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FINANCIAL STATISTICS
OF
PROVINCIAL GOVERNMENTS
1957

(Fiscal Year Ended March 31, 1958)

Revenue and Expenditure

(Second Analysis)

Preliminary



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FINANCIAL STATISTICS OF PROVINCIAL GOVERNMENTS 1957

(Fiscal Year Ended March 31, 1958)

Revenue and Expenditure (Second Analysis) Preliminary

This memorandum provides condensed statements of net general revenue and expenditure of provincial governments for the fiscal year ended March 31, 1958. It was prepared from preliminary statements contained in the Budget Speeches delivered in 1958, from interim statements tabled in conjunction therewith and in certain cases from condensed "actual" statements released since the fiscal year end.

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 1957 were actually made during the fiscal year under review. Where later information was not available, it was necessary to base the figures on the original provincial Estimates.

The same statistical concepts are 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 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 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 or 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, hospital insurance premiums in Saskatchewan and the new provincial tax on premium income of insurance companies (except in Ontario and Quebec where it is not separable from corporation taxes).

Federal-provincial tax-sharing arrangements, items 14 to 17. This is the first year of new five-year fiscal arrangements between the federal government and the provinces. All provinces except Ontario and Quebec agreed to rent the fields of personal and corporation income taxes, other corporation taxes and succession duties to the federal government. Ontario agreed to rent only the personal income tax field. Quebec did not sign an agreement.

All provinces were offered the means by which they could obtain revenue yields from "standard rates of taxation" (viz, 10% of the federal tax on personal income, 9% of taxable corporate income and 50% of federal succession duties) equal to the average of the two highest per capital provincial yields. The stabilization clause assures the provinces of as much revenue as they would have received had the former tax rental agreements continued. In these statistics the actual payments by the Government of Canada have been substituted for amounts appearing in the provincial statements.

Privileges, Licences, and Permits, item 18, 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 continue to levy under the terms of the federal-provincial tax-sharing arrangements; and corporation and other business or occupational licences, rentals of government real estate and court and legal fees.

Subsidies, item 19. 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. All 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.

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.

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 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 in these statistics 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".

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 1957-58 ESTIMATES

The preliminary total of net general revenue for all provincial governments amounts to \$2,012 million. This is approximately 4% more than originally estimated by the provinces. Taxes are now expected to yield \$943 million—a gain to \$30 million over the original estimate.

The preliminary total of net general expenditure exclusive of debt retirement for the ten provinces is \$2,046 million—approximately 2% more than origi-

nally budgeted for. Transportation and communications (chiefly roads), health and social welfare and education showed considerable gains.

The report "Financial Statistics of Provincial Governments 1957—Revenue and Expenditure—Summary of Estimates" describes the principal changes in taxation and expenditure programmes introduced in the year under review.

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

Revenue of this nature arises 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, 1958 in relation to the actual totals for prior years.

Revenue of Provincial Governments from Liquor Control Fiscal Years Ended March 31

Province	1954	1955	1956	1957	1958 ¹
thousands of dollars					
Newfoundland	3,115	3,131	3,248	3,828	5,160
Prince Edward Island	1,182	1,202	1,200	1,201	1,205
Nova Scotia	9,815	9,913	10,587	10,945	11,460
New Brunswick	6,490	6,335	7,072	7,370	7,360
Quebec	35,856	35,868	39,539	43,081	45,540
Ontario	45,034	48,065	53,695	58,466	66,460
Manitoba	8,722	8,311	8,835	9,659	10,980
Saskatchewan	11,408	10,416	10,259	11,253	11,900
Alberta	15,721	15,367	16,260	17,881	18,800
British Columbia	21,383	21,263	22,819	25,298	23,600 ²
Sub-total	158,726	159,871	173,514	188,982	202,465
Yukon Territory	742	792	861	817	..
Northwest Territories	267	268	388	445	..
Total	159,735	160,931	174,763	190,244	..

¹ Preliminary.

² Estimate.

Net General Revenue by Source
Fiscal Years Ended March 31

Source	1954	1955	1956	1957	1958 ¹
millions of dollars					
Taxes:					
Corporations	17	16	20	20	21
Income:					
Corporations	49	49	54	62	225 ²
Individuals	—	25	30	36	41
Property	7	7	7	8	8
Sales:					
Amusements and admissions	23	22	21	20	20
Motor fuel and fuel oil	224	241	269	301	344
General	108	129	150	178	181
Other sales taxes	21	20	22	25	26
Succession duties	31	41	72	65	51
Other taxes	27	17	20	18	26
Total taxes	507	567	665	733	943
Federal tax rental agreements	309	328	320	366	—
Federal-provincial tax-sharing arrangements	—	—	—	—	353
Privileges, licences and permits	331	327	422	469	486
Government of Canada:					
Subsidies ³	25	24	23	23	22
Share of income tax on power utilities	7	7	8	7	7
Liquor profits	125	128	139	154	160
Other revenue	32	34	37	41	41
Total net general revenue	1,336	1,415	1,614	1,793	2,012

¹ Preliminary.

