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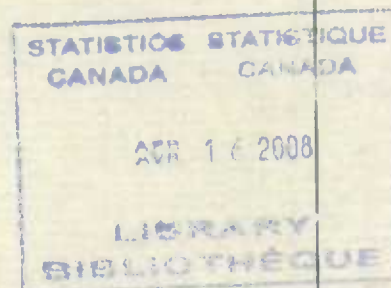
FINANCE STATISTICS BRANCH

FINANCIAL STATISTICS

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PROVINCIAL GOVERNMENTS

1928



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DOMINION BUREAU OF STATISTICS - CANADA
FINANCE STATISTICS BRANCH
OTTAWA

Dominion Statistician: R.H. Coats, B.A., F.S.C. (Hon.), F.R.S.C.
Chief, Finance Statistics Branch: Colonel J. R. Munro.

FINANCIAL STATISTICS OF PROVINCIAL GOVERNMENTS, 1928.

(Subject to Revision).

The fiscal years of the different provinces ended in 1928 at various dates from March 31 to December 31, a circumstance which has prevented an early analysis of their public accounts. The Province of Quebec has but recently issued its financial report for the year ended June 30th, 1928, and pending the compilation of a more complete uniform analysis of provincial finance for the fiscal years ended in 1928, the present bulletin is issued, giving the total ordinary receipts and expenditures, the principal sources of taxation and licensing revenues, the total interest payments and the bonded debt of each of the provinces during their respective fiscal years ended in 1928. The statistics submitted are subject to slight revision, but they present a general idea of the main financial activities of the provinces.

TOTAL ORDINARY RECEIPTS AND EXPENDITURES.- Table 1 gives the dates of the end of the fiscal year, as well as the total and per capita ordinary receipts and expenditures in each of the nine provinces in 1928.

The economic conditions of the different provinces vary materially. The possession of natural resources may mean increased revenues to any given province as compared with others, but their development, or the encouragement of commercial industries connected with any natural resource, will require a very considerable expenditure by such a province - an expenditure not incurred by others. The per capita figures therefore are not shown with a view to comparison as between provinces, but rather as showing the trend within the individual provinces from year to year. It will be noted that the statistics for Alberta cover the fifteen months ended March 31st, 1928, as a result of the change in the fiscal year, which formerly ended December 31st.

TABLE I.

Province	Fiscal year ended in 1928 on -	Ordinary Receipts		Ordinary Expenditures	
		Total	Per Capita	Total	Per Capita
		\$	\$	\$	\$
Prince Edward Island	Dec. 31	1,034,731.82	11.98	947,547.70	10.92
Nova Scotia	Sept. 30	6,933,629.98	12.68	7,543,077.52	13.79
New Brunswick	Oct. 31	5,290,097.57	12.75	5,393,783.70	13.00
Quebec	June 30	34,207,783.43	13.15	32,821,225.78	12.40
Ontario	Oct. 31	58,426,982.65	18.09	58,198,746.21	18.02
Manitoba	Apr. 30	10,962,317.27	16.74	11,103,108.69	16.95
Saskatchewan	Apr. 30	13,564,893.45	15.94	13,449,632.37	15.80
1/ Alberta	Mar. 31	16,149,895.68	25.56	15,870,132.55	25.11
British Columbia	Mar. 31	20,939,123.04	35.92	2/ 20,215,655.09	34.68
Total, all provinces		168,109,504.94	17.45	165,538,909.61	17.16

1/ The figures are for the fifteen months ending March 31, 1928. The revenue for 1927 was \$12,263,400.64, the expenditure was \$12,479,380.97. The balance was for January, February and March, 1928.

2/ Includes "Sinking Funds" taken from "Capital Account (Expenditure out of Income)".

Receipts and expenditures for all provinces have shown a steady increase since 1906, in which year the newly-created provinces of Alberta and Saskatchewan reported for the first time. In that year the total ordinary receipts for all provincial governments were \$23,027,122 or \$3.70 per capita; in 1916 the total receipts were \$50,015,795 or \$6.23 per capita; in 1926 the receipts had grown to \$146,450,904 for all provinces, or a per capita amount of \$15.62; in 1927 the total was \$156,845,780 or \$16.50 per capita, while in 1928 the total ordinary receipts reached the record figure of \$168,109,505 or \$17.43 per capita.

A similar review of expenditures shows a total for all provinces of \$21,169,868 or \$3.43 per head of the population in 1906; \$53,826,219 or \$6.71 per head in 1916; \$144,183,178 or \$15.38 per head in 1926; \$152,211,882 or \$16.01 per head in 1927; \$165,538,910 or \$17.16 per capita in 1928.

CHIEF SOURCES OF RECEIPTS.— The total ordinary receipts of the provinces, as shown in Table 1, amounted in 1928 to \$168,109,504.94. While it is not possible as yet to give full details of all revenues for 1928, the following figures will show approximately the total receipts for all provinces from the principal sources of revenues.

TABLE 2.

