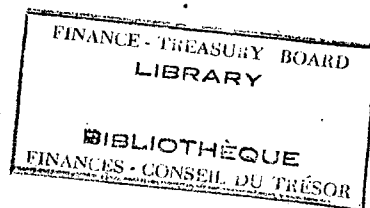


BUDGET PAPER

presented by
the Honourable J. Turner, M.P.
Minister of Finance

for the information of Parliament
in connection with the Budget
for 1972-73



FOREWORD

The purpose of this Paper is to present a preliminary review of the Government Accounts for the fiscal year ending March 31, 1972.

**REVIEW
OF
GOVERNMENT ACCOUNTS
1971-72**

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REVIEW OF GOVERNMENT ACCOUNTS

1971-72

INTRODUCTION

This review presents in summary form the financial operations of the Government of Canada for the fiscal year 1971-72. The fiscal year of the government ends on March 31 but the books must remain open for some time after that date to record adjusting entries and to take into account section 30 of the Financial Administration Act which permits payments made up to April 30 to discharge debts incurred before March 31 to be included in the accounts for the fiscal year. The figures used in this review are based on eleven months actual and one month estimated.

The financial operations of the government include the raising of tax and other revenues and their allocation to departmental and other expenditures; such operations are provided for in its annual administra-

tive budget. In addition, the government undertakes other transactions which do not enter into the calculation of its budget surplus or deficit. These transactions include all receipts and payments leading to changes in the assets or liabilities of the government. Among such receipts and payments are those arising from debt operations and changes in the bank balances of the Receiver General; these types of operation are undertaken to finance the deficit or dispose of the surplus arising from all the other operations of the government, whether budgetary or non-budgetary. Accordingly, in what follows, debt operations and changes in the bank balances of the Receiver General are distinguished from other non-budgetary transactions.

HIGHLIGHTS OF THE GOVERNMENT'S FINANCIAL OPERATIONS DURING 1971-72

This section outlines the financial operations of the government in 1971-72 giving a brief summary of the budgetary and non-budgetary transactions, unmatured debt transactions and changes in the cash

position and the debt position during the fiscal year. More detailed explanations are given in subsequent sections of this review.

TABLE 1
THE FINANCIAL OPERATIONS OF THE GOVERNMENT
(in millions of dollars)

	Fiscal year ended March 31	
	1971	1972 (preliminary)
Budgetary transactions—		
Revenue—		
Tax.....	11,346	12,534
Non-tax.....	1,457	1,611
	12,803	14,145
Expenditure.....	13,182	14,745
Surplus or deficit (—).....	—379	—600
Non-budgetary transactions—		
Social security accounts—		
Old age security fund.....	7	—86
Canada pension plan.....	43	24
Unemployment insurance account.....	13	—10
	63	—72
Other annuity, insurance and pension accounts.....	687	884
Loans, investments and advances—		
To crown corporations.....	—1,121	—1,249
To others.....	—243	—513
	—1,364	—1,762
Foreign exchange reserves.....	—1,317	—703
Provincial tax collection agreements account.....	—88	115
Other transactions.....	210	365
Net amount required available from or required for (—) non-budgetary transactions.....	—1,809	—1,173
Overall cash requirements to be financed by increase in unmatured debt or decrease in cash balances.....	—2,188	—1,773
Unmatured debt transactions—		
Marketable bonds.....	678	359
Treasury bills.....	840	95
Canada savings bonds.....	1,226	1,945
Other.....	—133	—309
Increase or decrease (—) in unmatured debt.....	2,611	2,090
Net increase or decrease (—) in Receiver General bank balances.....	423	317
Receiver General bank balances at beginning of year.....	833	1,256
Receiver General bank balances at close of year.....	1,256	1,573

Budgetary transactions

Revenue at \$14,145 million for 1971-72 is \$1,342 million or about 11 per cent more than 1970-71 revenue of \$12,803 million. The increase of \$1,342 million was the result of a rise of \$1,188 million in tax revenue and an expansion of \$154 million in non-tax revenue. The yield from personal income taxes (including the social development tax) is \$686 million higher, from corporation income tax it is \$19 million less and from return on investments it is \$95 million higher than in 1970-71.

Expenditure at \$14,745 million for 1971-72 is \$1,563 million or 12 per cent higher than in 1970-71. The major changes between 1970-71 and 1971-72 expenditures are increases of \$172 million in public debt charges, \$200 million in fiscal transfer payments to provinces, \$176 million in payments in respect of

the Medicare Act, \$116 million in outlays under Hospital Insurance and Diagnostic Services Act, \$71 million under the Canada Assistance Plan and \$62 million for post-secondary education.

Given revenue of \$14,145 million and expenditure of \$14,745 million, there will be a budgetary deficit of \$600 million as compared with a deficit of \$379 million in 1970-71.

Non-budgetary transactions (excluding unmatured debt transactions)

The three social security accounts are those for the Old Age Security Fund, the Canada Pension Plan and the Unemployment Insurance Account. Summaries of the transactions in these accounts for 1970-71 and 1971-72 are given in table 2.

TABLE 2

SOCIAL SECURITY ACCOUNTS

(in millions of dollars)

RECEIPTS	1970-71	1971-72 (preliminary)	OUTLAYS	1970-71	1971-72 (preliminary)
OLD AGE SECURITY FUND					
Income tax.....	1,340	1,450	Old age pensions.....	1,634	1,681
Sales tax.....	574	670	Guaranteed income supplement.....	273	525
				1,907	2,206
	1,914	2,120	Surplus of receipts.....	7	-86
CANADA PENSION PLAN					
Contributions.....	813	826	Pensions.....	92	144
Investment income.....	211	275	Administration costs.....	20	23
Other.....	(1)	(1)	Investments.....	869	910
				981	1,077
	1,024	1,101	Surplus of receipts.....	43	24
UNEMPLOYMENT INSURANCE ACCOUNT ⁽²⁾					
Contributions.....	594	663	Benefits.....	758	1,122
			Administration costs.....		23
				758	1,145
Investment income.....	29	14	Surplus of receipts.....	13	-10
Investments realized.....	142	315			
Advance from government.....		100			
Other.....	6	43			
	771	1,135			

⁽¹⁾ Less than \$500,000

⁽²⁾ Formerly the Unemployment Insurance Fund.

The Old Age Security Fund is financed by tax receipts. These receipts are \$2,120 million, an increase of 11 per cent over their level in 1970-71. Payments rose to \$2,206 million in 1971-72, \$86 million more than receipts. In 1970-71, receipts of \$1,914 million exceeded payments by \$7 million.

Canada Pension Plan receipts of \$1,101 million in 1971-72 exceeded disbursements of \$167 million. The greater part of the excess of \$934 million was invested in purchasing \$910 million of provincial and federal government bonds.

Unemployment Insurance Account receipts at \$1,135 million were \$10 million less than disbursements resulting in a balance of \$15 million in the account at March 31, 1972 compared with a balance of \$351 million at March 31, 1971. In 1970-71 receipts were \$771 million and benefits paid were \$758 million.

Other annuity, insurance and pension accounts include the superannuation accounts of the public service, the Canadian Forces and the Royal Canadian Mounted Police, the government annuities account and certain other accounts of a similar nature. Net receipts from these accounts at \$884 million are \$197 million more than in 1970-71.

The greater part of loans, investments and advances are made to crown corporations and the remainder made to provincial governments, governments outside Canada, international organizations, private businesses and individuals. In 1971-72 net loans and investments of \$1,249 million to crown corporations are \$128 million more than in 1970-71; other loans, investments and advances in the net amount of \$513 million are \$270 million more than in 1970-71.

Foreign exchange operations to finance increases in Canada's international reserves include receipts from Special Drawing Rights (SDR's) issued by the International Monetary Fund and payments arising from subscriptions of capital to the International Monetary Fund, advances to the Exchange Fund and the redemption of non-interest-bearing notes

payable to the International Monetary Fund. During 1971-72 net disbursements arising from these operations in the amount of \$703 million include net receipts of \$117 million from SDR's, a net increase of \$846 million in advances to the Exchange Fund Account and net disbursements of \$260 million from transactions in respect of the International Monetary Fund. In 1970-71 net disbursements were \$1,317 million, \$1,358 million in net advances to the Exchange Fund and a net increase of \$349 million in subscriptions to the International Monetary Fund, partly offset by an increase of \$271 million in non-interest-bearing notes payable to the International Monetary Fund and the issuance of \$119 million of SDR's by the International Monetary Fund.

Collections of provincial income taxes in the amount of \$2,138 million exceed payments to the provinces of \$2,023 million. In 1970-71 collections were \$1,858 million and payments were \$1,946 million. Net receipts from other operations are \$365 million compared with net receipts of \$210 million in 1970-71.

Unmatured debt transactions

The net cash requirements of \$1,773 million arising from budget transactions, operations of social security funds and other operations was met by net issues of marketable bonds, treasury bills and Canada savings bonds. In 1971-72 there was a net issue of \$359 million of marketable bonds compared with \$678 million in 1970-71, a net issue of \$95 million in treasury bills compared with \$840 million in 1970-71 and a net issue of \$1,945 million in Canada savings bonds compared with \$1,226 million in 1970-71. Other borrowing produced a net payment of \$309 million compared with \$133 million in 1970-71.

Change in cash position

A summary of all these operations is given in table 1 which shows that their net effect was to increase the bank balances of the Receiver General, including

those in foreign currencies, by \$317 million from \$1,256 million at March 31, 1971 to \$1,573 million at March 31, 1972.

Change in debt position

As a result of all operations just described, the gross public debt increased by \$4,658 million to \$47,633 million at March 31, 1972, net recorded assets increased by \$4,058 million to \$29,711 million and the net debt increased by \$600 million to \$17,922 million.

TABLE 3
(in millions of dollars)

	Balance at March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Gross liabilities.....	42,975	47,633	4,658
Less recorded net assets.....	25,653	29,711	4,058
Net debt.....	17,322	17,922	600

BUDGETARY TRANSACTIONS

Total budgetary revenue for 1971-72 is estimated at \$14,145 million, total budgetary expenditure at \$14,745 million and the budgetary deficit at \$600 million.

TABLE 4
BUDGETARY REVENUE, EXPENDITURE AND SURPLUS OR DEFICIT
(in millions of dollars)

Fiscal year ended March 31	Revenue		Expenditure		Surplus or deficit (-)	
	Amount	Per cent change	Amount	Per cent change	Amount	As a percentage of expenditure
1963.....	5,878.7	2.60	6,570.3	0.76	-691.6	10.53
1964.....	6,253.2	6.39	6,872.4	4.60	-619.2	9.01
1965.....	7,180.3	14.83	7,218.3	5.03	-38.0	0.53
1966.....	7,695.8	7.18	7,734.8	7.16	-39.0	0.51
1967.....	8,376.2	8.58	8,797.7	13.74	-421.5	4.79
1968.....	9,076.6	8.36	9,871.4	12.20	-794.8	8.05
1969.....	10,191.1	12.28	10,767.2	9.07	-576.1	5.35
1970.....	12,323.9	20.93	11,931.3	10.81	392.6	3.21
1971.....	12,803.0	3.88	13,182.1	10.48	-379.1	2.88
1972 (preliminary).....	14,145.0	10.48	14,745.0	11.85	-600.0	4.06

Prior year figures have not been adjusted in this table to account for vote-netting.