² Ontario re-entered the corporation tax field.

³ Includes transitional grant to Newfoundland which diminishes each year by \$850,000.

Net General Expenditure by Function
Fiscal Years Ended March 31

Function	1954	1955	1956	1957	1958 ¹
millions of dollars					
Transportation	353	371	448	561	599
Health	209	235	247	262	314
Social welfare	104	124	134	143	159
Education	234	275	333	363	446
Natural resources and primary industries	102	106	122	133	151
Interest and other debt charges	53	57	55	55	55
Contributions to municipalities	30	37	37	41	55
Other expenditures	173	181	199	216	267
Net general expenditure (exclusive of debt retirement) .	1,258	1,386	1,575	1,774	2,046

¹ Preliminary.

Net General Revenue by Province
Fiscal Years Ended March 31

Province	1954	1955	1956	1957	1958 ¹
millions of dollars					
Newfoundland	32	33	33	37	41
Prince Edward Island	8	8	8	8	9
Nova Scotia	49	51	54	58	64
New Brunswick	49	51	53	57	62
Quebec	300	339	413	446	512
Ontario	371	399	432	482	583
Manitoba	56	57	59	66	74
Saskatchewan	98	99	103	122	136
Alberta	186	175	225	241	256
British Columbia	186	200	231	273	275
Yukon Territory	1	2	2	2	..
Northwest Territories	1	1	1	..
Total	1,336	1,415	1,614	1,793	2,012

¹ Preliminary.

Net General Expenditure by Province
Fiscal Years Ended March 31

Province	1954	1955	1956	1957	1958 ¹
millions of dollars					
Newfoundland	33	39	42	44	49
Prince Edward Island	7	9	10	10	11
Nova Scotia	51	53	58	71	74
New Brunswick	48	51	54	59	64
Quebec	311	350	400	434	490
Ontario	384	421	489	552	684
Manitoba	47	48	52	63	78
Saskatchewan	86	96	101	110	124
Alberta	118	138	159	170	199
British Columbia	172	179	208	258	273
Yukon Territory	1	1	1	2	..
Northwest Territories	1	1	1	..
Total (exclusive of debt retirement)	1,258	1,386	1,575	1,774	2,046

¹ Preliminary.

check, total

Net General Revenue
Preliminary
Fiscal Year Ended March 31, 1958

No.	Source	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
thousands of dollars												
	Taxes:											
1	Corporations ¹	—	—	—	—	21,370	²	—	—	—	—	21,370
	Income:											
2	Corporations ¹	—	—	—	—	78,430	147,000	—	—	—	—	225,430
3	Individuals ³	—	—	—	—	41,290	—	—	—	—	—	41,290
4	Property	—	—	76 102	230	—	1,980	—	35 ⁵	—	5,540	7,887
	Sales:											
5	Alcoholic beverages	—	275	—	—	1,920	—	—	—	—	—	2,195
6	Amusements and admissions	120	90	435	400	6,140	9,070	280	100	1,170	2,550	20,355
7	Motor fuel and fuel oil	4,100	1,750	13,723	11,210	85,490	141,450	13,470	19,240	24,400	28,720	343,553
8	Tobacco	—	205	—	1,425	16,120	—	—	—	—	—	17,750
9	General	7,750	—	—	7,260	59,520	—	—	20,160	—	86,250	180,940
10	Other commodities and services ⁴	—	—	245	—	5,720	—	—	—	—	—	5,965
11	Succession duties ¹	—	—	15 ⁵	—	20,640	30,000	3 ⁵	10 ⁵	5 ⁵	—	50,673
12	Other	520	90	830	675	1,660	6,120	1,227	10,935	1,740	2,160	25,957
13	Total taxes	12,490	2,410	15,350	21,200	338,300	335,620	14,980	50,480	27,315	125,220	943,365
	Federal-Provincial tax-sharing arrangements:											
14	Tax rental agreements	4,449	769	9,032	12,609	—	74,379	18,418	13,874	28,892	51,446	213,868
15	Tax equalization	11,579	2,955	17,375	8,645	43,060	—	13,932	19,197	14,744	4,491	135,978
16	Revenue stabilization	—	412	—	—	—	—	—	—	—	3,046	3,458
17	Total tax-sharing arrangements	16,028	4,136	26,407	21,254	43,060	74,379	32,350	33,071	43,636	58,983	353,304
18	Privileges, licences and permits	5,730	750	7,050	8,760	85,850	112,640	14,150	34,230	157,900	58,730	485,790
	Government of Canada:											
19	Subsidies	2,969	657	2,057	1,679	3,241	3,641	2,032	2,080	2,250	1,281	21,887
20	Share of income tax on power utilities	247	52	401	220	1,675	1,333	61	66	1,980	1,325	7,360
21	Total Government of Canada	3,216	709	2,458	1,899	4,916	4,974	2,093	2,146	4,230	2,606	29,247
22	Liquor profits	3,150	890	11,120	7,300	30,520	45,400	8,500	11,740	17,850	23,600	160,070
23	Other revenue	566	255	1,265	1,287	9,064	10,507	1,667	4,613	5,029	6,311	40,564
24	Total net general revenue	41,180	9,150	63,650	61,700	511,710	583,520	73,740	136,280	255,960	275,450	2,012,340

