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**FINANCIAL STATISTICS
OF
PROVINCIAL GOVERNMENTS
1956**

(Fiscal Year Ended March 31, 1957)

Revenue and Expenditure

(Second Analysis)

Preliminary

Memorandum



Formerly

Preliminary Analysis of Revenue and Expenditure of Provincial Governments

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FINANCIAL STATISTICS OF PROVINCIAL GOVERNMENTS 1956

(Fiscal Year Ended March 31, 1957)

REVENUE AND EXPENDITURE (Second Analysis)

PRELIMINARY

This memorandum provides condensed statements of net general revenue and expenditure of provincial governments for the most recently ended fiscal year. It was prepared largely from preliminary statements contained in the Budget Speeches delivered in the Spring of 1957 and from interim statements tabled in conjunction therewith.

When the budgets for the ensuing year are presented by the provincial treasurers, references are usually made to the finances of the fiscal year just ending. Some provinces publish interim statements in the same detail as the following year's Estimates. Others provide departmental totals for ordinary and capital accounts on a nine (or ten) month actual plus three (or two) month forecast basis. Interim statements of both ordinary and capital accounts were not available in all cases and not all Budget Speeches indicated whether the capital expenditures forecast in the Spring of 1956 were actually made during the fiscal year under review. Where later information was not available, the figures have been primarily based on the original provincial Estimates.

The same basis is followed in the preparation of this preliminary analysis as in the actual statistics prepared when the Public Accounts are released by the provincial governments. Because of varia-

tions 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 breakdown of revenue by principal sources and expenditure by major functions, depends upon the extent and detail of the available sources of information. Hence in making use of these statistics it should be borne in mind that they are only a preliminary forecast of what actual tabulations will show.

"Net General Revenue" and "Net General Expenditure" are arrived at by first analyzing the gross revenues and expenditures of capital account, current of ordinary account, 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.

The actual report "Financial Statistics of Provincial Governments-Revenue and Expenditure" explains more fully the various adjustments to provincial figures that are required to produce statistics on this basis.

DESCRIPTION AND COVERAGE OF "SOURCE" AND "FUNCTION" HEADINGS

REVENUE

Other taxes, item 12. The principal components are security transfer taxes in Quebec and Ontario, land transfer tax in Ontario and hospital insurance in Saskatchewan.

Privileges, Licences, and Permits, item 15, includes licences and permit fees for the 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 present Tax Rental Agreements; and corporation and other business or occupational licences, rentals of government real estate and court and legal fees.

Subsidies, item 16. This item includes only general and unconditional grants. 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, item 17. The provinces 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. These payments are not contingent upon a province signing a tax rental agreement.

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 used in the final statistics, 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.

EXPENDITURE

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

Aid to Unemployed Employables and Unemployables, item 7, includes the net provincial expenditures on the permanent total disability pensions

which the provinces are paying on a 50-50 basis with the Government of Canada.

Social Welfare—Other, item 8, includes expenditures on child welfare, labour, and general social welfare administration.

Contributions to Municipalities, item 15, includes all payments in the form of 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 these statistics.

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 such as refunds of previous years' revenue and loans and advances, where such have been included in current account expenditures by the provinces.

COMPARISONS WITH ESTIMATES

The preliminary total of net general revenue of all provinces amounts to \$1,745 million. This is approximately \$200 million higher than originally estimated by the provinces. Taxes show an increase of \$100 million over the original estimate of \$617 million. Sales taxes on motor fuel and fuel oil account for \$293 million of the preliminary total and general sales taxes (in five provinces) are expected to yield \$178 million.

Revenue from privileges, licences and permits is expected to amount to \$450 million, an increase of \$70 million over the original estimates. This is largely due to the fact that receipts from natural

resource licences, leases, royalties, etc., were at a higher level than originally estimated by the provincial treasurers.