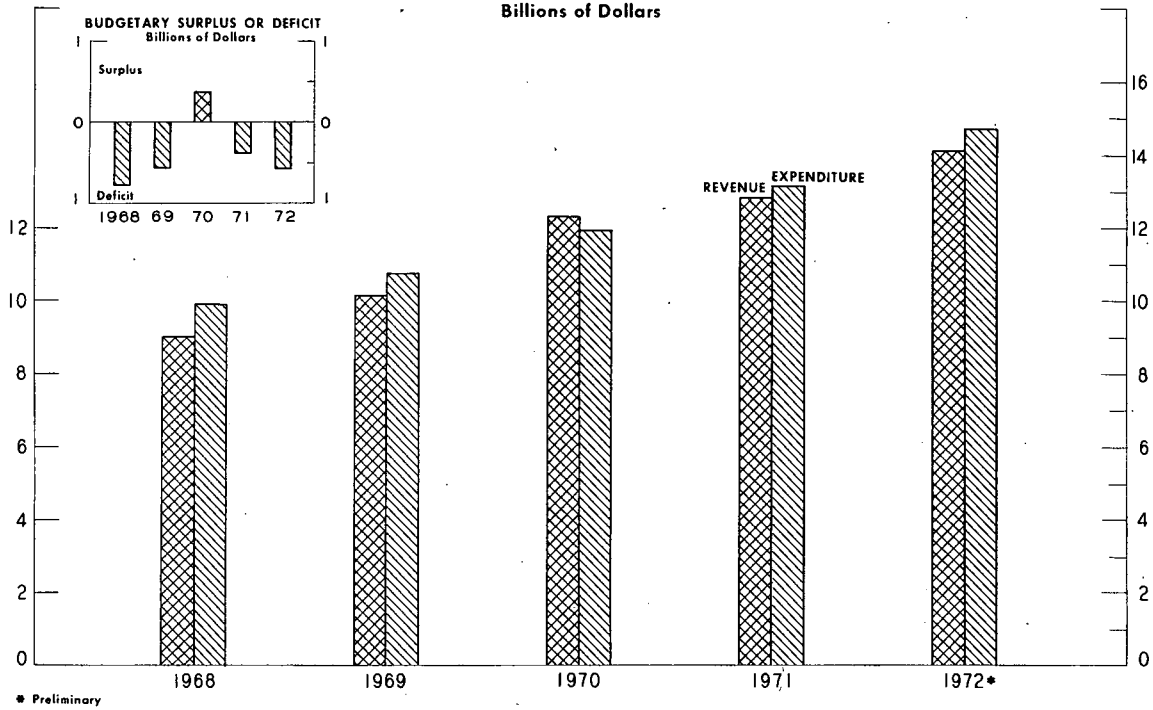
REVENUE

Budgetary revenue at \$14,145 million is \$1,342 million or 11 per cent higher than the total received in 1970-71. Tax revenue of \$12,534 million accounts for 89 per cent and non-tax revenue of \$1,611 million

accounts for 11 per cent. The main changes are increases of \$844 million in personal income taxes, \$293 million in sales tax, \$156 million in customs import duties and \$95 million in return on investments.

BUDGETARY REVENUE AND EXPENDITURE

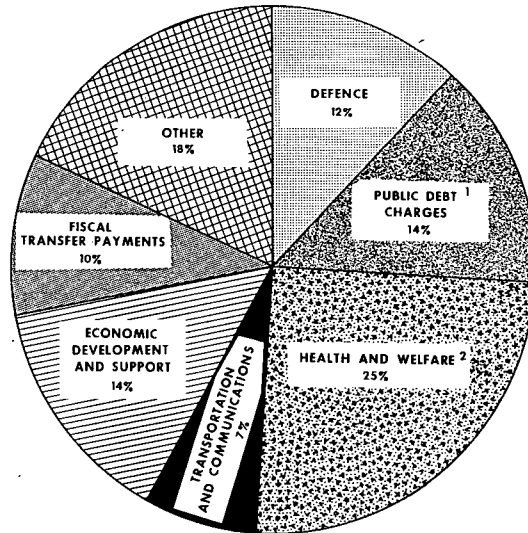
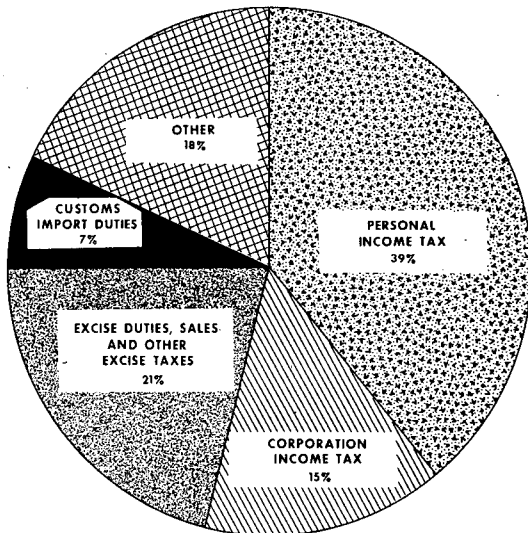
Fiscal Years Ended March 31
Billions of Dollars



BUDGETARY REVENUE BY MAJOR SOURCE

BUDGETARY EXPENDITURE BY MAJOR FUNCTION

For Fiscal Year Ended March 31, 1972



1. Includes additional interest in respect of the Public Service, the Canadian Forces and the R.C.M.P. superannuation accounts.
2. Does not include payments out of old age security fund.

TABLE 5

(in millions of dollars)

SOURCE	Fiscal year ended March 31				Increase or decrease (—)	
	1971		1972 (preliminary)		Amount	Per cent
	Amount	Per cent	Amount	Per cent		
Tax revenue—						
Income tax—						
Personal ⁽¹⁾	4,696.5	36.7	5,540.0	39.2	843.5	18.0
Corporation ⁽¹⁾	2,218.5	17.3	2,200.0	15.5	—18.5	—0.8
On dividends, interest, etc., going abroad	258.2	2.0	280.0	2.0	21.8	8.4
Social development tax.....	566.3	4.4	409.0	2.9	—157.3	—27.8
Excise taxes—						
Sales ⁽¹⁾	1,707.5	13.3	2,000.0	14.1	292.5	17.1
Other.....	403.2	3.2	395.0	2.8	—8.2	—2.0
Customs import duties.....	814.5	6.4	970.0	6.8	155.5	19.0
Excise duties.....	561.0	4.4	605.0	4.3	44.0	7.8
Estate tax.....	119.9	1.0	134.7	1.0	14.8	12.3
Other taxes.....	0.3		0.3			
	11,345.9	88.7	12,534.0	88.6	1,188.1	10.5
Non-tax revenue—						
Return on investments.....	1,000.2	7.8	1,095.0	7.8	94.8	9.5
Post Office—net postal revenue.....	337.6	2.6	400.0	2.8	62.4	18.5
Other non-tax revenue.....	119.3	0.9	116.0	0.8	—3.3	—2.8
	1,457.1	11.3	1,611.0	11.4	153.9	10.6
	12,803.0	100.0	14,145.0	100.0	1,342.0	10.5

All amounts are net after deduction of refunds and drawbacks.

⁽¹⁾ Excluding credits to the Old Age Security Fund:

	1970-71	1971-72 (preliminary)
Personal income tax.....	1,132.5	1,237.0
Corporation income tax.....	207.9	213.0
Sales tax.....	573.8	670.0
	1,914.2	2,120.0

TAX REVENUE

The effect of the tax changes announced in June and October was to moderate the growth in revenue which ordinarily would accompany a period of rapid growth in the economy.

The tax reform amendments which became effective January 1, 1972 had little effect on budgetary revenue in 1971-72. The old age security taxes were eliminated after 1971 but the old age security fund remains and amounts determined by reference to the previously existing old age security tax rates are credited to this fund.

Federal-provincial tax collection agreements

Under fiscal arrangements, that became operative in 1962, the federal government withdrew in part from the field of direct taxation and left the vacated area to the provinces. The federal government has entered into tax-collection agreements under which it collects the provincial personal income taxes of all

provinces except Quebec and the provincial corporation income taxes of all provinces except Ontario and Quebec.

During the year collections were \$2,138 million and payments to the provinces were \$2,023 million.

Tax on personal incomes

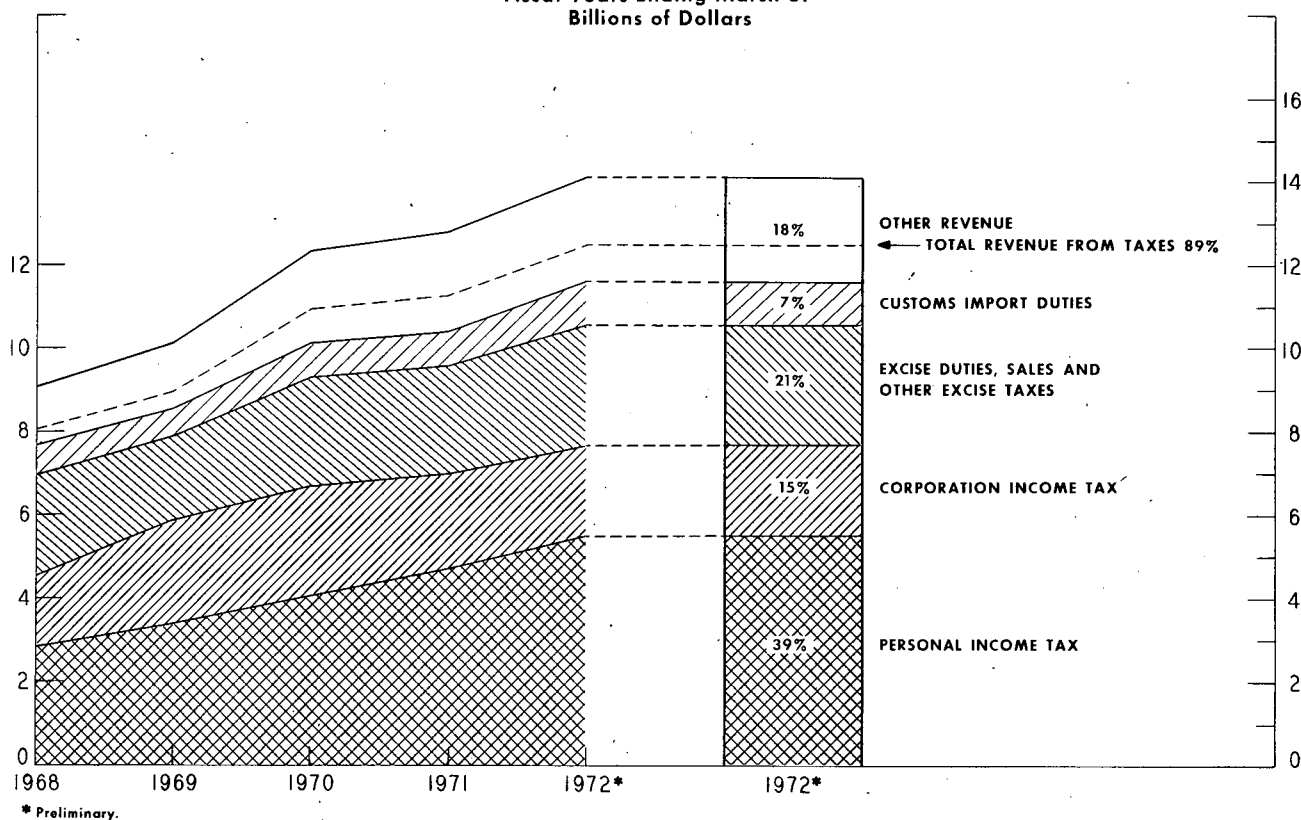
As is shown in table 5, income tax is again the largest source of government budgetary revenue. The yield (excluding the old age security tax) is \$5,540 million or 39 per cent of total budgetary revenue. In 1970-71 the yield was \$4,697 million or 37 per cent of total revenue. The increase is due mainly to a higher level of personal incomes during the fiscal year. The tax on personal incomes credited to the old age security fund is estimated to be \$1,237 million compared with \$1,133 million in 1970-71.

Corporation income tax

Corporation income tax is the second largest source of budgetary revenue. The yield (excluding the old

BUDGETARY REVENUE BY SOURCE

Fiscal Years Ending March 31
Billions of Dollars



age security tax) is \$2,200 million or 16 per cent of total budgetary revenue compared with \$2,219 million or 17 per cent in 1970-71. The decrease of \$19 million is due partly to the tax reduction passed in 1971 and partly to the exercise by corporations of their option to base tax instalments on the income of the previous year. The tax on incomes of corporations credited to the old age security fund is estimated to be \$213 million compared with \$208 million in 1970-71.

Taxes on dividends, interest, etc., going abroad

Revenue in this category is derived from taxes withheld from dividends, interest, rents, royalties, alimony, and income from estates and trusts paid to non-residents. Collections of \$280 million in 1971-72 are \$22 million more than in 1970-71.

Social development tax

This tax first took effect for the taxation year 1969 and was discontinued effective January 1, 1972 under the new income tax provisions. The tax, which was

imposed on individuals, was the lesser of 2 per cent of taxable income or \$120. During 1971-72 the yield is \$409 million compared with \$566 million in 1970-71.

Excise taxes

Excise taxes including the sales tax total \$2,395 million or 17 per cent of total budgetary revenue compared with \$2,111 million or 17 per cent in 1970-71.

From a revenue standpoint the general sales tax is the most important tax levied under the Excise Tax Act. Receipts (excluding the amount credited to the old age security fund) of \$2,000 million are \$293 million more than in 1970-71.

The sales tax credited to the old age security fund is \$670 million compared with \$574 million in 1970-71.

The yield from other excise taxes is \$395 million, of which \$331 million is in respect of tobacco products. In 1970-71 the yield was \$403 million of which \$319 million was in respect of tobacco products.

Customs import duties

Receipts of \$970 million from this source are \$156 million more than in 1970-71.

