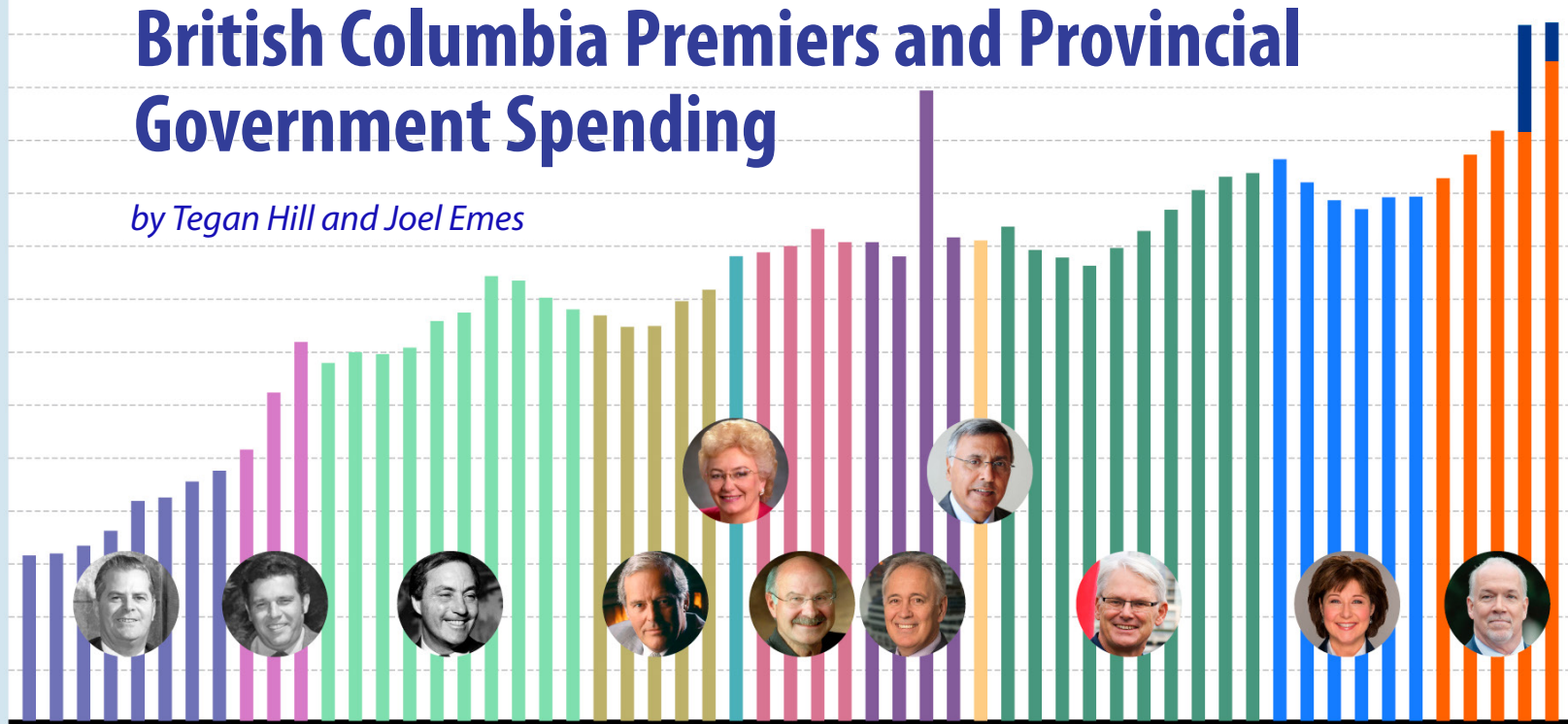


# British Columbia Premiers and Provincial Government Spending

by Tegan Hill and Joel Emes



## SUMMARY

- This bulletin reviews annual per-person program spending (inflation-adjusted) by British Columbia premiers since 1965.
- The highest single year of per-person spending between 1965 to 2021 was under Premier John Horgan in 2021--reaching \$13,250. Excluding COVID-related spending, per-person spending (\$12,533) in 2021 is still by far the highest on record.
- The second highest year of per-person spending (\$13,199) occurred in 2020. Non-COVID related spending was \$11,188 per-person that year.