Chief Sources of Ordinary Receipts of All Provinces, 1928.

	\$
Dominion Subsidies and Grants	17,341,131
Mines and Mining	3,079,107
Forests, Timber and Woods	13,324,423
Fish and Game	1,870,922
Taxation -	
Liquor Traffic Control	22,755,212
Taxation of Corporations, Land, etc.	25,235,341
Succession Duties	11,354,859
Amusement Tax	2,339,182
Motor Vehicles	18,980,716
Taxation on Race Track Meetings	1,971,845
Gasoline Tax	9,151,736
Interest	4,955,788
Legal.. fees and Court Fines	7,564,460
Education	1,642,210
Public Utilities	18,884,993
Total of Chief Receipts	<u>160,451,925</u>

With reference to the receipts from public utilities, it may be explained that in some instances the revenues take the form of interest paid by the supervising commissions or boards on the capital advances made by the respective provincial governments.

The difference between the grand total of ordinary receipts, as shown in Table 1, and the totals of the items described in Table 2, leaves an undistributed balance of a little over eight million dollars, which is principally derived from agriculture, lands, business and trade licenses and permits, charities, hospitals and corrections, refunds, etc.

Table 3 will be of interest, showing as it does the sources from which some of the principal licensing and taxation revenues were obtained.

TABLE 3.

Province	Succession Duties	Motor Vehicles	Gasoline	Liquor Traffic Control
	\$	\$	\$	\$
Prince Edward Island	17,122.18	99,495.10	71,618.96	-
Nova Scotia	221,636.99	754,972.32	476,418.46	1/ 244,391.92
New Brunswick	387,046.62	739,043.24	243,325.05	1/ 335,027.13
Quebec	3,740,629.61	3,891,139.15	1,680,490.99	5/ 7,000,000.00
Ontario	4,667,958.43	6,388,250.07	4,607,379.15	4/ 8,130,390.33
Manitoba	606,575.94	965,764.65	485,918.79	8/ 926,163.40
Saskatchewan	368,799.52	2,265,836.26	-	2/ 600,000.00
3/ Alberta	586,953.75	2,103,847.50	802,832.57	7/ 2,767,009.50
British Columbia	758,136.50	1,772,367.85	783,751.80	6/ 2,752,229.72
Total	11,354,859.54	18,980,716.14	9,151,735.77	22,755,212.00

- 1/ Net profits.
- 2/ The profits of the Liquor Board amounted to \$2,199,501.62 of which \$600,000 was turned over to the Treasury Department as ordinary revenue.
- 3/ For fifteen months ended March 31, 1928. For the year ended Dec. 31, 1927, succession duties were \$471,859.12, motor vehicles were \$1,319,492.50, liquor traffic control was \$2,184,361.62, gasoline was \$691,311.81. The balances under these headings were for January, February and March, 1928.
- 4/ Includes profits, fines, licenses, etc. and confiscated stock, not separable.
- 5/ This figure includes \$5,500,000 from the Alcoholic Liquor Act Trade account, and \$1,500,000 for license and permit duties under the Alcoholic Liquor Act.
- 6/ This figure represents \$170,281 permits; \$628,600.32 allocated to Mothers' Pensions, \$450,772.70 to Hospitals and Institutions, and \$1,502,575.70 to Consolidated Revenue Fund. Over and above this amount, the Liquor Board distributed direct to the various municipalities their share of profits amounting to \$1,051,802.98, and retained a reserve of \$135,962.08.
- 7/ Of this amount, \$2,547,054.85 were profits distributed by the Liquor Board to the Attorney General's Department; \$218,092.75 were permit fees, and \$1,861.90 were proceeds from confiscated liquor.
- 8/ Net profits were \$1,345,117.25, of which \$418,953.85 was distributed to the municipalities.

The total receipts of all provinces from the four sources dealt with in Table 3, aggregating \$62,242,523, represented 37.60 per cent of the grand total ordinary revenue.

Succession Duties are a somewhat indeterminate source of revenue and for obvious reasons fluctuate from year to year. They were \$4,927,996 less in 1928 than in 1927.

The increase in the use of automobiles, both for commercial purposes and pleasure, is clearly demonstrated by the growing revenues from licenses and permits issued by the provincial governments. In 1921 the total revenue of all provinces from automobile licensing amounted to \$7,857,751. It increased to \$9,290,900 in 1922; to \$10,842,525 in 1923; to \$11,944,242 in 1924; to \$13,020,607 in 1925; to \$15,288,138 in 1926; to \$15,822,339 in 1927, and to \$18,980,716 in 1928.

The growth of revenue from the gasoline tax still further demonstrates the increasing use of motor vehicles. In 1923, Manitoba and Alberta were the only provinces showing a revenue from gasoline tax, totalling \$280,404. In 1924 the five provinces of Prince Edward Island, Quebec, Manitoba, Alberta and British Columbia collected gasoline tax revenue to the amount of \$559,543, while in 1925 the same provinces with Ontario added, collected \$3,521,388. In 1926, all provinces except Saskatchewan, which has not yet reported a revenue from this source, collected gasoline tax to the aggregate amount of \$6,104,716; in 1927 it amounted to \$7,615,907 and in 1928 to \$9,151,735.