Excise duties

Excise duties are levied on alcoholic beverages (other than wines) and tobacco products. (Additional taxes on tobacco products are levied under the Excise Tax Act.) Net receipts of \$605 million in 1971-72 are \$44 million more than in 1970-71.

Gross receipts of \$389 million from duties on alcoholic beverages consist of \$229 million in respect of spirits and \$160 million in respect of beer and are \$31 million higher than receipts of \$358 million in 1970-71 of which \$209 million was in respect of spirits and \$149 million in respect of beer. Gross receipts of

\$226 million in respect of tobacco products are \$14 million higher than in 1970-71.

Refunds and drawbacks of \$11 million are \$1 million more than in 1970-71.

Estate tax

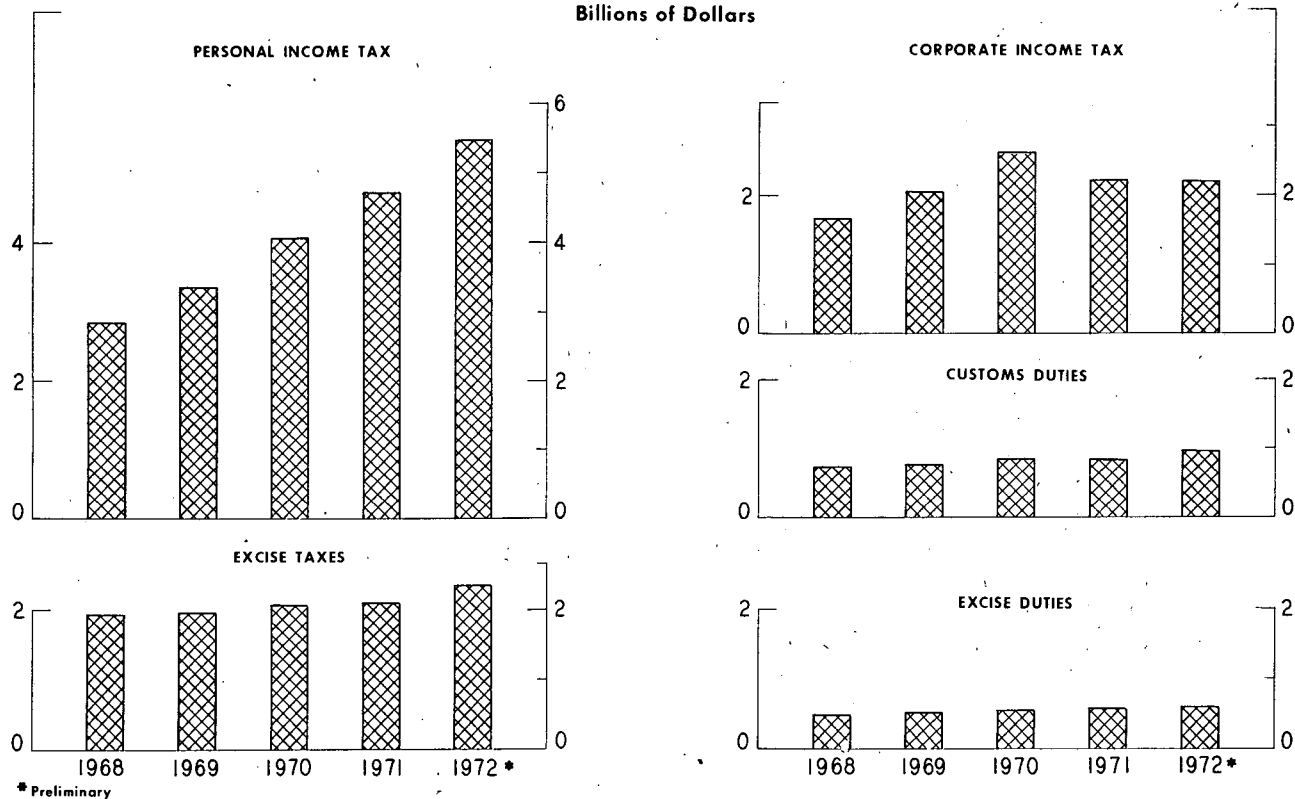
Revenues in this category are derived under the Estate Tax Act. This Act does not apply in the case of the death of any person whose death occurred after 1971. Net receipts of \$135 million are \$15 million more than in 1970-71.

Other taxes

Revenue under this heading of \$300,000 is approximately the same amount as in 1970-71.

PRINCIPAL SOURCES OF TAX REVENUE

Fiscal Years Ended March 31
Billions of Dollars



NON-TAX REVENUE

Non-tax revenue in the amount of \$1,611 million is \$154 million more than in 1970-71. The main changes are increases of \$95 million in return on investments and \$62 million in net postal revenue.

Return on investments

These receipts amounting to \$1,095 million consist of income derived from loans and advances made by the government and from investments by the government in productive or earning assets. In 1970-71 receipts were \$1,000 million.

Receipts from crown corporations at \$778 million are \$73 million more than in 1970-71 due mainly to increases of \$15 million in Bank of Canada profits paid to the government and \$48 million in payments by the Central Mortgage and Housing Corporation.

The yield from other loans and investments at \$317 million is \$21 million more than in 1970-71. The main changes are increases of \$19 million in profits of the exchange fund account and \$16 million in interest on Receiver General deposits with the chartered banks.

TABLE 6

(in millions of dollars)

NON-TAX REVENUE	Fiscal year ended March 31		Increase or decrease (—)	
	1971	1972 (preliminary)	Amount	Per cent
Return on investments.....	1,000.2	1,095.0	94.8	9.5
Post Office—net postal revenue..	337.6	400.0	62.4	18.5
Refunds of previous years' expenditure.....	23.0	22.0	-1.0	-4.3
Services and service fees.....	17.1	17.0	-0.1	-0.6
Proceeds from sales.....	14.0	13.0	-1.0	-7.1
Privileges, licences and permits	26.3	26.0	-0.3	-1.1
Bullion and coinage.....	19.9	19.0	-0.9	-4.5
Premium, discount and exchange.....	0.8	1.0	0.2	25.0
Other.....	18.2	18.0	-0.2	-1.1
	1,457.1	1,611.0	153.9	10.6

TABLE 7

(in millions of dollars)

RETURN ON INVESTMENTS	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Loans to, and investments in, crown corporations—			
Bank of Canada—profits.....	250.3	265.0	14.7
Canadian Broadcasting Corporation.....	7.4	9.0	1.6
Canadian National Railways.....	58.4	54.0	-4.4
Central Mortgage and Housing Corporation.....	266.0	314.0	48.0
Export Development Corporation.....	13.9	19.0	5.1
Farm Credit Corporation.....	67.0	72.0	5.0
Northern Canada Power Commission.....	11.4	16.0	4.6
The St. Lawrence Seaway Authority.....	12.9	14.0	1.1
Other.....	17.5	15.2	-2.3
	704.8	778.2	73.4
Other loans and investments—			
National governments.....	24.3	23.0	-1.3
Provincial governments.....	3.3	5.5	2.2
Exchange Fund Account.....	175.5	194.0	18.5
Interest-bearing deposits with chartered banks.....	25.2	41.0	15.8
Municipal Development and Loan Board.....	14.6	14.0	-0.6
Soldier and general land settlement loans and Veterans Land Act advances..	22.0	23.0	1.0
Miscellaneous.....	30.5	16.3	-14.2
	295.4	316.8	21.4
	1,000.2	1,095.0	94.8

Post Office revenue

Gross receipts from Post Office operations are \$483 million but authorized disbursements from revenue for salaries and rent allowances, other allowances and commissions at semi-staff and revenue offices, commissions at sub-offices, transit charges on Canadian mail forwarded through and delivered in foreign countries, etc., in the amount of \$56 million and revenue credits of \$27 million to expenditure result in net revenue of \$400 million. In 1970-71 comparable amounts were gross receipts of \$418 million, authorized disbursements of \$55 million, credits of \$25 million to expenditure and net revenue of \$338 million.

As is shown in the section on budgetary expenditure the net costs of operating the Post Office during 1971-72 (excluding the \$83 million charged to revenue) are \$412 million. Given net revenue of \$400 million, there is an operating deficit of \$12 million. In 1970-71 net costs of \$369 million and net revenue of \$338 million resulted in an operating deficit of \$31 million.

TABLE 8
(in millions of dollars)

POST OFFICE REVENUE	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Postage—			
In Canada.....	393.9	459.0	65.1
From foreign countries.....	9.1	6.6	-2.5
Money orders.....	9.9	11.4	1.5
Rental of post office boxes.....	5.1	5.4	0.3
Other.....	0.2	0.6	0.4
	418.2	483.0	64.8
Less—			
Credited to appropriations.....	-25.5	-27.0	-1.5
Credited to revenue—			
Salaries and allowances—			
Revenue post offices.....	-13.4	-12.0	1.4
Semi-staff post offices.....	-29.6	-29.5	0.1
Sub-post offices.....	-6.4	-7.2	-0.8
Postage and transit charges to or through foreign countries.....	-4.5	-4.8	-0.3
Other.....	-1.2	-2.5	-1.3
	-80.6	-83.0	-2.4
	337.6	400.0	62.4

Refunds of previous years' expenditure

Refunds of \$22 million include \$3 million in receipts by the Department of National Defence (mainly from adjustments to cost audits and contracts with the United States government) and \$4 million in receipts by the Department of Veterans Affairs (mainly from refunds of veterans pensions, allowances and re-establishment credits). In 1970-71 refunds totalled \$23 million.

Services and service fees

Revenue of \$17 million from this source includes \$9 million received by the Department of Agriculture (mainly for services for the inspection, weighing, storage and elevation of grain) and \$3 million received by the Department of Consumer and Corporate Affairs (mainly from inspection fees in respect of weights and measures, and electricity and gas). In 1970-71 revenue totalled \$17 million.

Proceeds from sales

Revenue of \$13 million includes receipts of \$7 million by the Department of Supply and Services (\$4 million from the sale of surplus crown assets and \$3 million from sales of publications). In 1970-71 revenue totalled \$14 million.

Privileges, licences and permits

Revenue from this source in the amount of \$26 million includes \$7 million in receipts by the Department of Indian Affairs and Northern Development (mainly in respect of oil, gas and gold), \$7 million in receipts by the Department of Public Works (mainly from rentals) and \$9 million in receipts by the Department of Consumer and Corporate Affairs in respect of patents, trade marks, charters, etc. In 1970-71 revenue from this source was \$26 million.

Bullion and coinage

This revenue which is derived from transactions in the bullion and coinage working capital advance is \$19 million compared with \$20 million in 1970-71.

Premium, discount and exchange

These transactions reflect net revenue of \$1 million compared with \$1 million in 1970-71.

Miscellaneous non-tax revenue

Miscellaneous revenue is \$18 million approximately the same as the previous year.

EXPENDITURE

Budgetary expenditure for 1971-72 is estimated at \$14,745 million, \$1,563 million more than the 1970-71 total of \$13,182 million.