- Overall, Premier David Barrett ranks as having the highest average annual increase in per-person spending (15.0 percent) followed by Premier Rita Johnston (7.8 percent), though it should be noted that Rita Johnston served as premier for less than one fiscal year. Premier W.A.C. Bennett oversaw the third highest average annual change in per-person spending at 6.2 percent.
- Premier John Horgan ranked fourth closely behind W.A.C. Bennett with an annual average increase of 6.1 percent.
- Two premiers--Ujjal Dosanjh and Christy Clark--recorded average annual per-person spending declines of 0.7 percent.

## Introduction

This bulletin reviews the spending records of BC governments segregated by the different premiers.<sup>1</sup> Specifically, it examines the BC provincial government's per-person (inflation-adjusted) program spending since 1965, divided into periods that coincide with the different premiers. The intention is to provide a historical analysis of this key measure of government fiscal policy.

## Methodology

This bulletin focuses on program spending by premiers and excludes interest costs on government debt. If interest costs were included, it would penalize or reward premiers based on the debt accumulated prior to their tenure, and/or prevailing interest rates, both of which are out of the provincial government's immediate control.<sup>2</sup>

This study uses Finances of the Nation government revenue and expenditure data (REAL),<sup>3</sup> which is built from three Statistics Canada publications: *Public Finance Historical Data* (PFHD) for 1965 through 1992; *Federal, Provincial and Territorial General Government Revenue and Expenditure* (FPRTE) for 1989 through 2009;

---

<sup>1</sup> The foundation for this analysis is based on the Fraser Research Bulletin *Prime Ministers and Government Spending: A Retrospective* (2017).

<sup>2</sup> Debt-servicing costs are influenced by both the level of debt accumulated from previous governments and prevailing interest rates. However, that is not to say that the policies of the current government do not influence debt-servicing costs. Deficits add to near-term debt accumulation, and deficit-financed spending can influence the risk premium on government debt, both of which can have an impact on interest costs.

<sup>3</sup> See <https://financesofthenation.ca/data/>

and *Canadian Government Finance Statistics* (CGFS) for 2009 to present. Data are available up to the fiscal year 2021-22. Accounting conventions are comparable through time within each period, but there are differences among the three periods. The creators of the REAL dataset adjust the data to make them more comparable.<sup>4</sup>

The study uses data based on provincial government fiscal years, which begin on April 1st and end on March 31st. Throughout the analysis we refer to government fiscal years by the first year only. Thus, fiscal year 2021-22, for instance, is simply referred to as 2021. We do this both for simplicity and because the majority of the government's fiscal year occurs in the first year referred to.

It's important to adjust for population as it can influence aggregate program spending. Indeed, the same amount of increased spending can look different depending on whether a province has experienced strong, modest, or negative population growth (i.e., a decline in the population). This study adjusts provincial program spending by population to calculate per-person spending using Statistics Canada's Table 17-10-0009-01 for population data.

This study also adjusts program spending data for inflation so that spending in the 1960s can be compared to spending in 2021. We used the consumer price index (Statistics Canada's Table 18-10-0004-01) to adjust for inflation. Provincial per-person program spending (inflation-

---

<sup>4</sup> Note that discrepancies are generally less than five percent (and are often much smaller) at the points where the datasets overlap. To learn more about the adjustments made to the Finances of the Nation REAL data, go to <https://financesofthenation.ca/real-fedprov/> and follow the link to the User Guide.

# British Columbia Premiers and Provincial Government Spending

**Table 1: British Columbia's Premiers and Budget Years over the Period of Analysis**

Premier	Party	Budget Years	Number of Budgets
W.A.C. Bennett	Social Credit Party	1965-1972	8
David Barrett	New Democratic Party	1973-1975	3
William R. Bennett	Social Credit Party	1976-1985	10
William Vander Zalm	Social Credit Party	1986-1990	5
Rita Johnston	Social Credit Party	1991	1
Michael Harcourt	New Democratic Party	1992-1995	4
Glen David Clark	New Democratic Party	1996-1999	4
Ujjal Dosanjh	New Democratic Party	2000	1
Gordon Campbell	Liberal Party	2001-2010	10
Christy Clark	Liberal Party	2011-2016	6
John Horgan	New Democratic Party	2017-2021	5

Note: Although W.A.C Bennett served as premier for 20 years (1952-1972), there are only eight years of available data during his tenure (1965-1972)

Details on the allocation of specific budgets:

The 1972 budget was allocated to W.A.C. Bennett as he served for half the fiscal year and delivered the budget.

