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# PRELIMINARY ANALYSIS OF REVENUE AND EXPENDITURE OF PROVINCIAL GOVERNMENTS 1954

(Fiscal Year Ended March 31, 1955)



*Published by Authority of*  
The Right Honourable C. D. Howe, Minister of Trade and Commerce

**DOMINION BUREAU OF STATISTICS**  
Public Finance and Transportation Division  
Federal and Provincial Finance Section

8502-512-35

Price 25 cents

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- to indicate nil and amounts under \$500
- .. to indicate figures are not available.

# PRELIMINARY ANALYSIS OF REVENUE AND EXPENDITURE OF PROVINCIAL GOVERNMENTS 1954

(Fiscal Year Ended March 31, 1955)

## INTRODUCTION

This Preliminary Analysis incorporates information derived largely from the Budget Speeches delivered in the Spring of 1955 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 provincial figures. 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)

Province	1950	1951	1952	1953	1954 <sup>1</sup>
Newfoundland.....	2,188	2,476	2,824	3,115	2,986
Prince Edward Island .....	971	1,035	1,219	1,182	1,150
Nova Scotia .....	10,389 <sup>2</sup>	8,562	9,532	9,815	9,621
New Brunswick .....	5,500	5,441	6,426	6,490	6,170
Quebec .....	32,835	32,357	35,485	35,856	35,780
Ontario .....	41,395	44,960	47,691	45,034	46,600
Manitoba .....	8,057	8,224	8,568	8,722	8,400
Saskatchewan.....	8,765	9,640	11,060	11,408	10,145
Alberta .....	12,195	13,304	15,228	15,721	15,525
British Columbia .....	18,994	20,157	20,883	21,383	21,620
Yukon .....	545	595	710	742	..
<b>Total .....</b>	<b>141,834</b>	<b>146,751</b>	<b>159,626</b>	<b>159,468</b>	<b>157,997</b>

1. Preliminary.

2. 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.

**Aid to Unemployed Employables and Unemployables**, expenditure item 6, includes the new permanent total disability pensions which most provinces are paying on a shared-cost basis with the Government of Canada.

**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 ex-

penditure, 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.

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

Source	1950	1951	1952	1953	1954 <sup>1</sup>
<b>Taxes:</b>					
Corporations .....	23	25	14 <sup>2</sup>	17	17
<b>Income:</b>					
Corporations .....	127	163	65 <sup>2</sup>	49	48
Individuals .....	—	—	—	—	25
Property .....	7	8	7	7	7
<b>Sales:</b>					
Amusements and admissions .....	19	20	21	23	23
Motor fuel and fuel oil .....	157	182	201	224	237
General .....	76	91	101	108	127
Other sales taxes .....	15	15	18	21	20
Succession duties .....	31	34	33	31	36
Other taxes ..	23	28	27	27	14 <sup>3</sup>
<b>Total taxes .....</b>	<b>478</b>	<b>566</b>	<b>487</b>	<b>507</b>	<b>554</b>
Federal tax rental agreements .....	93	96	303 <sup>2</sup>	309	327
Privileges, licences and permits .....	207	228	281	331	315
<b>Government of Canada:</b>					
Subsidies .....	25	27	26	25	24
Share of income tax on power utilities .....	4	4	4	7	7
Liquor profits .....	112	116	126	125	123
Other revenue .....	33	40	31	32	30
<b>Total net general revenue .....</b>	<b>952</b>	<b>1,077</b>	<b>1,258</b>	<b>1,336</b>	<b>1,380</b>

1. Preliminary.
2. Ontario entered tax rental agreements this year.
3. Hospital insurance premium, in British Columbia, abolished.

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

Function	1950	1951	1952	1953	1954 <sup>1</sup>
Transportation .....	250	299	367	353	387
Health .....	158	174	192	209	235
Social welfare .....	87	92	95	104	116
Education .....	183	196	221	234	259
Natural resources .....	72	85	94	102	109
Interest and other debt charges .....	53	57	57	53	59
Contributions to municipalities .....	17	23	27	30	42
Other expenditures .....	122	148	154	173	202
<b>Net general expenditure (exclusive of debt retirement) .....</b>	<b>942</b>	<b>1,074</b>	<b>1,207</b>	<b>1,258</b>	<b>1,409</b>

1. Preliminary.

### Net General Revenue by Provinces

Fiscal years ended nearest December 31

(Millions of dollars)