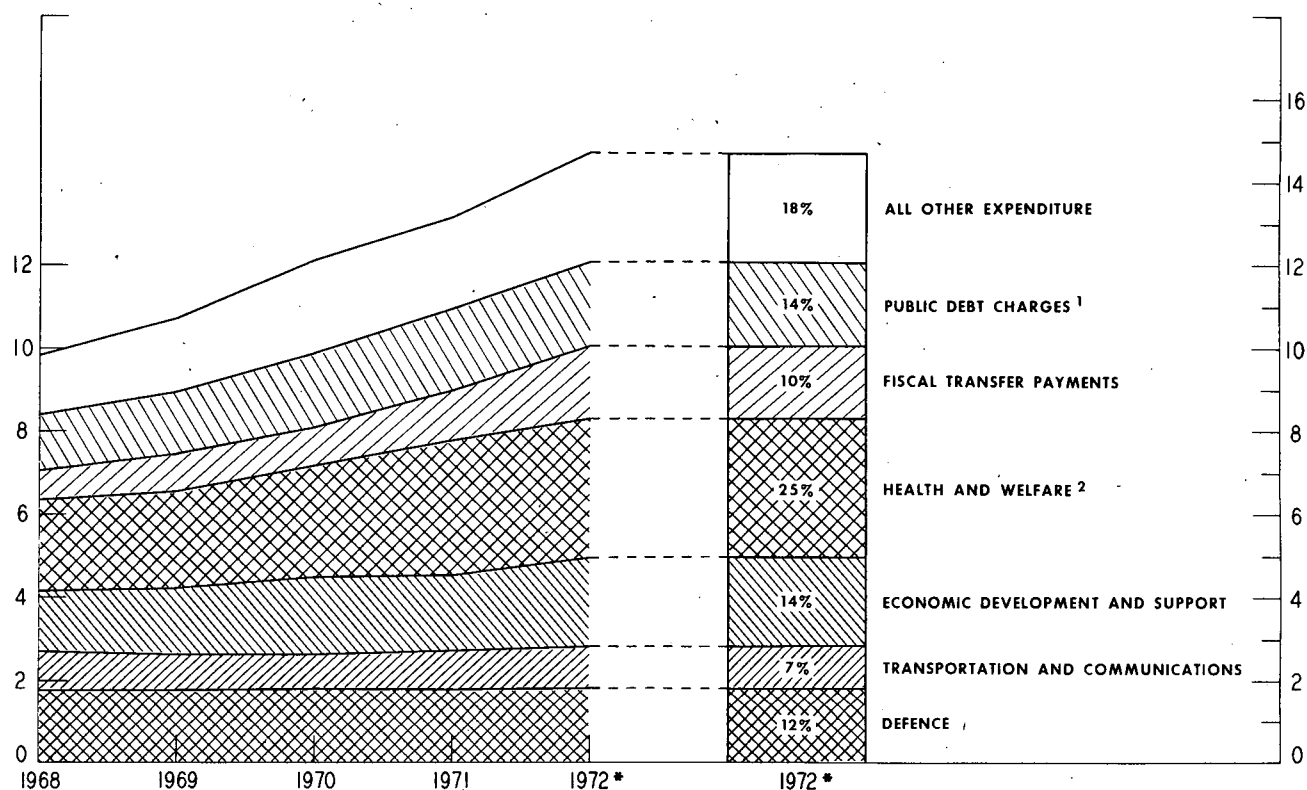
The main changes are increases of \$390 million by the Department of Finance, \$99 million by the Depart-

ment of Industry, Trade and Commerce, \$82 million by the Department of National Defence, \$376 million by the Department of National Health and Welfare and \$140 million by the Department of the Secretary of State.

BUDGETARY EXPENDITURE, CLASSIFIED BY FUNCTION

Fiscal Years Ending March 31

Billions of Dollars



* Preliminary.

1. Includes additional interest in respect of the Public Services, the Canadian Forces and the R.C.M.P. superannuation accounts.

2. Does not include payments out of old age security fund.

TABLE 9
BUDGETARY EXPENDITURE CLASSIFIED BY FUNCTION
(in millions of dollars)

FUNCTION	Fiscal year ended March 31									
	1968		1969		1970		1971		1972 (preliminary)	
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
General government services.....	376	4	411	4	505	4	576	4	662	5
Foreign affairs.....	217	2	227	2	243	2	281	2	309	2
Defence.....	1,759	18	1,762	17	1,791	15	1,775	14	1,837	12
Transportation and communications.....	951	10	910	8	893	8	940	7	1,021	7
Economic development and support.....	1,473	15	1,527	14	1,776	15	1,857	14	2,108	14
Health and welfare ⁽¹⁾	2,142	22	2,372	22	2,734	23	3,192	24	3,600	25
Education assistance.....	114	1	287	3	315	3	462	4	558	4
Culture and recreation.....	280	3	244	2	376 ⁽²⁾	3	264	2	338	2
Fiscal transfer payments.....	738	8	867	8	932	8	1,229	9	1,429	10
Public debt.....	1,301	13	1,480	14	1,717	14	1,920 ⁽³⁾	15	2,122 ⁽³⁾	14
Internal overhead expenses.....	439	4	643	6	639	5	686	5	761	5
	9,790	100	10,730	100	11,921	100	13,182	100	14,745	100

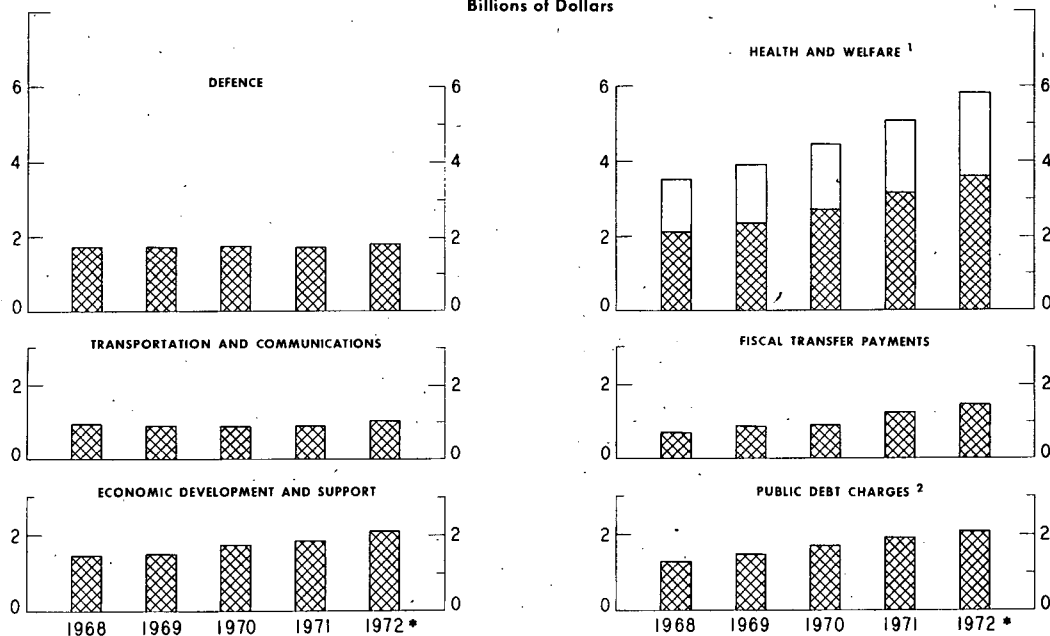
⁽¹⁾ Payments out of the Old Age Security Fund, the Canada Pension Plan and the Unemployment Insurance Account are not included.

⁽²⁾ Includes write-off of EXPO deficit.

⁽³⁾ Includes additional interest in respect of the Public Service, the Canadian Forces and the R.C.M.P. superannuation accounts.

PRINCIPAL CLASSES OF BUDGETARY EXPENDITURE

Fiscal Years Ended March 31
Billions of Dollars



* Preliminary

1. The unshaded areas of the columns in the chart for health and welfare represent payments out of old age security fund not charged to budgetary expenditure.
2. Includes additional interest in respect of the Public Service, the Canadian Forces and the R.C.M.P. superannuation accounts.

TABLE 10
STATEMENT OF BUDGETARY EXPENDITURE BY DEPARTMENTS
(in millions of dollars)

Department	Fiscal year ended March 31					
	1971		1972 (preliminary)		Increase or decrease (—)	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Agriculture.....	277.0	2.1	292.0	1.9	15.0	5.4
Communications.....	13.9	0.1	21.0	0.1	7.1	51.1
Consumer and Corporate Affairs.....	20.2	0.2	24.0	0.1	3.8	18.8
Energy, Mines and Resources.....	149.5	1.1	177.0	1.2	27.5	18.3
Environment.....	172.9	1.3	199.0	1.3	26.1	15.0
External Affairs.....	281.6	2.1	309.0	2.1	27.4	9.7
Finance.....	3,139.6	23.8	3,530.0	24.0	390.4	12.4
Governor General and Lieutenant-Governors.....	1.2		1.2			
Indian Affairs and Northern Development.....	350.6	2.7	416.0	2.8	65.4	18.6
Industry, Trade and Commerce.....	250.6	1.9	350.0	2.4	99.4	39.6
Justice.....	22.7	0.2	28.4	0.2	5.7	25.1
Labour.....	13.5	0.1	17.0	0.1	3.5	25.9
Manpower and Immigration.....	748.8	5.7	793.0	5.3	44.2	5.9
National Defence.....	1,817.9	13.8	1,900.0	12.8	82.1	4.5
National Health and Welfare.....	2,338.0	17.8	2,714.0	18.4	376.0	16.0
National Revenue.....	158.8	1.2	182.0	1.3	23.2	14.6
Parliament.....	27.2	0.2	34.4	0.2	7.2	26.4
Post Office.....	368.6	2.8	412.0	2.8	43.4	11.7
Privy Council.....	13.0	0.1	15.0	0.1	2.0	15.4
Public Works.....	330.7	2.5	343.0	2.3	12.3	3.7
Regional Economic Expansion.....	297.8	2.2	316.0	2.3	18.2	6.1
Secretary of State.....	707.9	5.4	848.0	5.7	140.1	19.7
Solicitor General.....	222.8	1.7	265.0	1.8	42.2	18.9
Supply and Services.....	74.7	0.6	80.0	0.5	5.3	7.0
Transport.....	433.8	3.3	494.0	3.4	60.2	13.8
Treasury Board.....	463.4	3.5	445.0	3.4	-18.4	-4.1
Urban Affairs and Housing.....	75.4	0.5	112.0	0.6	36.6	48.5
Veterans Affairs.....	410.0	3.1	427.0	2.9	17.0	4.1
	13,182.1	100.0	14,745.0	100.0	1,562.9	11.8

Agriculture

Expenditures of the Department of Agriculture together with those in respect of the Canadian Dairy Commission, the Canadian Livestock Feed Board and the Farm Credit Corporation total \$292 million compared with \$277 million in 1970-71.

Outlays for production and marketing at \$159 million are \$5 million higher than in 1970-71 due to larger payments for farm income maintenance. The charge to expenditure to cover the net operating loss of the Agricultural Stabilization Board is \$127 million compared with \$126 million in 1970-71.

Research costs are \$49 million compared with \$48 million in 1970-71; expenditures for the health of animals program are \$27 million compared with \$24 million; and expenditures in respect of the Canadian Livestock Feed Board are \$20 million compared with \$21 million in 1970-71.

TABLE 11
(in millions of dollars)

AGRICULTURE	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Department—			
Production and marketing—			
Agricultural Stabilization Board.....	126.4	127.0	0.6
Other.....	27.3	32.0	4.7
	153.7	159.0	5.3
Research program.....	47.8	49.0	1.2
Health of animals.....	24.0	27.0	3.0
Canadian Grain Commission.....	10.7	13.0	2.3
Administration and general.....	11.0	14.7	3.7
	247.2	262.7	15.5
Farm Credit Corporation—net operating loss.....	8.6	8.4	-0.2
Canadian Dairy Commission.....	0.4	0.5	0.1
Canadian Livestock Feed Board.....	20.8	20.4	-0.4
	277.0	292.0	15.0

Communications

Expenditures for the Department of Communications are \$21 million compared with \$14 million in 1970-71. The increase is due mainly to higher outlays for communications and space applications which are \$16 million compared with \$12 million.

TABLE 12
(in millions of dollars)

COMMUNICATIONS	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Communications and space application research and development.....	12.4	16.4	4.0
Management of the radio frequency spectrum.....	6.1	7.3	1.2
Administration and development.....	4.0	5.6	1.6
	22.5	29.3	6.8
Revenue credited to the vote.....	-8.6	-8.3	0.3
	13.9	21.0	7.1

Consumer and Corporate Affairs

Expenditures of the Department of Consumer and Corporate Affairs are \$24 million, \$4 million more than in 1970-71, due mainly to higher outlays of \$1 million for consumer affairs and \$2 million for corporate affairs.

TABLE 13
(in millions of dollars)

CONSUMER AND CORPORATE AFFAIRS	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Consumer affairs.....	7.5	8.8	1.3
Corporate affairs.....	7.2	8.8	1.6
Combines investigations and competition policy.....	1.6	2.2	0.6
Prices and Incomes Commission.....	2.1	1.8	-0.3
Administration and general.....	1.8	2.4	0.6
	20.2	24.0	3.8

Energy, Mines and Resources

Expenditures of the Department of Energy, Mines and Resources including those in respect of Atomic Energy of Canada Limited, the Atomic Energy Control Board and the National Energy Board total \$177 million compared with \$150 million in 1970-71.

Outlays of \$30 million for the earth sciences program are \$9 million higher, outlays of \$48 million for the mineral and energy resources program are \$6 million higher and outlays of \$89 million in respect of atomic energy are \$12 million higher than in 1970-71.

Upon the establishment of the Department of Environment, the water resources branch was transferred from the Department of Energy, Mines and Resources to that department. Prior years figures have been adjusted accordingly.