The 1975 budget was allocated to Dave Barrett as he served as premier for majority of the fiscal year.

The 1986 budget was allocated to William Vander Zalm as he served for a majority of the fiscal year.

The 1991 budget was allocated to Rita Johnston as she served as premier from April to November and delivered a budget in May.

The 1999 Budget was allocated to Glen David Clark as he delivered the budget. The fiscal year was split between three premiers: Clark stepped down as premier in August. Dan Miller served as interim premier from August to February, and Ujjal Dosanjh was elected in February.

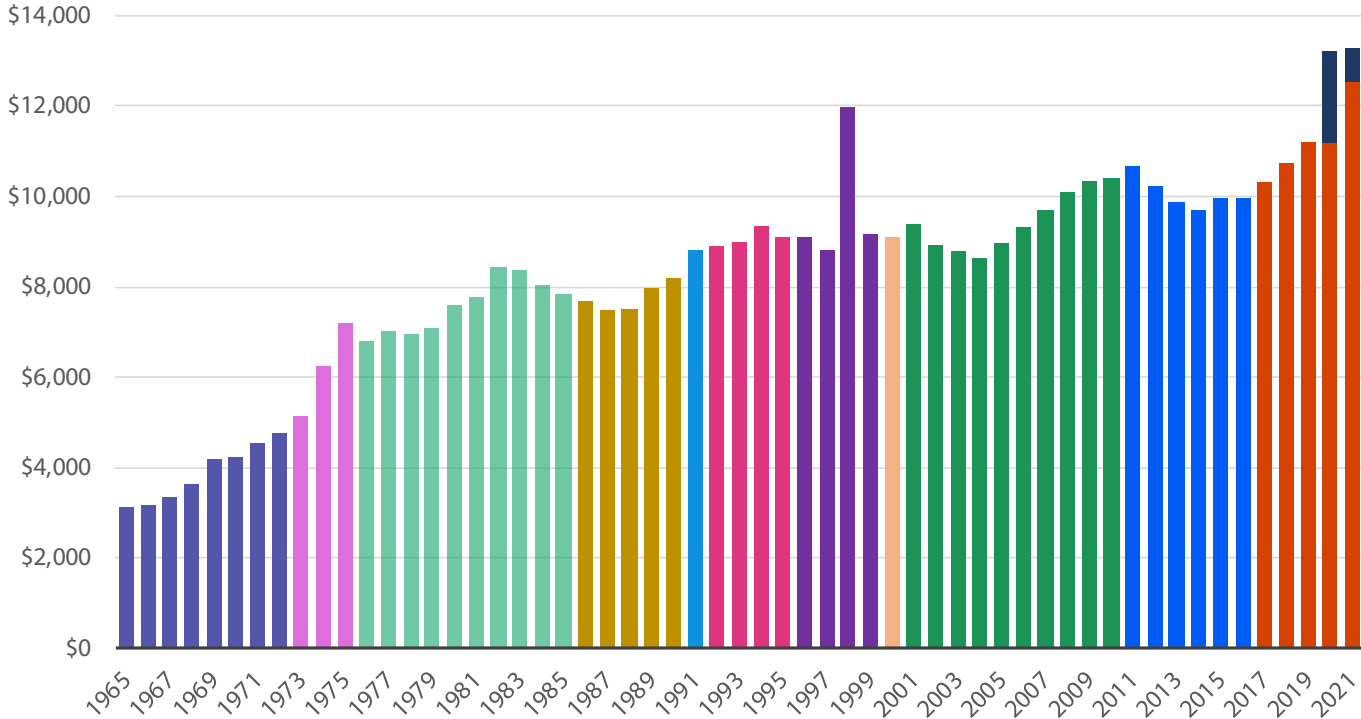
The 2001 budget was allocated to Gordon Campbell as he was elected in June and presented a new budget in the economic and fiscal update in July.

The 2011 budget was allocated to Christy Clark. Premier Gordan Campbell stepped down as Premier in November 2010 and Clark was elected in February.