¹ Suspended under terms of the 1957 tax rental agreements in all provinces except Quebec and Ontario.

² Not separable from item 2.

³ Suspended under terms of the 1957 tax rental agreements in all provinces except Quebec.

⁴ N.S. — tax on long distance telephone calls; Que. — hospital tax on meals.

⁵ Collection of arrears.

⁶ Includes transitional grant 1,400.

*check total
man
88
not on balance*

Net General Expenditure (Current and Capital)

Preliminary

Fiscal Year Ended March 31, 1958

2014 original
DND analysis
Estimate.
as in DND
7-10-1960
except for
minor
3-19-61

No.	Function	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
thousands of dollars												
1	Transportation and communications	8, 710	4, 110	24, 930	23, 090	127, 750	230, 500	26, 340	27, 400	57, 520	68, 300	598, 650
Health and social welfare:												
Health:												
2	Hospital care	7, 740	875	7, 390	6, 280	57, 550	72, 600	8, 880	33, 700 ¹	27, 350	51, 360 ¹	273, 725
3	Other	2, 470	360	1, 270	1, 170	6, 700	10, 350	1, 860	6, 660	3, 400	5, 865	40, 150
4	Sub-total health	10, 210	1, 235	8, 660	7, 450	64, 250	82, 950	10, 740	40, 360	30, 750	57, 225	313, 830
Social welfare:												
5	Aid to aged and blind persons	1, 860	295	1, 685	1, 900	13, 350	11, 680	1, 750	4, 980	6, 490	11, 830	55, 820
6	Aid to unemployed employables and unemployables	3, 830	130	615	430	4, 950	7, 830	715	1, 800	2, 465	5, 015	27, 780
7	Mothers' allowances	2	90	1, 675	1, 350	14, 900	9, 120	1, 115	1, 570	1, 340	285	31, 445
8	Other	1, 280	85	855	350	25, 250	6, 740	1, 400	2, 720	1, 795	3, 565	44, 040
9	Sub-total social welfare	6, 970	600	4, 830	4, 030	58, 450	35, 370	4, 980	11, 070	12, 090	20, 695	159, 085
10	Total health and social welfare	17, 180	1, 835	13, 490	11, 480	122, 700	118, 320	15, 720	51, 430	42, 840	77, 920	472, 915
11	Education	10, 690	1, 605	16, 900	10, 130	114, 150	153, 200	17, 760	23, 250	49, 175	49, 635	446, 495
12	Natural resources and primary industries	1, 940	550	3, 430	4, 860	50, 600	35, 850	6, 520	9, 170	15, 935	21, 845	150, 700
Debt charges:												
13	Debt retirement (from current account)	1, 220	615	5, 530	5, 420	15, 580	14, 930	5, 010	—	2, 940	29, 780	81, 025
14	Interest and other charges	2, 080	1, 065	7, 140	6, 290	12, 270	32, 100	— 935 ³	600	10, 200 ³	4, 710	55, 120
15	Contributions to municipalities	670	125	1, 030	3, 470	250	24, 810	2, 145	—	11, 150	11, 000	54, 650
16	Other expenditures	7, 610	1, 370	6, 990	4, 260	62, 650	89, 520	10, 220	12, 680	32, 210	39, 470	266, 980
17	Total net general expenditure	50, 100	11, 275	79, 440	69, 000	505, 950	699, 230	82, 780	124, 530	201, 570	302, 660	2, 126, 535
18	Deduct debt retirement included above	1, 220	615	5, 530	5, 420	15, 580	14, 930	5, 010	—	2, 940	29, 780	81, 025
19	Total net general expenditure (exclusive of debt retirement)	48, 880	10, 660	73, 910	63, 580	490, 370	684, 300	77, 770	124, 530	198, 630	272, 880	2, 045, 510

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.

⁴ Includes oil and gas royalty dividends estimated at 11,000.

⁵ Includes home-owner subsidies estimated at 7,490.



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