TABLE 14
(in millions of dollars)

ENERGY, MINES AND RESOURCES	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Earth sciences—			
Research satellite.....	0.6	6.0	5.4
Field and air surveys.....	13.4	13.8	0.4
Geological research.....	1.3	2.8	1.5
Research in geophysics.....	4.0	4.2	0.2
Other.....	1.3	2.6	1.3
	20.6	29.4	8.8
Mineral and energy resources—			
Energy development.....	6.6	6.9	0.3
Mineral development.....	14.5	16.2	1.7
Mining and metallurgical investigation and research.....	9.3	10.6	1.3
Geological research and surveys.....	10.5	13.3	2.8
Other.....	1.2	1.0	-0.2
	42.1	48.0	5.9
Administration and general.....	7.7	7.6	-0.1
	70.4	85.0	14.6
Atomic Energy Control Board.....	7.7	12.0	4.3
Atomic Energy of Canada Limited..	69.0	77.0	8.0
National Energy Board.....	2.4	3.0	0.6
	149.5	177.0	27.5

Environment

This is a new department and is comprised of the former Department of Fisheries and Forestry, the water resources program from the Department of Energy, Mines and Resources, the Canadian wildlife service from the Department of Indian Affairs and

Northern Development, the public health engineering and air pollution services from the Department of National Health and Welfare and the meteorological services from the Department of Transport. Prior years figures have been adjusted for comparative purposes.

Expenditures of \$109 million for the environmental quality program include \$62 million in respect of water resources and \$25 million in respect of meteorological services. In 1970-71 expenditures of \$88 million included \$43 million for water resources and \$37 million for meteorological services.

Expenditures of \$83 million for the renewable resources program include \$38 million in respect of fisheries, \$23 million in respect of forestry, \$15 million in respect of aquatic renewable resources and \$7 million for Canadian wildlife service. In 1970-71 expenditures of \$81 million included \$35 million for fisheries, \$23 million for forestry, \$19 million for aquatic renewable resources and \$5 million for Canadian wildlife service.

TABLE 15
(in millions of dollars)

ENVIRONMENT	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Environmental quality—			
Fisheries and forestry.....	7.0	19.8	12.8
Water resources.....	43.2	62.2	19.0
Atmospheric sciences.....	1.6	2.5	0.9
Meteorological services.....	36.6	24.7	-11.9
	88.4	109.2	20.8
Renewable resources—			
Fisheries management and development.....	34.5	38.2	3.7
Aquatic renewable resources.....	18.7	14.7	-4.0
Forestry research and services.....	23.2	22.9	-0.3
Canadian wildlife service.....	4.7	7.6	2.9
	81.1	83.4	2.3
Administration.....	3.4	6.4	3.0
	172.9	199.0	26.1

External Affairs

Expenditures of the Department of External Affairs, including the Canadian International Development Agency and the International Joint Commission,

total \$309 million compared with \$282 million in 1970-71.

Expenditures of the department in the amount of \$94 million are \$23 million higher than in the previous year and include \$60 million for foreign operations (\$43 million in 1970-71) and \$16 million for membership and support of international organizations (\$16 million in 1970-71).

Expenditures of the Canadian International Development Agency of \$215 million are \$5 million higher than in 1970-71. Economic assistance at \$102 million is \$27 million less than in the previous year and international emergency relief at \$23 million is \$19 million more than in 1970-71.

TABLE 16
(in millions of dollars)

EXTERNAL AFFAIRS	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Department—			
Foreign operations.....	43.4	60.0	16.6
Membership in and support of international organizations.....	15.5	16.2	0.7
Administration and general.....	12.3	17.8	5.5
	71.2	94.0	22.8
Canadian International Development Agency—			
Economic assistance.....	128.7	102.0	-26.7
Technical assistance.....	36.0	38.0	2.0
Grants to multilateral international assistance programs.....	23.9	29.0	5.1
Contributions to development assistance projects of Canadian organizations.....	8.5	11.0	2.5
International emergency relief.....	3.3	22.5	19.2
Other.....	9.5	12.0	2.5
	209.9	214.5	4.6
International Joint Commission.....	0.5	0.5	
	281.6	309.0	27.4

Finance

Expenditures of the Department of Finance including those of the Auditor General, the Department of Insurance and the Tariff Board total \$3,530 million compared with \$3,140 million in 1970-71.

The main changes are increases of \$200 million in fiscal transfer payments to provinces and \$172 million in public debt charges.

TABLE 17
(in millions of dollars)

FINANCE	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Public debt charges.....	1,822.8	1,995.0	172.2
Fiscal transfer payments.....	1,228.9	1,429.0	200.1
Municipal grants.....	54.1	58.0	3.9
Guaranteed loans.....	21.5	33.0	11.5
Administration and general.....	7.7	9.5	1.8
	3,135.0	3,524.5	389.5
Auditor General.....	3.1	4.0	0.9
Insurance.....	1.0	1.0	
Tariff Board.....	0.5	0.5	
	3,139.6	3,530.0	390.4

Public debt charges

Public debt charges consist of interest on public debt, the annual amortization of bond discounts and commissions, the cost of issuing new loans and other costs incurred in servicing the public debt. These charges in the amount of \$1,995 million include interest of \$1,948 million of which \$1,573 million is in respect of unmatured debt and \$375 million in respect of other liabilities.

The increase of \$168 million mainly reflects an increase in unmatured debt.

When considering the magnitude of these public debt charges and the burden they place upon the public treasury, it must be borne in mind that a substantial portion of the debt is attributable to, or is invested in, productive or earning assets. Therefore, in calculating the *net* burden of the government's annual interest charges, the income derived from loans, investments and other productive assets must be taken into account. For 1971-72 this income is \$1,095 million as shown in the non-tax revenue section under "return on investments". This amount deducted from the gross total of \$2,075 million as shown in table 19 leaves a net amount of \$980 million compared with a net of \$878 million in 1970-71. Measured as a percentage of net debt, the burden of the net annual interest charges is 5.46 per cent in 1971-72 compared with 5.06 per cent in 1970-71. As a percentage of the gross national product for the calendar year ending within the fiscal year, the relative burden is 1.06 per cent compared with 1.04 per cent in 1970-71.

TABLE 18
(in millions of dollars)

INTEREST AND OTHER PUBLIC DEBT CHARGES	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Interest on public debt—			
Unmatured debt including treasury bills—			
Payable in Canadian dollars.....	1,405.6	1,556.0	150.4
Payable in foreign currencies.....	18.7	17.0	—1.7
	1,424.3	1,573.0	148.7
Other liabilities—			
Annuity, insurance and pension accounts ⁽¹⁾	347.7	362.0	14.3
Deposit and trust accounts.....	7.5	13.0	5.5
Refundable portion of corporation income tax.....	0.1		—0.1
	355.3	375.0	19.7
Total interest on public debt ⁽¹⁾	1,779.6	1,948.0	168.4
Other public debt charges—			
Annual amortization of bond discounts and commissions.....	39.0	41.0	2.0
Cost of issuing new loans.....	2.9	4.0	1.1
Servicing of public debt.....	1.3	2.0	0.7
	43.2	47.0	3.8
	1,822.8	1,995.0	172.2

⁽¹⁾ Additional interest of \$45.7 million in 1970-71 and \$59.0 million in 1971-72 is included in National Defence expenditures; \$49.5 million in 1970-71 and \$65.0 million in 1971-72 in Treasury Board expenditures; and \$2.3 million in 1970-71 and \$2.6 million in 1971-72 in Royal Canadian Mounted Police expenditures.

TABLE 19
(in millions of dollars)

NET BURDEN OF ANNUAL INTEREST CHARGES	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Total interest on public debt.....	1,877.7	2,074.6	196.9
Less return on investments.....	1,000.2	1,095.0	94.8
Net interest cost.....	877.5	979.6	102.1
Net interest cost as a percentage of net debt.....	5.06	5.46	

Fiscal transfer payments to provinces

These payments total \$1,429 million, \$200 million more than in 1970-71.

Payments of \$1,128 million under the Federal-Provincial Fiscal Arrangements Act are \$141 million higher than in 1970-71.

Payments of \$273 million under the Established Programs (Interim Arrangements) Act to the Prov-

ince of Quebec are in respect of compensation to that province for its opting out of the following programs: hospital insurance and diagnostic services, old age assistance, disabled persons allowances, blind persons allowances, unemployment assistance, and the Canada Assistance Plan; and, in part, the general health grants program. Payments were \$213 million in 1970-71.

Subsidies to provinces payable under the British North America Acts and other statutory authority are \$34 million, \$2 million more than in 1970-71.

The transfer of certain public utility tax receipts in the amount of \$25 million are \$1 million more than in 1970-71 and represent the transferable portion of income tax received from corporations whose main business is the distribution to, or generation for distribution to, the public of electrical energy, gas and steam.

The Federal-Provincial Fiscal Revision Act, 1964, provides that where, in any fiscal year commencing on or after April 1, 1964, the federal savings in respect of a province providing schooling exceeds the federal revenue abatement in respect of that province for the taxation year ending in that fiscal year, the Minister of Finance may, out of the consolidated revenue fund, pay to that province in respect of that fiscal year an amount equal to the excess and where for a taxation year ending in any fiscal year commencing on or after April 1, 1964 the federal revenue abatement in respect of a province providing schooling allowances exceeds the federal savings in that fiscal year in respect of that province, the amount of the excess may

be deducted from any payment to that province under the Federal-Provincial Fiscal Arrangements Act or under any subsequent Act of the Parliament of Canada substituted therefore, or may be otherwise recovered as a debt due to Canada by that province. The abatement for the taxation year 1971 and the revised abatement for the taxation year 1970 in respect of the Province of Quebec exceeded the federal savings by \$32 million which has been recovered from payments to that province under the Established Programs (Interim Arrangements) Act. In 1970-71 the abatement for the taxation year 1970 exceeded the federal savings by \$28 million and was recovered.

TABLE 20
(in millions of dollars)

FISCAL TRANSFER PAYMENTS TO PROVINCES	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Payments under the Federal-Provincial Fiscal Arrangements Act.....	⁽¹⁾ 987.4	1,128.4	141.0
Payments under the Established Programs (Interim Arrangements) Act	213.1	⁽¹⁾ 273.2	60.1
Statutory subsidies.....	31.8	33.8	2.0
Transfer of certain public utility tax receipts.....	24.1	25.4	1.3
Federal-Provincial Fiscal Revision Act (youth allowances).....	-27.5	-31.8	-4.3
	1,228.9	1,429.0	200.1

⁽¹⁾Gross prior to recovery of an excess abatement under the Federal-Provincial Fiscal Revision Act (youth allowances) to the Province of Quebec.

TABLE 21
(in millions of dollars)

Fiscal year ended March 31, 1972 (preliminary)						
FISCAL TRANSFER PAYMENTS	Payments under Fiscal Arrangements	Payments under Interim Arrangements Act	Statutory subsidies	Recovery under the Federal-Provincial Fiscal Revision Act (youth allowances)	Transfer of certain public utilities tax receipts	Total
Newfoundland.....	120.5		9.7		1.1	131.3
Nova Scotia.....	98.8		2.2		1.7	102.7
Prince Edward Island.....	23.2		0.6		0.2	24.0
New Brunswick.....	98.5		1.8		0.1	100.4
Quebec.....	571.1	273.2	4.5	-31.8	3.2	820.2
Ontario.....	25.7		5.6		11.2	42.5
Manitoba.....	63.5		2.1		0.8	66.4
Saskatchewan.....	118.5		2.1		⁽¹⁾	120.6
Alberta.....	8.6		3.1		6.4	18.1
British Columbia.....			2.1		0.5	2.6
Yukon and Northwest Territories...					0.2	0.2
	1,128.4	273.2	33.8	-31.8	25.4	1,429.0

⁽¹⁾Less than \$50,000.

Governor General

Included in these expenditures are the salaries of the Governor General of Canada and the Lieutenant-Governors of the provinces and other expenses of these offices. Expenditures of \$1 million are approximately the same as in 1970-71.

Indian Affairs and Northern Development

Expenditures of this department of \$416 million are \$65 million more than in 1970-71. In 1971-72 the Canadian wildlife service was transferred from this department to the Department of Environment; previous years figures have been adjusted for comparative purposes.

TABLE 22
(in millions of dollars)

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Indian and Eskimo affairs—			
Education.....	104.9	111.0	6.1
Community affairs.....	97.7	109.0	11.3
Economic development.....	10.1	14.0	3.9
Other.....	15.0	17.0	2.0
	227.7	251.0	23.3
Northern development—			
Northern economic development...	22.0	43.0	11.5
Territorial relations.....	9.5		
Grants and contributions.....	50.2	65.0	14.8
	81.7	108.0	26.3
Conservation—			
National parks.....	22.2	31.0	8.8
Historic sites.....	8.2	12.0	3.8
Other.....	3.1	5.0	1.9
	33.5	48.0	14.5
Administration and general.....	7.7	9.0	1.3
	350.6	416.0	65.4

Expenditures of \$251 million for Indian and Eskimo affairs include \$111 million for education, \$109 million for community affairs and \$14 million for economic development. In 1970-71 expenditures of \$228 million included \$105 million for education, \$98 million for community affairs and \$10 million for economic development.