The 2017 Budget was allocated to John Horgan as he was elected premier in July, serving for more than half the fiscal year, and presented a new budget in September. John Horgan has presented six budgets, however, the period of analysis used in this study ends in fiscal year 2021-22.

Source: The Canada Guide (2022).

**Figure 1: Inflation-Adjusted (\$2021) per Person Program Spending in British Columbia, 1965-2021**



- Notes:
- Per-person spending related to the one-time payment for debt forgiveness in 1998 is indicated in yellow.
  - COVID related per-person spending is indicated in orange for both 2020 and 2021.

Sources: Finances of the Nation, 2022; Statistics Canada, Table 17-10-0009-01; Statistics Canada, Table 18-10-0004-01.

adjusted) is simply referred to as “per-person spending” hereafter.

It is important to understand that BC’s premiers had varying tenures.<sup>5</sup> In years when there were changes in government, it is necessary to make discretionary decisions about which premier should be designated responsible for each budget. Table 1 summarizes the allocation of budget years to premiers from 1965 to 2021.

<sup>5</sup> For a list of BC’s premiers and their terms, see <https://thecanadaguide.com/data/provincial-premiers/>.

We used two factors to decide which premier was allocated a specific budget year. The first and most important was the premier’s length of time in office during the fiscal year. When the fiscal year is fairly evenly split between two or more premiers, we resolved the situation by considering a second factor: which premier delivered the original budget that set the foundation for spending that year. For example, 1999 was split between three premiers: Glen Clark served as premier from April to August, Dan Miller served as interim premier from August to February, and Ujjal Dosanjh was elected in Feb-

ruary. We ultimately allocated the 1999 budget to Glen Clark as he delivered the original budget.

Finally, it is important to recognize that certain premiers served during periods of recession and/or other significant events that may have affected government spending.<sup>6</sup> However, the intention of this bulletin is not to provide context to specific years of spending or offer a commentary on whether spending changes are negative or positive. Rather, it is specifically and narrowly focused on providing an overview of per-person spending over time by premier.<sup>7</sup>

## Per person spending in BC: 1965 to 2021

Figure 1 shows inflation-adjusted per-person spending beginning in 1965. A number of interesting points are worth noting. From 1965 to 2021, per-person spending increased from \$3,137 (in 2021 inflation-adjusted dollars) to \$13,250. Put simply, BC's provincial government per-person spending increased substantially over the 55-year period.

As figure 1 shows, there have been several periods of steady per-person spending increases. The first runs from the early 1960s to the mid 1970s. It began under Premier W.A.C Bennett, when per-person spending increased 51.2 percent from \$3,137 in 1965 to \$4,743 in 1972.

Per-person spending increased substantially under Premier David Barrett. Barrett increased per-person spending by 51.6 percent from 1972 to 1975, which included marked increases in 1974 (21.0 percent) and 1975 (15.5 percent). Per-

person spending reached \$7,188 by 1975—more than twice its level a decade earlier.

Per-person spending declined 5.6 percent in William R. (Bill) Bennett's first year (1976). The remainder of Bill Bennett's tenure can be divided into two periods. The first ran from 1977 to 1982 and is categorized by nearly uninterrupted increases in per-person spending. Overall, per-person spending increased 24.3 percent from \$6,789 in 1976 to \$8,438 in 1982. The second period, which ran from 1983 through to the end of the William R. Bennett period in 1985, saw reductions in per-person spending. Overall, per-person spending declined to \$7,807 by 1985.

Per-person spending continued to fall in the first two years (1986 and 1987) of the William (Bill) Vander Zalm period. However, per-person spending increased in the last three years of his tenure from 1988 through 1990. Overall, per-person spending increased to \$8,177 (in 1990) or by 4.7 percent over Vander Zalm's entire tenure.

Per-person spending continued to generally increase in the 1990s. Under Premier Rita Johnston, per-person spending increased 7.8 percent to \$8,814 by 1991. By 1995 under the Michael Harcourt period that followed, per-person spending grew to \$9,082.

Per-person spending generally increased under Glen Clark. As figure 1 shows, there was a significant one-time jump (of 35.7 percent) in 1998 that requires some explanation.<sup>8</sup> In that year, the provincial government forgave \$7.5 billion in debt to school boards, municipal hospitals, and other government sub-sectors.<sup>9</sup> Without

<sup>6</sup> For instance, BC experienced a recession in 1982, 2009, and 2020.