	1950	1951	1952	1953	1954 <sup>1</sup>
Newfoundland .....	21	25	32	32	33
Prince Edward Island.....	5	6	7	8	8
Nova Scotia .....	36	39	47	49	51
New Brunswick .....	32	41	47	49	49
Quebec .....	239	277	285	300	331
Ontario .....	266	304	365	371	388
Manitoba .....	41	46	55	56	57
Saskatchewan .....	67	75	91	98	96
Alberta .....	105	106	144	186	172
British Columbia .....	139	157	185	186	195
Yukon Territory .....	1	1	..	1	..
<b>Total .....</b>	<b>952</b>	<b>1, 077</b>	<b>1, 258</b>	<b>1, 336</b>	<b>1, 380</b>

1. Preliminary.

### Net General Expenditure by Provinces

Fiscal years ended nearest December 31

(Millions of dollars)

	1950	1951	1952	1953	1954 <sup>1</sup>
Newfoundland .....	27	30	29	33	40
Prince Edward Island.....	7	8	7	7	9
Nova Scotia .....	52	49	46	51	53
New Brunswick .....	41	40	45	48	50
Quebec .....	224	261	313	311	346
Ontario .....	279	336	372	384	431
Manitoba .....	35	43	42	47	51
Saskatchewan .....	62	72	80	86	94
Alberta .....	73	82	104	118	142
British Columbia .....	141	152	169	172	193
Yukon Territory .....	1	1	..	1	..
<b>Total (exclusive of debt retirement) .....</b>	<b>942</b>	<b>1, 074</b>	<b>1, 207</b>	<b>1, 258</b>	<b>1, 409</b>

1. Preliminary.



**Net General Revenue**  
Preliminary  
For fiscal year ended March 31, 1955  
(Thousands of dollars)

No.	Source	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
	<b>Taxes:</b>											
1	Corporation <sup>1</sup> .....	—	—	—	—	16,700	—	—	—	—	—	16,700
	<b>Income:</b>											
2	Corporations <sup>1</sup> .....	—	—	—	—	48,340	—	—	—	—	—	48,340
3	Individuals <sup>1</sup> .....	—	—	—	—	25,000	—	—	—	—	—	25,000
4	Property .....	—	—	98	231	—	1,650	—	71	—	5,200	7,250
	<b>Sales:</b>											
5	Alcoholic beverages .....	—	260	—	—	1,550	—	—	—	—	—	1,810
6	Amusements and admissions .....	153	116	678	430	4,920	10,367	1,200	66	1,515	3,080	22,525
7	Motor fuel and fuel oil .....	2,600	1,265	10,188	8,890	58,900	91,800	9,100	14,695	19,490	20,245	237,173
8	Tobacco .....	—	145	—	1,200	12,500	—	—	—	—	—	13,845
9	General .....	6,361	—	—	5,950	42,700	—	—	17,054	—	54,640	126,705
10	Other commodities and services <sup>2</sup> .....	—	—	192	—	4,400	—	—	—	—	—	4,592
11	Succession duties .....	—	—	2 <sup>3</sup>	—	13,000	23,000	3 <sup>3</sup>	23 <sup>3</sup>	5 <sup>3</sup>	—	36,033
12	Other .....	255	—	80	67	1,372	4,939	15	5,980 <sup>4</sup>	990	60	13,758
13	<b>Total taxes .....</b>	<b>9,369</b>	<b>1,786</b>	<b>11,238</b>	<b>16,768</b>	<b>229,382</b>	<b>131,756</b>	<b>10,318</b>	<b>37,889</b>	<b>22,000</b>	<b>83,225</b>	<b>553,731</b>
14	Federal tax rental agreement .....	12,547	3,913	20,352	17,047	—	142,747	26,201	26,647	31,816	46,052	327,322
15	Privileges licences and permits .....	2,548	615	6,085	6,808	66,780	70,530	10,622	16,505	97,010	37,062	314,565
	<b>Other governments:</b>											
	<b>Government of Canada:</b>											
16	Subsidies .....	5,519 <sup>5</sup>	657	2,057	1,679	3,300	3,641	1,845	2,041	2,150	1,281	24,170
17	Share of income tax on power utilities .....	190	43	270	216	1,661	1,342	28	44	1,658	1,812	7,264
18	Sub-total Government of Canada .....	5,709	700	2,327	1,895	4,961	4,983	1,873	2,085	3,808	3,093	31,434
19	Municipalities .....	—	—	245	—	—	—	—	—	—	—	245
20	<b>Total other governments .....</b>	<b>5,709</b>	<b>700</b>	<b>2,572</b>	<b>1,895</b>	<b>4,961</b>	<b>4,983</b>	<b>1,873</b>	<b>2,085</b>	<b>3,808</b>	<b>3,093</b>	<b>31,679</b>
21	Liquor profits .....	2,120	840	9,290	6,135	22,000	31,000	6,300	10,000	14,325	21,330	123,340
22	Other revenue .....	356	170	1,075	647	7,621	7,271	1,342	3,410	3,157	4,750	29,799
23	<b>Total net general revenue .....</b>	<b>32,649</b>	<b>8,024</b>	<b>50,612</b>	<b>49,300</b>	<b>330,744</b>	<b>388,287</b>	<b>56,656</b>	<b>96,536</b>	<b>172,116</b>	<b>195,512</b>	<b>1,380,436</b>