Expenditures of \$108 million for northern development include \$65 million for grants and contributions (mainly to the Yukon and Northwest Territories), \$43 million for northern economic development and territorial relations. In 1970-71 expenditures of \$82

million included \$50 million for grants and contributions, \$22 million for northern economic development and \$10 million for territorial relations.

Expenditures of \$48 million for the conservation program include \$31 million in respect of national parks and \$12 million in respect of historic sites. In 1970-71 expenditures of \$34 million included \$22 million for national parks and \$8 million for historic sites.

Industry, Trade and Commerce

Expenditures of the Department of Industry, Trade and Commerce including those of Statistics Canada total \$350 million compared with \$251 million in 1970-71.

Outlays of \$182 million for the trade-industrial program are \$38 million higher than in 1970-71 and include \$67 million for technological capability (\$58 million in 1970-71), \$30 million for general incentives to industry (\$30 million in 1970-71) and \$15 million for capital subsidies for the construction of commercial and fishing vessels (\$14 million in 1970-71).

Costs of the grains program of \$88 million are \$34 million higher than in 1970-71. Statistics Canada expenditures of \$69 million are \$30 million more than in the previous year due mainly to costs of the 1971 census.

TABLE 23
(in millions of dollars)

INDUSTRY, TRADE AND COMMERCE	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Trade-industrial program—			
Technological capability (defence).....	45.1	38.8	-6.3
Technological capability (non-defence).....	13.0	28.1	15.1
Capital subsidies for the construction of commercial and fishing vessels.....	13.7	15.0	1.3
General incentives to industry.....	30.1	30.0	-0.1
Administration and general.....	42.0	70.0	28.0
	143.9	181.9	38.0
Tourism program.....	11.2	11.0	-0.2
Grains program.....	53.6	88.0	34.4
World exhibitions.....	2.9	0.1	-2.8
	211.6	281.0	69.4
Statistics Canada.....	39.0	69.0	30.0
	250.6	350.0	99.4

Justice

Expenditures of the Department of Justice are \$28 million compared with \$23 million in 1970-71.

Judges' salaries and allowances are \$16 million compared with \$11 million and outlays for legal services are \$9 million compared with \$7 million in the previous year.

TABLE 24
(in millions of dollars)

JUSTICE	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Legal services.....	6.7	9.0	2.3
Judges' salaries and allowances.....	11.2	16.4	5.2
Administration and general.....	4.8	3.0	-1.8
	22.7	28.4	5.7

Labour

Expenditures of the Department of Labour are \$17 million, \$4 million more than in 1970-71.

Expenditures in respect of the Unemployment Insurance Commission which in previous years was included under the Department of Labour are now shown under the Department of Manpower and Immigration.

TABLE 25
(in millions of dollars)

LABOUR	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Program expenditures.....	9.5	13.0	3.5
Payments of compensation respecting public service employees and merchant seamen.....	4.0	4.0	
	13.5	17.0	3.5

Manpower and Immigration

Included under this heading are the Department of Manpower and Immigration and the Unemployment Insurance Commission.

Expenditures of the department at \$630 million are \$59 million more than in 1970-71. Development and utilization of manpower costs of \$585 million are \$56 million more than in the previous year and include \$490 million for employment and training services (\$352 million in 1970-71) and \$76 million for co-operation with the provinces in the provision of training facilities (\$170 million in 1970-71). These latter expenditures represent the federal government's terminal commitments under the training facilities agreements. Costs of immigration services at \$23 million are approximately the same as in the previous year.

Expenditures in respect of the Unemployment Insurance Commission, which were included under the Department of Labour in 1970-71, total \$163 million compared with \$178 million in 1970-71.

TABLE 26
(in millions of dollars)

MANPOWER AND IMMIGRATION	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Development and utilization of manpower—			
Employment and training services.....	352.2	490.0	137.8
Co-operation with the provinces in the provision of training facilities.....	170.3	76.0	-94.3
Administration and general.....	7.0	19.0	12.0
	529.5	585.0	55.5
Immigration—			
Recruitment selection.....	13.6	13.0	-0.6
Enforcement and control.....	7.3	9.0	1.7
Administration.....	1.9	1.0	-0.9
	22.8	23.0	0.2
Program development.....	6.1	7.0	0.9
Immigration Appeal Board.....	0.7	1.0	0.3
Administration and general.....	11.7	14.0	2.3
	570.8	630.0	59.2
Unemployment Insurance Commission—			
Government's contribution to the unemployment insurance account.....	99.0	89.0	-10.0
Administration and general.....	79.0	74.0	-5.0
	178.0	163.0	-15.0
	748.8	793.0	44.2

National Defence

Expenditures of the Department of National Defence in the amount of \$1,900 million are \$82 million more than in 1970-71.

Expenditures of \$1,821 million for defence services include \$1,396 million for operating expenses, \$206 million for capital outlays and \$219 million in respect of military pensions and other benefits. In 1970-71 expenditures were \$1,744 million and included \$1,299 million for operating, \$219 million for capital and \$226 million in respect of pensions.

Outlays in respect of military pensions, pension contributions and other benefits include \$74 million for the government's contribution to the Canadian forces superannuation account, \$66 million for amortization of deferred charges and \$59 million for additional interest in respect of the superannuation account. In 1970-71 the government's contribution was \$70 million, amortization of deferred charges was \$89 million and additional interest was \$46 million.

Defence research costs of \$47 million are \$1 million more than in 1970-71.

TABLE 27
(in millions of dollars)

NATIONAL DEFENCE	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Defence services—			
Operating expenditures.....	1,298.5	1,396.3	97.8
Capital expenditures.....	218.7	205.8	-12.9
Military pensions, pension contributions and other benefits—			
Superannuation account—			
Government's contribution.....	70.4	73.8	3.4
Amortization of deferred charges.....	89.4	66.0	-23.4
Additional interest.....	45.7	59.0	13.3
	205.5	198.8	-6.7
Other pensions, contributions and benefits.....	20.8	20.6	-0.2
	1,743.5	1,821.5	78.0
Defence research.....	45.9	47.3	1.4
Mutual aid to NATO countries including contributions towards military costs of NATO.....	14.4	14.4	
Civil emergency measures.....	5.0	5.0	
Defence Construction (1951) Limited.....	2.2	2.7	0.5
Administration and general.....	6.9	9.1	2.2
	1,817.9	1,900.0	82.1

National Health and Welfare

Expenditures of the Department of National Health and Welfare including those of the Medical Research Council are \$2,714 million compared with \$2,338 million in 1970-71. In 1971-72 expenditures in respect of air pollution and the public health engineering division were transferred from this department to the Department of Environment; 1970-71 figures have been adjusted for comparative purposes.

Outlays for welfare services are \$1,105 million compared with \$1,031 million in 1970-71; for health insurance and resources \$1,482 million compared with \$1,193 million; for medical services \$47 million compared with \$45 million; and for the Medical Research Council \$35 million compared with \$34 million.

Family allowances, family assistance and youth allowances

These expenditures total \$617 million of which \$555 million is family allowances, \$60 million is youth allowances and \$2 million is family assistance. In 1970-71 the total was \$619 million of which \$558 million was family allowances, \$58 million was youth allowances and \$3 million was family assistance.

Family allowances are payable in respect of all children under 16 years of age, resident in Canada, with minor exceptions such as children of immigrants who must reside in Canada one year before family allowance is payable. The monthly allowance is \$6 if the child is under 10 years of age and \$8 in the age group 10 to 15.

Family assistance is payable at the same rates on behalf of children of immigrants and settlers during their first year of residence in Canada.

Youth allowances are payable at the rate of \$10 per month in respect of persons resident in Canada who have attained the age of 16 years and have not attained the age of 18 years and who are in full-time attendance at a school or university or are by reasons of mental or physical infirmity precluded from attending school or university. No payments were made in respect of persons resident in the Province of Quebec. However, under authority of the Federal-Provincial Fiscal Revision Act, abatements in federal income tax otherwise payable by individuals resident in that

province were allowed in compensation of the fact that the payment of youth allowances had been assumed by the province and to allow for the imposition of the required provincial income taxes.

TABLE 28
(in millions of dollars)

NATIONAL HEALTH AND WELFARE	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Welfare services—			
Family allowances.....	557.9	554.5	-3.4
Youth allowances.....	58.0	59.8	1.8
Family assistance ⁽¹⁾	2.7	2.2	-0.5
Canada assistance plan—payments to provinces.....	391.6	462.4	70.8
Other.....	20.3	26.1	5.8
	1,080.5	1,105.0	74.5
Health insurance and resources—			
Government's contributions under the Hospital Insurance and Diagnostic Services Act.....	734.3	850.6	116.3
Health resources fund.....	37.5	37.0	-0.5
Medical Care Act.....	400.5	576.5	176.0
General health and construction grants to provinces.....	19.6	16.0	-3.6
Other.....	1.4	1.9	0.5
	1,193.3	1,482.0	288.7
Medical services.....	45.4	47.0	1.6
Health services.....	6.5	8.0	1.5
Food and drug services.....	15.6	19.0	3.4
Fitness and amateur sport.....	5.3	8.0	2.7
Administration and general.....	7.0	10.0	3.0
	2,303.6	2,679.0	375.4
Medical Research Council—			
Scholarships and grants in aid of research.....	34.0	34.5	0.5
Administration.....	0.4	0.5	0.1
	34.4	35.0	0.6
	2,338.0	2,714.0	376.0

⁽¹⁾For comparative purposes, Welfare Grants in 1970-71 are included in other welfare services.

TABLE 29
(in millions of dollars)

	Fiscal year ended March 31, 1972 (preliminary)			Total
	Family allowances	Family assistance	Youth allowances	
Newfoundland.....	17.0	(1)	2.1	19.1
Nova Scotia.....	20.9	(1)	3.2	24.1
Prince Edward Island.....	3.1	(1)	0.5	3.6
New Brunswick.....	17.7	(1)	2.8	20.5
Quebec.....	155.9	0.3		156.2
Ontario.....	191.8	1.2	28.7	221.7
Manitoba.....	24.7	0.1	3.9	28.7
Saskatchewan.....	24.1	(1)	4.0	28.1
Alberta.....	44.5	0.2	6.6	51.3
British Columbia.....	53.1	0.4	7.9	61.4
Yukon and Northwest Territories.....	1.7	(1)	0.1	1.8
	554.5	2.2	59.8	616.5

⁽¹⁾Less than \$50,000.

Canada Assistance Plan

Payments to the provinces under the Canada Assistance Plan are \$462 million compared with \$392 million in 1970-71. The Canada Assistance Plan Act which was enacted in 1966 authorizes the federal government to enter into agreements with the provinces for sharing the costs of assistance and welfare services provided by the provinces, territories and municipalities to persons in need. The rate of the federal contribution is 50 per cent of the shareable costs; the rates of assistance granted and the specific conditions of eligibility applied are determined by the provinces and their municipalities and take into account the budgetary requirements as well as the income and resources of the applicants. Contributions under this plan have replaced certain contributions which formerly had been made under the Old Age Assistance Act, the Disabled Persons Act, the Blind Persons Act and the Unemployment Assistance Act. Under a federal-provincial agreement the Province of Quebec has opted out of a major portion of this program.

TABLE 30
(in millions of dollars)

CANADA ASSISTANCE PLAN	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Newfoundland.....	22.0	24.8	2.8
Nova Scotia.....	16.7	19.5	2.8
Prince Edward Island.....	3.8	4.3	0.5
New Brunswick.....	15.2	18.7	3.5
Quebec.....		0.4	0.4
Ontario.....	176.4	211.3	34.9
Manitoba.....	28.2	35.4	7.2
Saskatchewan.....	20.6	24.7	4.1
Alberta.....	39.3	44.6	5.3
British Columbia.....	68.2	76.8	8.6
Yukon and Northwest Territories....	1.2	1.9	0.7
	391.6	462.4	70.8

Hospital Insurance and Diagnostic Services Act

Contributions of \$850 million to the provinces in 1971-72 under this Act are \$116 million more than in 1970-71. Under federal-provincial agreement the Province of Quebec has opted out of this program.

TABLE 31
(in millions of dollars)

GOVERNMENT'S CONTRIBUTIONS UNDER THE HOSPITAL INSURANCE AND DIAGNOSTIC SERVICES ACT	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Newfoundland.....	24.0	27.3	3.3
Nova Scotia.....	37.5	42.9	5.4
Prince Edward Island.....	4.8	5.2	0.4
New Brunswick.....	28.1	33.7	5.6
Ontario.....	368.8	434.0	65.2
Manitoba.....	46.9	53.4	6.5
Saskatchewan.....	44.0	49.9	5.9
Alberta.....	82.5	91.4	8.9
British Columbia.....	95.5	110.0	14.5
Yukon and Northwest Territories....	2.2	2.8	0.6
	734.3	850.6	116.3

Medical Care Act

The Medical Care Act authorizes the payment of contributions by Canada towards the cost of insured medical services incurred by provinces pursuant to provincial medical care insurance plans.