The preliminary total of net general expenditure exclusive of debt retirement for the ten provinces is \$1,789 million. This is \$96 million more than originally budgeted for by the provinces. Expenditures on transportation and communications (chiefly roads) amount to \$560 million, an increase of \$72 million over the original estimates. Health and social welfare account for \$414 million and education \$363 million of the total, compared with the original estimates of \$405 million and \$354 million respectively.

The following symbols have been used in the tables in this report:

— to indicate nil and amounts under \$500.

.. to indicate figures are not available.

LIQUOR CONTROL REVENUE

Revenues of this nature arise from the following sources: profits on the operation of provincial whole-sale vendors and retail outlets, item 21 of the net general revenue table on page 8; privileges, licences and permit fees, included in item 15; taxes on the sale of liquor, item 5; and miscellaneous

revenue such as fines, penalties and confiscations arising from infractions of the liquor acts and regulations, included in item 22. The following table shows the preliminary totals for the fiscal year ended March 31, 1957 in relation to the actual totals for prior years.

Revenue of Provincial Governments from Liquor Control

Fiscal Years Ended March 31

(Thousands of Dollars)

Province	1953	1954	1955	1956	1957 ¹
Newfoundland	2, 824	3, 115	3, 131	3, 248	3, 245
Prince Edward Island	1, 219	1, 182	1, 202	1, 200	1, 200
Nova Scotia	9, 532	9, 815	9, 913	10, 587	10, 780
New Brunswick	6, 426	6, 490	6, 335	7, 072	7, 370
Quebec	35, 485	35, 856	35, 868	39, 539	42, 200
Ontario	47, 691	45, 034	48, 065	53, 695	55, 430
Manitoba	8, 568	8, 722	8, 311	8, 835	9, 450
Saskatchewan	11, 060	11, 408	10, 416	10, 259	10, 160
Alberta	15, 228	15, 721	15, 367	16, 260	17, 200
British Columbia	20, 883	21, 383	21, 263	22, 819	24, 700
Sub-total	158, 916	158, 726	159, 871	173, 514	181, 735
Yukon Territory	710	742	792	861	..
Northwest Territories	289	267	268	388	..
Total	159, 915	159, 735	160, 931	174, 763	..

1. Preliminary.

Net General Revenue by Source
Fiscal Years Ended March 31
(Millions of Dollars)

Source	1953	1954	1955	1956	1957 ¹
Taxes:					
Corporations	14	17	16	20	20
Income:					
Corporations	65	49	49	54	61
Individuals	—	—	25	30	35
Property	7	7	7	7	8
Sales:					
Amusements and admissions	21	23	22	21	20
Motor fuel and fuel oil	201	224	241	269	293
General	101	108	129	150	178
Other sales taxes	18	21	20	22	24
Succession duties	33	31	41	72	59
Other taxes	27	27	17	20	19
Total taxes	487	507	567	665	717
Federal tax rental agreements	303	309	328	320	366
Privileges, licences and permits	281	331	327	422	451
Government of Canada:					
Subsidies ²	26	25	24	23	23
Share of income tax on power utilities	4	7	7	8	6
Liquor profits	128	125	128	139	144
Other revenue	31	32	34	37	38
Total net general revenue	1,258	1,336	1,415	1,614	1,745

1. Preliminary.

2. Includes transitional grant to Newfoundland which diminishes each year by \$850,000.

Net General Expenditure by Function
Fiscal Years Ended March 31
(Millions of Dollars)

Function	1953	1954	1955	1956	1957 ¹
Transportation	367	353	371	448	560
Health	192	209	235	247	270
Social Welfare	95	104	124	134	144
Education	221	234	275	333	364
Natural resources	94	102	106	122	133
Interest and other debt charges	57	53	57	55	57
Contributions to municipalities	27	30	37	37	41
Other expenditures	154	173	181	199	220
Net general expenditure (exclusive of debt retirement).	1,207	1,258	1,386	1,575	1,789