<sup>7</sup> For those interested in this normative issue, see Tanzi (2011) and Di Matteo (2013).

<sup>8</sup> Figure 1 shows per-person spending related to the one-time payment for debt forgiveness in yellow.

<sup>9</sup> For more detail, see Statistics Canada Table 10-10-0064-01.



this one-time payment, per-person spending in 1998 (\$11,956) would have been \$9,060—a 2.9 percent increase from the year before. Per-person spending declined (23.3 percent) from the year before’s jump to \$9,172 the following year (1999). Overall, per-person spending increased 15.2 percent over the decade from 1989 to 1999.

Under Ujjal Dosanjh, per-person spending briefly declined 0.7 percent (2000) before increasing to \$9,376 in Gordon Campbell’s first year in office (2001). Similar to Bill Bennett, the remainder of Gordon Campbell’s tenure can be divided into two distinct periods. The first ran from 2002 through 2004 and is categorized by reductions in per-person spending. Per-person spending was reduced to \$8,634 by 2004, a 7.9 percent reduction from 2001. The second period, which ran from 2005 through to the end of the Gordon Campbell period in 2010, saw increases in per-person spending, which rose to \$10,393 by 2010, a 20.4 percent increase from 2004.

Per-person spending declined over the Christy Clark period. Overall, Christy Clark decreased per-person spending 4.3 percent from the last year of the Gordon Campbell period, standing at \$9,944 in her last budget year (2016).

Finally, per-person spending increased markedly (33.3 percent) over the John Horgan period (up to 2021). From 2017 to 2019, per-person spending increased (on average) 4.0 percent annually. It reached \$11,196 per person in 2019.<sup>10</sup> In 2020, per-person spending increased 17.9 percent to \$13,199—the highest level on record to date. For reference, non-COVID related spend-

---

<sup>10</sup> Excluding 1998, which included \$7.5 billion in one-time debt forgiveness, 2019 had the highest per-person spending level recorded to date.

ing was \$11,188 that year.<sup>11</sup> In 2021, per-person spending reached a new high of \$13,250.<sup>12</sup> Excluding COVID-related spending, 2021 per-person spending (\$12,533) is still by far the highest on record.

## Ranking premiers on changes in inflation-adjusted per-person spending

For additional context, figure 2 shows the average annual change in per-person spending during each premier’s tenure. Specifically, it ranks each premier based on the average annual change in per-person spending from the year before they took office to their last budget.<sup>13</sup>

As shown, David Barrett ranks as having the highest average annual increase in per-person spending (15.0 percent)—significantly higher than the next highest-ranked premier, Rita Johnston, who ranks as having the second highest average annual increase in per-person spending at 7.8 percent, though she served as premier for less than one fiscal year.

Premier W.A.C. Bennett oversaw the third highest average annual change in per-person spending (6.2 percent), though the period does not include W.A.C.’s Bennett’s full tenure due to data limitations. John Horgan ranks fourth,