The Provinces of Saskatchewan and British Columbia became participating provinces effective July 1, 1968; Nova Scotia, Newfoundland and Manitoba

effective April 1, 1969; Alberta effective July 1, 1969; Ontario effective October 1, 1969; Quebec effective November 1, 1970; Prince Edward Island effective December 1, 1970; New Brunswick effective January 1, 1971 and Northwest Territories effective April 1, 1971.

Payments of \$576 million are \$176 million higher than in 1970-71.

TABLE 32
(in millions of dollars)

CONTRIBUTIONS TO PROVINCES UNDER THE MEDICAL CARE ACT	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Newfoundland.....	12.3	14.4	2.1
Nova Scotia.....	17.8	20.7	2.9
Prince Edward Island.....	0.8	2.9	2.1
New Brunswick.....	3.4	16.2	12.8
Quebec.....	56.1	159.8	103.7
Ontario.....	174.4	203.7	29.3
Manitoba.....	23.2	27.5	4.3
Saskatchewan.....	22.5	25.4	2.9
Alberta.....	38.1	45.0	6.9
British Columbia.....	51.9	60.0	8.1
Northwest Territories.....		0.9	0.9
	400.5	576.5	176.0

Health resources fund

The Health Resources Act provides for the establishment of a health resources fund to assist provinces in the acquisition, construction and renovation of health training facilities and research institutes.

Expenditures are \$37 million, approximately the same as in 1970-71.

TABLE 33
(in millions of dollars)

CONTRIBUTIONS TO PROVINCES UNDER THE HEALTH RESOURCES FUND ACT	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Newfoundland.....	0.1	0.7	0.6
Nova Scotia.....	0.4	1.2	0.8
Prince Edward Island.....	(¹)		
New Brunswick.....	0.2		-0.2
Quebec.....	8.7	7.6	-1.1
Ontario.....	19.5	17.0	-2.5
Manitoba.....	0.8	0.7	-0.1
Saskatchewan.....	1.7	2.9	1.2
Alberta.....	4.8	4.6	-0.2
British Columbia.....	1.3	2.3	1.0
	37.5	37.0	-0.5

(¹) Less than \$50,000.

National Revenue

Expenditures of the Department of National Revenue are \$182 million compared with \$159 million in 1970-71.

Outlays of \$85 million in respect of the collection of customs import duties, excise taxes and excise duties are \$10 million higher and outlays of \$97 million in respect of taxation are \$13 million more than in 1970-71.

TABLE 34
(in millions of dollars)

NATIONAL REVENUE	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Customs and excise.....	74.4	84.5	10.1
Taxation.....	84.0	97.0	13.0
Tax Review Board.....	0.4	0.5	0.1
	158.8	182.0	23.2

Parliament

Costs of Parliament of \$34 million are \$7 million more than in 1970-71.

TABLE 35
(in millions of dollars)

PARLIAMENT	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
House of Commons.....	21.0	27.8	6.8
The Senate.....	5.1	5.3	0.2
Library of Parliament.....	1.1	1.3	0.2
	27.2	34.4	7.2

Post Office

Gross expenditures of the Post Office Department total \$495 million in 1971-72 compared with \$449 million in 1970-71.

Salaries and allowances are \$361 million, \$30 million higher than in 1970-71 and costs of transportation of mail are \$98 million, \$2 million higher than in 1970-71.

However, as authorized by the Post Office Act, remuneration of postmasters and staffs at revenue and semi-staff offices and certain other disbursements are paid from revenue. These payments amounted to \$56 million in 1971-72 (\$55 million in 1970-71). Also, Post Office vote 1 authorized that revenue arising from services provided thereunder be credited thereto; this amounts to \$27 million compared with \$26 million in 1970-71.

Consequently net expenditures charged to budgetary appropriations are \$412 million compared to \$369 million in 1970-71.

TABLE 36
(in millions of dollars)

POST OFFICE	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Operating expenditures—			
Salaries and allowances—			
Headquarters, regional and district offices, staff post offices and railway mail services.....	281.8	312.5	30.7
Postmasters and staff—			
Revenue offices.....	13.4	12.0	—1.4
Semi-staff offices.....	29.6	29.6	
Sub postmasters.....	6.4	7.2	0.8
	331.2	361.3	30.1
Transportation of mail—			
Rail.....	11.6	10.9	—0.7
Land.....	51.5	52.3	0.8
Air.....	27.1	28.8	1.7
Water.....	1.5	1.3	—0.2
Payments to foreign postal administrations.....	4.5	4.8	0.3
	96.2	98.1	1.9
Other.....	17.0	28.5	11.5
	444.4	487.9	43.5
Capital expenditures.....	4.7	7.0	2.3
Grants and contributions.....	0.1	0.1	
Gross expenditure.....	449.2	495.0	45.8
Less:			
Revenue credited to appropriations.....	—25.5	—27.0	—1.5
Revenue charged to expenditure under the Post Office Act.....	—55.1	—56.0	—0.9
Net expenditure.....	368.6	412.0	43.4

As net Post Office receipts total \$400 million as shown in the revenue section of this report and net expenditures are \$412 million there is a net operating deficit of \$12 million for 1971-72. In 1970-71 net receipts of \$338 million and net expenditures of \$369 million resulted in a net operating deficit of \$31 million.

However, it is to be noted that post office expenditures do not reflect any charges for premises occupied by the Post Office nor for certain accounting and miscellaneous services provided by other departments, nor does post office revenue reflect any receipts from the franking privilege covering parliamentary and departmental mail or other miscellaneous services provided for other departments and agencies.

Privy Council

Expenditures for the Privy Council, including those for the Chief Electoral Officer, the Commissioner of Official Languages, the Economic Council of Canada, the Public Service Staff Relations Board and the Science Council of Canada, total \$15 million, \$2 million more than in 1970-71. Expenditures in respect of Central Mortgage and Housing Corporation which were reported under Privy Council in 1970-71 are now reported under the Department of Urban Affairs and Housing.

TABLE 37
(in millions of dollars)

PRIVY COUNCIL	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Privy Council.....	7.2	8.2	1.0
Chief Electoral Officer.....	1.2	1.2	
Commissioner of Official Languages..	0.4	1.0	0.6
Economic Council of Canada.....	1.7	1.7	
Public Service Staff Relations Board	1.3	1.6	0.3
Science Council of Canada.....	1.2	1.3	0.1
	13.0	15.0	2.0

Public Works

Expenditures of this department total \$343 million compared with \$331 million in 1970-71. Expenditures for accommodation services at \$264 million are \$45 million more than in the previous year and con-

tributions to provinces under terms of the Trans-Canada Highway Act at \$2 million are \$38 million less than in 1970-71.

TABLE 38
(in millions of dollars)

PUBLIC WORKS	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Accommodation services—			
General purpose buildings.....	152.9	178.8	25.9
Single purpose buildings.....	58.0	72.7	14.7
Other.....	7.5	12.0	4.5
	218.4	263.5	45.1
Transportation and other engineering services—			
Contributions to provinces under terms of the Trans-Canada Highway Act.....	39.6	2.0	-37.6
Other.....	12.4	14.0	1.6
	52.0	16.0	-36.0
Marine services.....	34.6	34.6	
Professional and technical services...	13.5	15.2	1.7
Administration and general.....	12.2	13.7	1.5
	330.7	343.0	12.3

Regional Economic Expansion

Expenditures for the Department of Regional Economic Expansion, including those for the Cape Breton Development Corporation, total \$316 million compared with \$298 million in 1970-71. Expenditures in respect of the National Capital Commission which were reported under this heading in 1970-71 are now reported under the Department of Urban Affairs and Housing. Departmental expenditures are \$276 million compared with \$261 million in 1970-71 and include \$97 million for industrial incentives (\$62 million in 1970-71), \$81 million for social adjustment and rural economic development (\$76 million in 1970-71), \$78 million for infrastructure assistance (\$107 million in 1970-71) and \$20 million for development planning (\$15 million in 1970-71).

Payments to the Cape Breton Development Corporation total \$40 million compared with \$37 million in 1970-71.

TABLE 39
(in millions of dollars)

REGIONAL ECONOMIC EXPANSION	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Department—			
Development planning.....	15.4	24.9	9.5
Industrial incentives.....	62.0	97.0	35.0
Infrastructure assistance.....	107.1	65.1	-42.0
Social adjustment and rural economic development.....	76.0	89.0	13.0
	260.5	276.0	15.5
Cape Breton Development Corporation—			
Payments to the corporation covering mining losses.....	25.8	28.0	2.2
Payment to the corporation under sections 19 and 24 of the Act.....	11.5	12.0	0.5
	37.3	40.0	2.7
	297.8	316.0	18.2

Secretary of State

Included under this heading are expenditures of the Department of the Secretary of State and those in respect of the Canada Council, the Canadian Broadcasting Corporation, the Canadian Film Development Corporation, the Canadian Radio-Television Commission, the Company of Young Canadians, the National Arts Centre Corporation, the National Film Board, the National Library, the National Museums of Canada, the Public Archives, the Public Service Commission and the Office of the Representation Commissioner.

Expenditures total \$848 million compared with \$708 million in 1970-71.

Post-secondary education payments to provinces of \$450 million are \$62 million higher than in 1970-71, expenditures for the bilingualism development of \$74 million are \$21 million higher and expenditures for the citizenship development of \$37 million are \$29 million higher than in 1970-71.

TABLE 40
(in millions of dollars)

SECRETARY OF STATE	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (preliminary)	
Department—			
Post-secondary education payments to provinces.....	388.2	450.0	61.8
Bilingualism development.....	53.4	74.1	20.7
Citizenship.....	8.1	37.0	28.9
Arts and culture.....	6.8	1.0	-5.8
Translation bureau.....	8.6	10.4	1.8
Centenary of British Columbia....	0.2	9.0	8.8
Administration and general.....	2.9	3.0	0.1
	468.2	584.5	116.3
Canada Council.....	24.2	26.0	1.8
Canadian Broadcasting Corporation..	166.0	181.0	15.0
Canadian Film Development Corporation.....	1.0	1.0	
Canadian Radio-Television Commission.....	3.3	4.0	0.7
Company of Young Canadians.....	1.9	1.9	
National Arts Centre Corporation....	2.6	2.8	0.2
National Film Board.....	10.4	11.0	0.6
National Library.....	2.5	4.0	1.5
National Museums of Canada.....	8.2	10.0	1.8
Public Archives.....	3.7	3.7	
Public Service Commission.....	15.8	18.0	2.2
Office of the Representation Commissioner.....	0.1	0.1	
	707.9	848.0	140.1

Solicitor General

Expenditures of the Department of the Solicitor General including net expenditures for the Royal Canadian Mounted Police total \$265 million, \$42 million more than the 1970-71 total. Gross expenditures of the Royal Canadian Mounted Police are \$227 million but receipts of \$49 million arising mainly from policing services provided to certain provinces, territories and municipalities result in net expenditures of \$178 million. In 1970-71 gross expenditures were \$188 million, receipts were \$42 million resulting in net expenditures of \$146 million.

Expenditures of \$85 million for correctional services are \$10 million higher than in 1970-71.

TABLE 41
(in millions of dollars)

SOLICITOR GENERAL	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Royal Canadian Mounted Police—			
Law enforcement—			
Police services under contract....	76.4	91.0	14.6
Enforcement of federal statutes and executive orders.....	40.3	52.0	11.7
Administration.....	18.8	21.6	2.8
Support services.....	13.0	15.4	2.4
National police services.....	8.2	14.0	5.8
	156.7	194.0	37.3
Pensions and other benefits—			
Pensions.....	7.1	7.1	
RCMP superannuation account—			
Government's contribution....	9.1	11.3	2.2
Amortization of deferred charges.....	11.2	10.3	-0.9
Additional interest.....	2.3	2.6	0.3
Other.....	1.7	1.7	
	31.4	33.0	1.6
	188.1	227.0	38.9
Less: Receipts and revenue credited to appropriations.....	-41.8	-48.6	-6.8
	146.3	178.4	32.1
Correctional services—			
Care of inmates.....	51.9	56.0	4.1
Rehabilitation of inmates.....	12.9	16.6	3.7
Parole and community services..	4.6	6.0	1.4
Administration.....	5.7	6.4	0.7
	75.1	85.0	9.9
Administration.....	1.4	1.6	0.2
	222.8	265.0	42.2

Supply and Services

Expenditures under this heading including those for the Department of Supply and Services, Information Canada, the Canadian Commercial Corporation and the Canadian Arsenals Limited total \$80 million compared with \$75 million in 1970-71.