1. Preliminary.

Net General Revenue by Province

Fiscal Years Ended March 31

(Millions of Dollars)

Province	1953	1954	1955	1956	1957 ¹
Newfoundland	32	32	33	33	36
Prince Edward Island	7	8	8	8	8
Nova Scotia	47	49	51	54	58
New Brunswick	47	49	51	53	57
Quebec	285	300	339	413	437
Ontario	365	371	399	432	462
Manitoba	55	56	57	59	65
Saskatchewan	91	98	99	103	119
Alberta	144	186	175	225	233
British Columbia	185	186	200	231	270
Yukon Territory .....	..	1	2	2	..
Northwest Territories .....	..	..	1	1	..
Total	1,258	1,336	1,415	1,614	1,745

1. Preliminary.

Net General Expenditure by Province

Fiscal Years Ended March 31

(Millions of Dollars)

Province	1953	1954	1955	1956	1957 ¹
Newfoundland	29	33	39	42	44
Prince Edward Island	7	7	9	10	11
Nova Scotia	46	51	53	58	70
New Brunswick	45	48	51	54	59
Quebec	313	311	350	400	440
Ontario	372	384	421	489	563
Manitoba	42	47	48	52	63
Saskatchewan	80	86	96	101	111
Alberta	104	118	138	159	173
British Columbia	169	172	179	208	255
Yukon Territory .....	..	1	1	1	..
Northwest Territories .....	..	..	1	1	..
Total (exclusive of debt retirement)	1,207	1,258	1,386	1,575	1,789

1. Preliminary.

Information from summary of the Budget of the Province of Ontario

Net General Revenue
Preliminary
For Fiscal Year Ended March 31, 1957
(Thousands of Dollars)

✓ checks Barb

No.	Source	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
	Taxes:											
1	Corporations ¹	-	-	-	-	19,610	300 ²	-	-	-	-	19,910
	Income:											
2	Corporations ¹	-	-	-	-	60,810	-	-	-	-	-	60,810
3	Individuals ¹	-	-	-	-	35,000	-	-	-	-	-	35,000
4	Property	-	-	104	240	-	1,730	-	50 ²	-	5,490	7,614
	Sales:											
5	Alcoholic beverages	-	275	-	-	1,900	-	-	-	-	-	2,175
6	Amusements and admissions	140	95	495	395	5,360	8,820	885	80	1,350	2,500	20,120
7	Motor fuel and fuel oil	3,920	1,420	13,330	10,830	77,000	108,100	12,175	16,470	22,770	26,970	292,985
8	Tobacco	-	160	-	1,380	15,000	-	-	-	-	-	16,540
9	General	7,775	-	-	7,540	56,500	-	-	20,690	-	86,050	178,555
10	Other commodities and services ³	-	-	225	-	5,130	-	-	-	-	-	5,355
11	Succession duties ⁴	-	-	2 ²	-	33,750	25,000	5 ²	10 ²	5 ²	-	58,772
12	Other	275	-	74	95	1,890	7,820	25	9,100	45	55	19,379
13	Total taxes	12,110	1,950	14,230	20,480	311,950	151,770	13,090	46,400	24,170	121,065	717,215
14	Federal tax rental agreements ⁵	13,805	3,173	22,043	17,807	-	160,559	27,888	27,432	37,311	55,730	365,748
15	Privileges, licences and permits	3,930	705	7,075	8,910	85,260	96,350	13,400	28,150	146,650	60,160	450,590
	Other governments:											
	Government of Canada:											
16	Subsidies	3,819 ⁵	657	2,057	1,679	3,300	3,641	1,820	2,080	2,225	1,281	22,559
17	Share of income tax on power utilities	214	36	200	228	1,186	1,428	51	50	1,767	1,415	6,575
18	Sub-total Government of Canada	4,033	693	2,257	1,907	4,486	5,069	1,871	2,130	3,992	2,696	29,134
19	Municipalities	-	-	244	-	-	-	-	-	-	-	244
20	Total other governments	4,033	693	2,501	1,907	4,486	5,069	1,871	2,130	3,992	2,696	29,378
21	Liquor profits	1,980	880	10,430	7,330	27,000	39,250	7,030	10,000	16,000	24,300	144,200
22	Other revenue	502	229	1,221	626	8,804	9,412	1,651	4,788	5,077	6,049	38,359
23	Total net general revenue	36,360	7,630	57,500	57,060	437,500	462,410	64,930	118,900	233,200	270,000	1,745,490