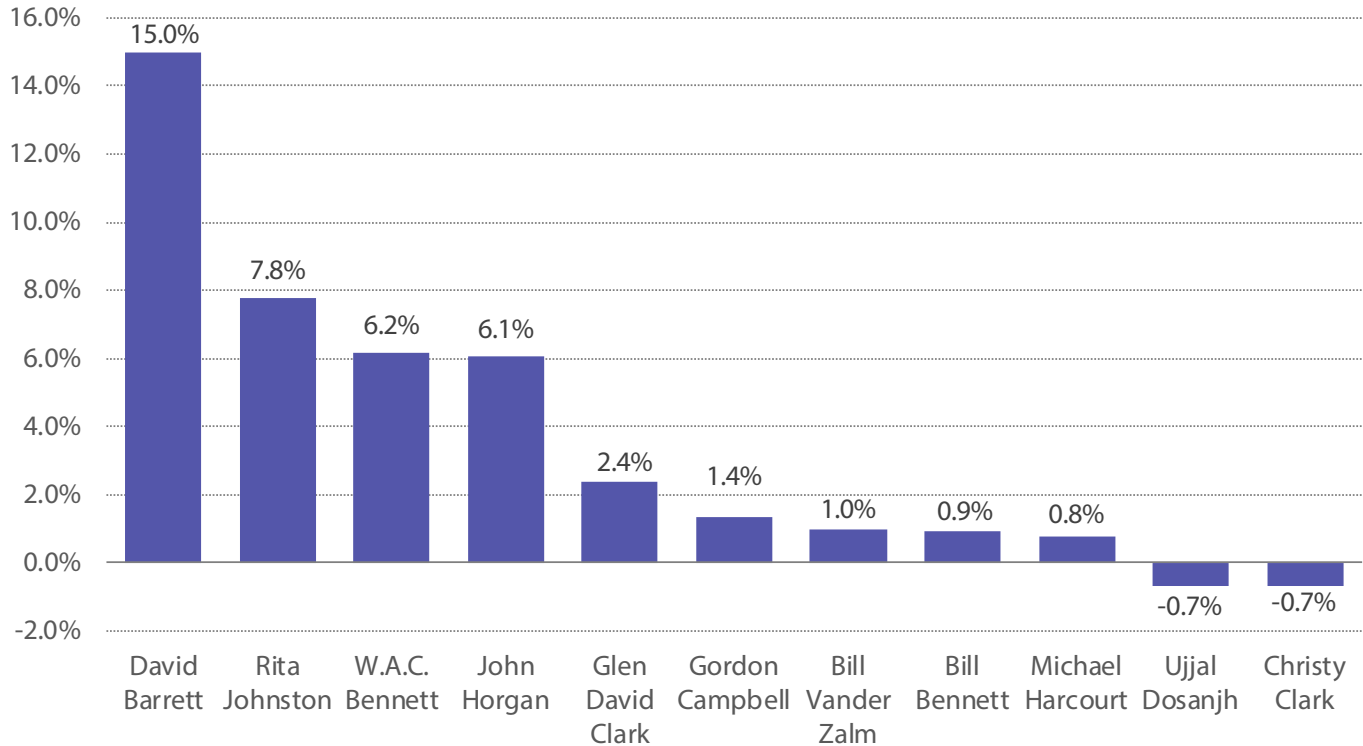
---

<sup>11</sup> Excluding COVID-related spending, 2020 would have been the third highest year of per-person spending in the entire period from 1965 to 2020. Moreover, if compared to the adjusted per-person spending in 1998 (excluding the \$7.5 billion one-time debt forgiveness), non-COVID related spending in 2020 would have been the second highest level of per-person spending on record.

<sup>12</sup> Figure 1 indicates COVID-related per-person spending in orange for both 2020 and 2021.

<sup>13</sup> Due to data limitations, the base year for W.A.C. Bennett is 1965.

**Figure 2: Ranking of Premiers by Average Annual Change in Per Person Spending, Inflation-adjusted (\$2021)**



Sources: Finances of the Nation, 2022; Statistics Canada, Table 17-10-0009-01; Statistics Canada, Table 18-10-0004-01.

increasing per-person spending by an annual average of 6.1 percent—just behind W.A.C. Bennett.

All other premiers recorded annual increases in per-person spending below 2.5 percent. Under Premier Glen Clark, per-person spending increased by 2.4 percent (on average) annually.<sup>14</sup> Per-person sending increased by an annual average of 1.4 percent under Premier Gordon Campbell and 1.0 percent under Bill Vander Zalm. Bill Bennett and Michael Harcourt fol-

<sup>14</sup> If the \$7.5 billion in one-time debt forgiveness is excluded, Premier Glen Clark increased annual per-person spending by 0.3 percent on average.

lowed closely behind increasing annual per-person spending by 0.9 percent and 0.8 percent on average, respectively.

Finally, average annual per-person spending declined under two premiers: by 0.7 percent during the Ujjal Dosanjh and Christy Clark periods, though Premier Dosanjh’s tenure was limited to just one provincial budget.

## Conclusion

Per-person spending adjusted for inflation and excluding interest costs is an important measure of a government’s fiscal policies, both within a specific year and over time. It, com-

# British Columbia Premiers and Provincial Government Spending

bined with overall spending as a share of the economy (GDP), are the two key measures by which to assess and understand government fiscal policy. Unfortunately, per-person spending adjusted for inflation is often neglected because it is not as easily accessible as the alternative measure, government spending as a share of GDP. This bulletin corrects that deficiency for British Columbia and provides a historical analysis of per-person spending by premier going back to the mid-1960s.