The provincial revenues from the liquor traffic have increased considerably of late years. The adoption of government control of the sale of liquor in the majority of the provinces, has resulted in trading profits, licensing revenues, and permit fees, all of which have swelled the provincial revenues. Prior to the adoption of government control, such revenues were not available to the provinces. In 1925, the total revenue collected by all provinces from the liquor traffic was \$8,964,824; in 1926 it was \$11,609,392, increasing to \$16,793,656 in 1927. In 1928, it amounted to \$22,755,212. The method of control varies somewhat as between provinces. In the majority of cases there are independent Commissions or Boards to administer the provincial liquor traffic acts, but the accounting and trading profits are shown somewhat differently in the various provincial Public Accounts reports. A series of footnotes is appended to Table 3 in explanation of the figures given for each province.

CHIEF OBJECTS OF EXPENDITURE.- The total ordinary expenditures of all the provinces for their fiscal years ended in 1928 amounted to \$165,538,909, as shown in Table 1 of this bulletin. The detailed analysis by provinces is not yet available, but a preliminary survey of the main items is presented in the following table, giving the combined total ordinary expenditure of the provinces for 1928, by the chief objects on which expenditures were made.

TABLE 4.

Chief Objects of the Ordinary Expenditure of All Provinces in 1928

	\$
Interest	39,427,633
Civil Government	10,521,535
Legislation	2,746,952
Agriculture	4,836,957
Forests, Timber and Woods	3,390,262
Legal Administration	8,891,102
Health and Sanitation	1,327,968
Public Buildings, Roads and Works	30,404,532
Education	28,936,559
Hospitals	11,919,719
Correctional Institutions	1,772,067
Charities	1,368,746
Mothers' Allowances	4,133,373
Colonization	715,258
Sinking Funds	3,524,825
Total	153,917,488

This leaves a balance of \$11,621,421, which was expended for the administration of lands, mines and miscellaneous charges under the control of the various Provincial Secretaries and Treasurers.

THE GROWTH OF EXPENDITURE ON INTEREST CHARGES.- The provincial expenditures on interest charges in 1928 are shown in Table 5.

TABLE 5.

Province	Interest Payments
	\$
Prince Edward Island	74,730.09
Nova Scotia	2,002,470.73
New Brunswick	1,130,911.03
Quebec	3,380,748.42
Ontario	17,826,729.81
Manitoba	3,882,331.75
Saskatchewan	1/ 2,307,469.36
Alberta	2/ 5,026,766.73
British Columbia	3,795,475.37
Total	39,427,633.29

1/ Interest on funded debt only.

2/ For fifteen months ending March 31, 1928. The interest for the year ending Dec. 31, 1927, was \$4,018,611.01.

In 1916, the total provincial payments for interest amounted to \$7,817,000; in 1921 to \$19,800,000; in 1926 to \$37,366,000; in 1927 to \$38,210,371 and in 1928 to \$39,427,633, which represented 23.82 per cent of the grand total of all expenditure in 1928.

Approximately 95 per cent of the total expenditure on interest by the provincial governments represented charges for carrying the public or funded debt.

THE GROWTH OF THE BONDED DEBT OF THE PROVINCES.— Table 6 shows the bonded debt for 1928 of each province. The bonded debt represents about four-fifths of the total direct liabilities.

TABLE 6.

Province	Bonded Debt
	\$
Prince Edward Island	2,185,000.00
Nova Scotia	43,757,113.32
New Brunswick	38,807,902.66
Quebec	80,731,877.24
Ontario	322,365,844.54
Manitoba	69,822,827.90
Saskatchewan	58,309,256.29
Alberta	90,899,816.28
British Columbia	72,275,736.00
Total	779,155,374.23

The increase of public debt in recent years is due largely to economic conditions following the Great War. The building of public roads and highways, the construction of public works and buildings have been undertaken at much greater cost, both for material and labour, than would have been necessary in pre-war days.

The development of public ownership of hydro and water storage systems, telephones, railways, etc., has also played a considerable part in the increase of bonded indebtedness. This is particularly marked in the Province of Ontario, owing to the institution of the Hydro Electric and Central Ontario Power Systems, for which the government, had advanced up to Oct. 31, 1928. over \$152,000,000. These utilities, however, are revenue-producing, and the Hydro System repaid the government in 1928 for interest on funds advanced, the sum of \$7,808,262.

In recent years the aggregate bonded debt of the provinces has shown steady increase. The total for all provinces was \$644,195,268 in 1923; \$705,230,487 in 1924; \$708,900,342 in 1925; \$715,439,427 in 1926; \$757,168,785 in 1927, and \$779,155,374 in 1928.

Ottawa, July 31, 1929.

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