1. Suspended under terms of the 1952 federal tax rental agreements in all provinces except Quebec.
2. Collection of arrears.
3. N.S. - tax on long distance telephone calls; Que. - hospital tax on meals.
4. Suspended under terms of the 1952 federal tax rental agreements except in Quebec and Ontario.
5. Includes transitional grant 2,250.

① Federal figures

Net General Expenditure (Current and Capital)
Preliminary

For Fiscal Year Ended March 31, 1957

(Thousands of Dollars)

No.	Function	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
1	Transportation and communications	10,420	4,020	24,970	21,810	125,750	200,480	21,490	25,000	54,940	71,480	560,360
	Health and social welfare:											
	Health:											
2	Hospital care	7,210	1,050	6,280	5,340	38,000	67,570	7,070	29,670 ¹	24,610	49,030 ¹	235,830
3	Other	1,290	365	1,220	940	6,750	9,190	1,645	4,590	2,930	5,390	34,310
4	Sub-total health	8,500	1,415	7,500	6,280	44,750	76,760	8,715	34,260	27,540	54,420	270,140
	Social welfare:											
5	Aid to aged and blind persons	1,340	225	1,330	1,550	11,500	11,040	1,530	3,210	6,840	10,860	49,425
6	Aid to unemployed employables and unemployables	3,230	80	370	300	4,150	5,380	1,800	2,110	2,230	5,730	25,380
7	Mothers' allowances	- ²	90	1,630	1,280	8,150	7,120	1,165	1,490	1,250	330	22,505
8	Other	1,160	70	830	350	30,250	5,320	1,130	2,590	1,620	3,530	46,850
9	Sub-total social welfare	5,730	465	4,160	3,480	54,050	28,860	5,625	9,400	11,940	20,450	144,160
10	Total health and social welfare	14,230	1,880	11,660	9,760	98,800	105,620	14,340	43,660	39,480	74,870	414,300
11	Education	9,870	1,550	16,560	9,850	90,300	114,550	13,380	18,980	41,470	46,890	363,400
12	Natural resources and primary industries	2,000	605	3,040	4,100	48,850	27,920	5,740	8,690	13,420	18,700	133,065
	Debt charges:											
13	Debt retirement (from current account)	1,250	560	4,960	4,770	12,950	14,800	5,250	11,640	2,860	26,620	85,660
14	Interest and other charges	1,140	980	6,410	6,050	13,800	29,100	- 780 ³	2,010	- 6,800 ³	5,060	56,950
15	Contributions to municipalities	280	125	920	2,950	200	16,100	140	-	10,270	9,430	40,415
16	Other expenditures	6,510	1,420	6,700	4,080	62,150	68,700	8,410	13,060	20,400	28,830	220,260
17	Total net general expenditure	45,700	11,120	75,220	63,370	452,800	577,270	67,970	123,040	176,040	281,880	1,874,410
18	Deduct debt retirement included above	1,250	560	4,960	4,770	12,950	14,800	5,250	11,640	2,860	26,620	85,660
19	Total net general expenditure (exclusive of debt retirement)	44,450	10,560	70,260	58,600	439,850	562,470	62,720	111,400	173,180	255,260	1,788,750

1. Includes hospital insurance plan expenditures.

2. Replaced by "Social Assistance" which is included in item 6.

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

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