1. Suspended under terms of the 1952 federal tax rental agreements effected in all provinces except Quebec.

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

3. Collection of arrears. Provincial levy of succession duties is suspended under term of the 1952 tax rental agreements except in Ontario and Quebec.

4. Includes hospital insurance tax.

5. Includes transitional grant \$3,950,000.

# Net General Expenditure Current and Capital

Preliminary

For fiscal year ended March 31, 1955

(Thousands of dollars)

No.	Function	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1	Transportation and communication.....	10,495	3,086	17,306	16,219	93,246	123,234	14,984	18,601	53,997	35,484	386,652
	Health and social welfare:											
	Health:											
2	Hospital care.....	6,007	969	5,095	5,433	36,519	58,172	6,367	23,600 <sup>1</sup>	18,807	43,399 <sup>1</sup>	204,368
3	Other.....	1,574	318	790	1,026	7,548	7,954	1,420	3,799	2,362	4,446	31,237
4	Sub-total health.....	7,581	1,287	5,885	6,459	44,067	66,126	7,787	27,399	21,169	47,845	235,605
	Social welfare:											
5	Aid to aged and blind persons .....	1,313	210	1,292	1,583	10,232	8,072	1,432	2,347	5,793	9,917	42,191
6	Aid to unemployed and unemployables..	2,611	71	20	70	—	6,015	1,006	1,226	1,967	5,900	18,886
7	Mothers' allowances .....	1,356	80	1,590	1,320	8,150	6,695	1,086	1,252	1,008	400	22,937
8	Other.....	1,058	53	705	239	17,298	4,908	990	2,132	1,077	3,212	31,672
9	Sub-total social welfare .....	6,338	414	3,607	3,212	35,680	25,690	4,514	6,957	9,845	19,429	115,686
10	<b>Total health and social welfare .....</b>	<b>13,919</b>	<b>1,701</b>	<b>9,492</b>	<b>9,671</b>	<b>79,747</b>	<b>91,816</b>	<b>12,301</b>	<b>34,356</b>	<b>31,014</b>	<b>67,274</b>	<b>351,291</b>
11	Education.....	8,275	1,307	11,491	9,054	60,266	91,502	11,840	15,227	23,856	26,239	259,057
12	Natural resources and primary industries ...	1,657	678	2,846	3,548	38,041	22,059	4,710	9,057	12,045	14,336	108,977
	Debit charges:											
13	Debt retirement (from current account)....	711	556	4,137	4,668	10,566	13,936	4,969	7,160	2,714	12,541	61,958
14	Interest and other charges.....	597	741	5,607	5,689	13,291	29,133	502 <sup>2</sup>	2,088	3,898 <sup>2</sup>	6,135	58,881
15	Contributions to municipalities .....	294	112	990	2,789	—	14,470	102	—	8,796	14,280	41,833
16	Other expenditures .....	5,077	890	5,524	3,295	61,603	58,364	7,459	14,944	16,001	29,230	202,387
17	<b>Total net general expenditure.....</b>	<b>41,025</b>	<b>9,071</b>	<b>57,393</b>	<b>54,933</b>	<b>356,760</b>	<b>444,514</b>	<b>55,863</b>	<b>101,433</b>	<b>144,525</b>	<b>205,519</b>	<b>1,471,036</b>
18	Deduct debt retirement included above .....	- 711	- 556	- 4,137	- 4,668	- 10,566	- 13,936	- 4,969	- 7,160	- 2,714	- 12,541	- 61,958
19	<b>Total net general expenditure exclu- sive of debt retirement.....</b>	<b>40,314</b>	<b>8,515</b>	<b>53,256</b>	<b>50,265</b>	<b>346,194</b>	<b>430,578</b>	<b>50,894</b>	<b>94,273</b>	<b>141,811</b>	<b>192,978</b>	<b>1,409,078</b>

1. Includes hospital insurance plan expenditures.

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