12	22,849
7	Motor Fuel and Fuel Oil .....	2,160	1,185	9,385	7,320	55,125	85,900	8,425	14,295	17,400	18,335	219,530	175	219,705
8	Tobacco .....	—	145	—	1,150	12,700	—	—	—	—	—	13,995	—	13,995
9	General .....	5,650	—	—	7,350	40,750	—	—	17,941	—	36,000	107,691	—	107,691
10	Other Commodities and Services <sup>3</sup> .....	—	—	184	—	4,650	—	—	—	—	—	4,834	—	4,834
11	Succession Duties <sup>4</sup> .....	—	—	2	6	12,500	19,500	2	44 <sup>2</sup>	25	—	32,079	—	32,079
12	Other .....	186	—	90	41	916	4,391	12	6,086	841	15,060	27,623	8	27,631
13	<b>Total taxes</b> .....	<b>8,081</b>	<b>1,727</b>	<b>10,462</b>	<b>16,497</b>	<b>198,511</b>	<b>122,082</b>	<b>9,639</b>	<b>38,714</b>	<b>19,666</b>	<b>78,052</b>	<b>503,451</b>	<b>351</b>	<b>503,802</b>
14	Federal tax rental agreements .....	11,825	3,631	19,374	16,178	—	134,448	25,039	25,254	29,802	43,516	309,067	250	309,317
15	Privileges, licences and permits .....	2,351	593	5,825	6,930	63,675	64,121	10,088	16,111	109,279	22,050	301,023	139	301,162
	<b>Other governments:</b>													
	Government of Canada:													
16	Subsidies .....	6,369 <sup>6</sup>	657	2,057	1,679	3,300	3,641	1,788	2,041	2,135	1,281	24,948	37	24,985
17	Share of Income tax on Power Utilities ..	161	30	170	283	2,120	1,096	569	43	1,396	853	6,721	—	6,721
18	Sub-total government of Canada .....	6,530	687	2,227	1,962	5,420	4,737	2,357	2,084	3,531	2,134	31,669	37	31,706
19	Municipalities .....	—	—	245	—	—	—	28	—	20	—	293	—	293
20	<b>Total other governments</b> .....	<b>6,530</b>	<b>687</b>	<b>2,472</b>	<b>1,962</b>	<b>5,420</b>	<b>4,737</b>	<b>2,385</b>	<b>2,084</b>	<b>3,551</b>	<b>2,134</b>	<b>31,962</b>	<b>37</b>	<b>31,999</b>
21	Liquor profits .....	2,155	870	9,300	5,965	22,000	30,580	6,600	10,000	13,600	21,330	122,400	660	123,060
22	Other revenue .....	302	123	1,012	528	6,988	6,041	1,863	4,917	2,656	20,044	44,474	22	44,496
23	<b>Total net general revenue</b> .....	<b>31,244</b>	<b>7,631</b>	<b>48,445</b>	<b>48,060</b>	<b>296,594</b>	<b>362,009</b>	<b>55,634</b>	<b>97,080</b>	<b>178,554</b>	<b>187,126</b>	<b>1,312,377</b>	<b>1,459</b>	<b>1,313,836</b>

1. Suspended under terms of the 1952 Federal Tax Rental Agreements signed by all provinces except Quebec.

2. Collections of arrears.

3. N.S. — Long distance telephone call tax; Que. — Hospital tax on meals.

4. Levy of succession duties is suspended under terms of the 1952 Tax Rental Agreements by all provinces except Quebec and Ontario.

5. Includes hospitals insurance tax.

6. Includes transitional grant \$4,800,000.



# Net General Expenditure (Current and Capital)

Preliminary

For fiscal year ended March 31, 1954

(Thousands of dollars)

No.	Expenditure by functions	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Sub-total	Yukon	Total
1	Transportation and communications.....	7,019	2,637	18,144	13,217	91,614	164,549	14,100	17,325	46,565	33,052	408,222	418	408,640
	Health and social welfare:													
	Health:													
2	Hospital care .....	5,088	877	5,274	5,616	33,044	50,968	5,635	23,056 <sup>1</sup>	16,834	37,700 <sup>1</sup>	184,092	115	184,207
3	Other .....	1,292	264	738	1,119	6,091	9,267	1,509	3,553	2,283	3,968	30,084	36	30,120
4	Sub-total health .....	6,380	1,141	6,012	6,735	39,135	60,235	7,144	26,609	19,117	41,668	214,176	151	214,327
	Social welfare:													
5	Aid to aged and blind persons.....	1,144	190	1,254	1,525	10,330	7,895	1,458	2,453	5,137	7,255	38,641	2	38,643
6	Aid to unemployed and unemployables....	2,025	50	—	—	—	5,413	455	935	1,260	4,688	14,826	35	14,861
7	Mothers' allowances .....	1,255	75	1,503	1,295	8,000	6,305	910	1,217	968	400	21,928	—	21,928
8	Other .....	1,023	49	665	227	14,680	4,287	1,376	2,287	596	2,916	28,106	105	28,211
9	Sub-total social welfare .....	5,447	364	3,422	3,047	33,010	23,900	4,199	6,892	7,961	15,259	103,501	142	103,643
10	<b>Total health and social welfare .....</b>	<b>11,827</b>	<b>1,505</b>	<b>9,434</b>	<b>9,782</b>	<b>72,145</b>	<b>84,135</b>	<b>11,343</b>	<b>33,501</b>	<b>27,078</b>	<b>56,927</b>	<b>317,677</b>	<b>293</b>	<b>317,970</b>
11	Education .....	6,439	1,221	10,877	9,129	52,771	85,569	10,813	13,483	19,993	23,811	234,106	262	234,368
12	Natural resources and primary industries .....	2,969	408	2,716	3,864	32,631	20,911	4,191	7,216	12,234	12,974	100,114	15	100,129
	Debt charges:													
13	Debt retirement (from current account).....	411	571	4,421	4,652	10,301	13,345	6,715	6,562	2,647	12,660	62,285	—	62,285
14	Interest and other charges .....	52	643	5,451	5,780	12,439	25,839	- 315 <sup>2</sup>	2,677	- 1,741 <sup>2</sup>	6,867	57,692	—	57,692
15	Contributions to municipalities .....	236	95	972	2,638	—	3,236	102	—	7,655	14,280	29,214	7	29,221
16	Other expenditure .....	5,644	888	5,001	4,207	48,451	58,385	6,953	12,065	13,979	21,791	177,364	158	177,522
17	<b>Total net general expenditure .....</b>	<b>34,597</b>	<b>7,968</b>	<b>57,016</b>	<b>53,269</b>	<b>320,352</b>	<b>455,969</b>	<b>53,902</b>	<b>92,829</b>	<b>128,410</b>	<b>182,362</b>	<b>1,386,674</b>	<b>1,153</b>	<b>1,387,827</b>
18	Deduct debt retirement included above .....	-411	-571	-4,421	-4,652	-10,301	-13,345	-6,715	-6,562	-2,647	-12,660	-62,285	—	-62,285
19	<b>Total net general expenditure exclu- sive of debt retirement .....</b>	<b>34,186</b>	<b>7,397</b>	<b>52,595</b>	<b>48,617</b>	<b>310,051</b>	<b>442,624</b>	<b>47,187</b>	<b>86,267</b>	<b>125,763</b>	<b>169,702</b>	<b>1,324,389</b>	<b>1,153</b>	<b>1,325,542</b>

1. Includes hospital insurance plan expenses.

2. Excess of interest revenue over interest and other debt charges.



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- to indicate nil and amounts under \$500.
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