## References

- British Columbia (2021). *Public Accounts 2020/21*. Government of British Columbia, Office of the Comptroller General. <<https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/government-finances/public-accounts/2020-21/public-accounts-2020-21.pdf>>, as of December 5, 2022.
- British Columbia (2022). *Public Accounts 2021/22*. Government of British Columbia, Office of the Comptroller General. <<https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/government-finances/public-accounts/2021-22/public-accounts-2021-22.pdf>>, as of December 5, 2022.
- Canada Guide (2022). Premiers of Canadian Provinces and Territories. Chapter 6. *The Canada Guide*. <<https://thecanadaguide.com/data/provincial-premiers/>>, as of December 5, 2022.
- Clemens, Jason, and Milagros Palacios (2017). *Prime Ministers and Government Spending: A Retrospective*. Fraser Institute. <<https://www.fraserinstitute.org/sites/default/files/prime-ministers-and-government-spending-retrospective.pdf>>, as of December 5, 2022.
- Di Matteo, Livio (2013). *Measuring Government in the 21st Century: An International Overview of the Size and Efficiency of Public Spending*. The Fraser Institute. <<https://www.fraserinstitute.org/sites/default/files/measuring-government-in-the-21st-century.pdf>>, as of December 5, 2022.
- Finances of the Nation (2022). Government Revenue and Expenditure. Finances of the Nation. <<https://financesofthenation.ca/real-fedprov/>>, as of December 5, 2022.
- Statistics Canada (2009). Table 10-10-0064-01: Provincial and Territorial General Government Capital Transfers for Debt Forgiveness to Other Government Sub-Sectors. Statistics Canada <<https://doi.org/10.25318/1010006401-eng>>, as of December 5, 2022.
- Statistics Canada (2022a). Table 18-10-0004-01: Consumer Price Index, Monthly, not Seasonally Adjusted. Statistics Canada. <<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000401>>, as of December 5, 2022.
- Statistics Canada (2022b). Table 17-10-0009-01: Population Estimates, Quarterly. Statistics Canada. <<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901>>, as of December 5, 2022.
- Tanzi, Vito (2011). *Government versus Markets: The Changing Economic Role of the State*. Cambridge University Press.

Copyright © 2023 by the Fraser Institute. All rights reserved. Without written permission, only brief passages may be quoted in critical articles and reviews.

ISSN 2291-8620

**Media queries:** For media enquiries, please contact our communications department via e-mail: [communications@fraserinstitute.org](mailto:communications@fraserinstitute.org); telephone: 604.714.4582. **Support** the Institute: call 1.800.665.3558, ext. 574 or e-mail: [development@fraserinstitute.org](mailto:development@fraserinstitute.org). Visit our **website:** [www.fraserinstitute.org](http://www.fraserinstitute.org)





**Tegan Hill** is an Economist at the Fraser Institute. She holds a Bachelor of Economics and a Master's Degree in Public Policy from the University of Calgary. She specializes in government spending, taxation, and debt.



**Joel Emes** is a Senior Economist attached to the Addington Centre for Measurement. Joel started his career with the Fraser Institute and rejoined after a stint as a senior analyst, acting executive director and then senior advisor to British Columbia's provincial government. He supports many projects at the Institute in areas such as investment, equalization, school performance and fiscal policy. Joel holds a B.A. and an M.A. in economics from Simon Fraser University.

## Acknowledgments

This bulletin was inspired by the 2017 work of Jason Clemens and Milagros Palacios (*Prime Ministers and Government Spending: A Retrospective*), in addition to the 2017 work of Professor Livio Di Matteo and his analysis of the finances of Canada over its history (*A Federal Fiscal History: Canada, 1967-2017*).

The authors wish to thank the anonymous reviewers for their suggestions and feedback. Any remaining errors or oversights are the sole responsibility of the authors.

As the researchers have worked independently, the views and conclusions expressed in this paper do not necessarily reflect those of the Board of Directors of the Fraser Institute, the staff, or supporters.