Expenditures of the supply component of the department are \$22 million the same as in 1970-71 and for the services component are \$42 million compared with \$37 million.

TABLE 42
(in millions of dollars)

SUPPLY AND SERVICES	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Supply—			
Purchasing.....	11.7	11.6	-0.1
Material management.....	4.9	4.9	
Program administration.....	3.4	3.4	
Other.....	1.6	1.6	
	21.6	21.5	-0.1
Services—			
Program administration.....	11.5	13.0	1.5
Pay and employee benefit admin- istration.....	8.5	10.0	1.5
Management services.....	5.5	6.0	0.5
Payment and reporting services....	2.8	3.0	0.2
Social and economic assistance pay- ments administration.....	6.9	8.0	1.1
Government of Canada Accounting.	1.3	2.0	0.7
	36.5	42.0	5.5
Administration.....	4.2	4.0	-0.2
	62.3	67.5	5.2
Information Canada.....	7.0	7.5	0.5
Canadian Commercial Corporation...	3.9	3.5	-0.4
Canadian Arsenals Limited.....	1.5	1.5	
	74.7	80.0	5.3

Transport

Expenditures of the Department of Transport including those in respect of the Canadian National Railways, the Canadian Transport Commission, the National Harbours Board and The St. Lawrence Seaway Authority total \$494 million compared with \$434 million in 1970-71. In 1971-72, meteorological services, formerly under the air services program, were

transferred to the Department of Environment. Prior year's figures have been adjusted for comparative purposes.

Department

Expenditures of \$100 million for marine services are \$9 million higher than in 1970-71, \$72 million for surface transportation are \$22 million higher and \$157 million for air services are \$33 million higher.

Canadian National Railways

The 1971 deficit of the Canadian National Railways at \$24 million, to be charged to budgetary expenditure, is \$6 million less than the 1970 deficit of \$30 million which was charged to budgetary expenditure in 1970-71.

Canadian Transport Commission

Expenditures of the Commission in 1971-72 in the amount of \$110 million are \$8 million less than in 1970-71. Payments under the National Transportation Act are \$52 million (\$66 million in 1970-71), contributions to the railway grade crossing fund are \$20 million (\$20 million in 1970-71) and payments under the Maritime Freight Rates Act are \$14 million (\$14 million in 1970-71).

National Harbours Board

Non-active advances to the Board to be charged to budgetary expenditure are \$2 million, approximately the same amount as in 1970-71.

The St. Lawrence Seaway Authority

Budgetary expenditures in respect of the Authority are \$14 million, \$4 million higher than in the previous fiscal year. The 1971 operating deficit of the Welland Canal of \$9 million, charged to budgetary expenditure, is \$1 million more than the 1970 deficit charged in 1970-71 and other expenditures of \$5 million are \$3 million higher than in 1970-71.

TABLE 43
(in millions of dollars)

TRANSPORT	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Marine services—			
Administration.....	3.7	4.0	0.3
Terminal facilities ⁽¹⁾	—1.6	—2.0	—0.4
Way facilities.....	84.5	93.0	8.5
Marine regulations.....	4.3	5.0	0.7
	90.9	100.0	9.1
Surface transportation—			
Ferry services (C.N.R.).....	32.0	35.2	3.2
Supplementary pensions.....	6.2	8.1	1.9
Other.....	11.4	28.3	16.9
	49.6	71.6	22.0
Air services—			
Airports and associated ground services.....	32.2	38.0	5.8
Air navigational services.....	63.2	93.6	30.4
Regulatory services.....	13.1	9.0	—4.1
Construction services.....	7.0	8.0	1.0
Administration.....	9.0	8.8	—0.2
	124.5	157.4	32.9
Transportation development.....		5.0	5.0
Administration.....	8.5	10.0	1.5
	273.5	344.0	70.5
Canadian National Railways operating deficit.....	29.7	24.2	—5.5
Canadian Transport Commission—			
Payments under the National Transportation Act.....	65.7	52.3	—13.4
Contributions to the railway grade crossing fund.....	20.0	20.0	
Steamships subventions for coastal services.....	6.0	6.0	
Maritime Freight Rates Act.....	14.0	14.0	
Subsidies to regional air carriers...	1.8	2.0	0.2
Other.....	10.5	15.7	5.2
	118.0	110.0	—8.0
National Harbours Board.....	2.5	2.2	—0.3
The St. Lawrence Seaway Authority—			
Welland canal deficit.....	8.2	8.9	0.7
Other.....	1.9	4.7	2.8
	10.1	13.6	3.5
	433.8	494.0	60.2

⁽¹⁾ Negative amounts as vote-netting revenue exceeds expenditure by amounts shown.

Treasury Board

Expenditures of the Treasury Board, including those in respect of the National Research Council, are \$445 million compared with \$463 million in 1970-71.

The government's outlays in respect of the public service pension accounts are \$270 million, \$20 million more than in 1970-71. Contributions to the public service superannuation account, in an amount equal to the estimated current and prior service payments of individuals, are \$88 million compared with \$86 million in 1970-71. A further amount of \$86 million, to cover the annual amortization charge in respect to actuarial deficiencies arising out of salary increases and the actuarial deficiency revealed by the quinquennial evaluation made as at December 31, 1967, is included in budgetary expenditures. In 1970-71 amortization charges were \$85 million. Also included in 1971-72 expenditures is \$65 million for additional interest in respect of the superannuation account; in 1970-71 additional interest was \$50 million.

Expenditures in respect of the Canada and Quebec pension plans total \$19 million the same as in 1970-71.

Contributions of \$20 million in respect of public service social insurance are \$3 million higher than in 1970-71.

An amount of \$15 million was included in budgetary expenditure and credited to the liability account "reserve for salary revisions" to cover salary revisions in respect of 1971-72 and prior fiscal years. The comparable amount in 1970-71 was \$65 million. The provision for the reserve included in Vote 5, Appropriation Act No. 3, 1971 has been cancelled by Vote 5b, Appropriation Act No. 1, 1972.

National Research Council

Expenditures of the National Research Council are \$129 million compared with \$123 million in 1970-71.

Outlays for scholarships and grants and assistance towards research in industry total \$75 million, \$3 million more than in 1970-71.

TABLE 44
(in millions of dollars)

TREASURY BOARD	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Public service pensions—			
Superannuation account—			
Government's contribution.....	85.6	88.0	2.4
Amortization of deferred charges	84.8	86.0	1.2
Government's contribution to supplementary retirement benefit plan.....	8.2	8.8	0.6
Additional interest.....	49.5	65.0	15.5
	228.1	247.8	19.7
Canada and Quebec pension plans..	18.8	19.0	0.2
Other.....	3.8	3.6	-0.2
	250.7	270.4	19.7
Public service social insurance.....	17.0	20.0	3.0
Reserve for salary revisions.....	65.0	15.0	-50.0
Administration and general.....	7.8	10.6	2.8
	340.5	316.0	-24.5
National Research Council of Canada—			
Operating expenditures.....	46.6	48.0	1.4
Capital expenditures.....	4.7	6.0	1.3
Grants and contributions.....	71.6	75.0	3.4
	122.9	129.0	6.1
	463.4	445.0	-18.4

Urban Affairs and Housing

This is a new department and includes budgetary expenditures in respect of Central Mortgage and Housing Corporation and the National Capital Commission.

Expenditures in respect of Central Mortgage and Housing Corporation at \$62 million are \$15 million more than in 1970-71 and expenditures in respect of the National Capital Commission at \$48 million are \$19 million more than in 1970-71.

TABLE 45
(in millions of dollars)

URBAN AFFAIRS AND HOUSING	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 preliminary	
Ministry of State for Urban Affairs...		2.0	2.0
Central Mortgage and Housing Corporation—			
Housing research and community planning.....	4.7	6.0	1.3
Public housing projects and land development.....	9.4	14.9	5.5
Municipal sewage treatment assistance.....	6.9	16.0	9.1
Urban renewal assistance.....	26.0	23.5	-2.5
Loss on mortgage sales.....		2.0	2.0
	47.0	62.4	15.4
National Capital Commission—			
Operating expenditures.....	11.3	12.0	0.7
Payment to the national capital fund.....	17.1	35.6	18.5
	28.4	47.6	19.2
	75.4	112.0	36.6

Veterans Affairs

Expenditures of the Department of Veterans Affairs total \$427 million compared with \$410 million in 1970-71.

Costs of the pensions program at \$239 million are \$22 million higher than in 1970-71; outlays for welfare services at \$99 million are \$11 million less; and outlays for treatment services at \$71 million are \$5 million higher than in 1970-71.

TABLE 46
(in millions of dollars)

VETERANS AFFAIRS	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 preliminary	
Pensions program—			
Pensions.....	212.9	234.6	21.7
Administration.....	3.5	4.0	0.5
	216.4	238.6	22.2
Welfare services.....	109.8	99.3	-10.5
Treatment services.....	66.4	70.9	4.5
Veterans land administration.....	10.1	11.4	1.3
Administration.....	6.3	5.8	-0.5
Bureau of Pensions Advocates.....	1.0	1.0	
	410.0	427.0	17.0

ASSET AND LIABILITY ACCOUNTS

The government's asset and liability account balances at March 31, 1972, as now estimated, the balances at March 31, 1971 and the net increases or decreases during 1971-72 are summarized in the following table:

TABLE 47
(in millions of dollars)

	Balance at March 31, 1971	Net trans- actions (preliminary)	Balance at March 31, 1972 (preliminary)
LIABILITIES			
Current and demand liabilities.....	2,135.2	491.0	2,626.2
Foreign exchange reserve accounts.....	888.4	252.0	1,140.4
Deposit and trust accounts.....	439.2	130.7	569.9
Annuity, insurance and pension accounts—			
Social security accounts.....	4,597.0	838.0	5,435.0
Superannuation accounts.....	7,760.4	898.0	8,658.4
Other.....	1,445.3	-13.8	1,431.5
	13,802.7	1,722.2	15,524.9
Undisbursed balances of appropriations.....	266.6	-74.4	192.2
Refundable corporation tax.....	3.0	-3.0	
Provision for compound interest on Canada savings bonds.....	18.6	35.4	54.0
Deferred credits.....	216.8	9.2	226.0
Suspense accounts.....	4.1	0.9	5.0
Unmatured debt.....	25,201.2	2,093.8	27,295.0
	42,975.8	4,657.8	47,633.6
ASSETS			
Current assets—			
Cash accounts.....	1,630.7	236.2	1,866.9
Other.....	56.9	0.1	57.0
	1,687.6	236.3	1,923.9
Departmental working capital advances.....	215.6	6.5	222.1
Foreign exchange reserve accounts—			
Advances to the Exchange Fund Account.....	4,578.4	963.0	5,541.4
Canada's subscription to the International Monetary Fund.....	1,148.9	-7.6	1,141.3
	5,727.3	955.4	6,682.7
Canada pension plan investment fund	3,701.2	910.0	4,611.2
Investments held for retirement of unmaturing debt.....	6.9	4.1	11.0
Advances, loans and investments—			
Domestic.....	12,191.4	1,630.0	13,821.4
External.....	1,706.9	132.0	1,838.9
	13,898.3	1,762.0	15,660.3
Securities held in trust.....	124.5	10.9	135.4
Deferred charges.....	743.6	172.6	916.2
Capital assets.....	(1)		(1)
Inactive loans and investments.....	94.8		94.8
Total recorded assets.....	26,199.8	4,057.8	30,257.6
Less: Reserve for losses on realization of assets.....	-546.4		-546.4
Net recorded assets.....	25,653.4	4,057.8	29,711.2
Net debt represented by excess of liabilities over net recorded assets..	17,322.4	600.0	17,922.4

(1) Shown at nominal value of \$1.

SUMMARY

The gross liabilities of the government are \$47,633 million at March 31, 1972 compared with \$42,975 million at March 31, 1971. The increase of \$4,658 million is due mainly to increases of \$2,094 million in unmatured debt and \$1,722 million in annuity, insurance and pension accounts.

Net recorded assets at \$29,711 million are \$4,058 million higher than at March 31, 1971 due mainly to increases of \$1,762 million in advances, loans and investments, \$910 million in the Canada pension plan investment fund and \$955 million in foreign exchange reserve accounts.

The net debt of Canada, or the excess of liabilities over net recorded assets, is \$17,922 million at March 31, 1972 compared with \$17,322 million at March 31, 1971.

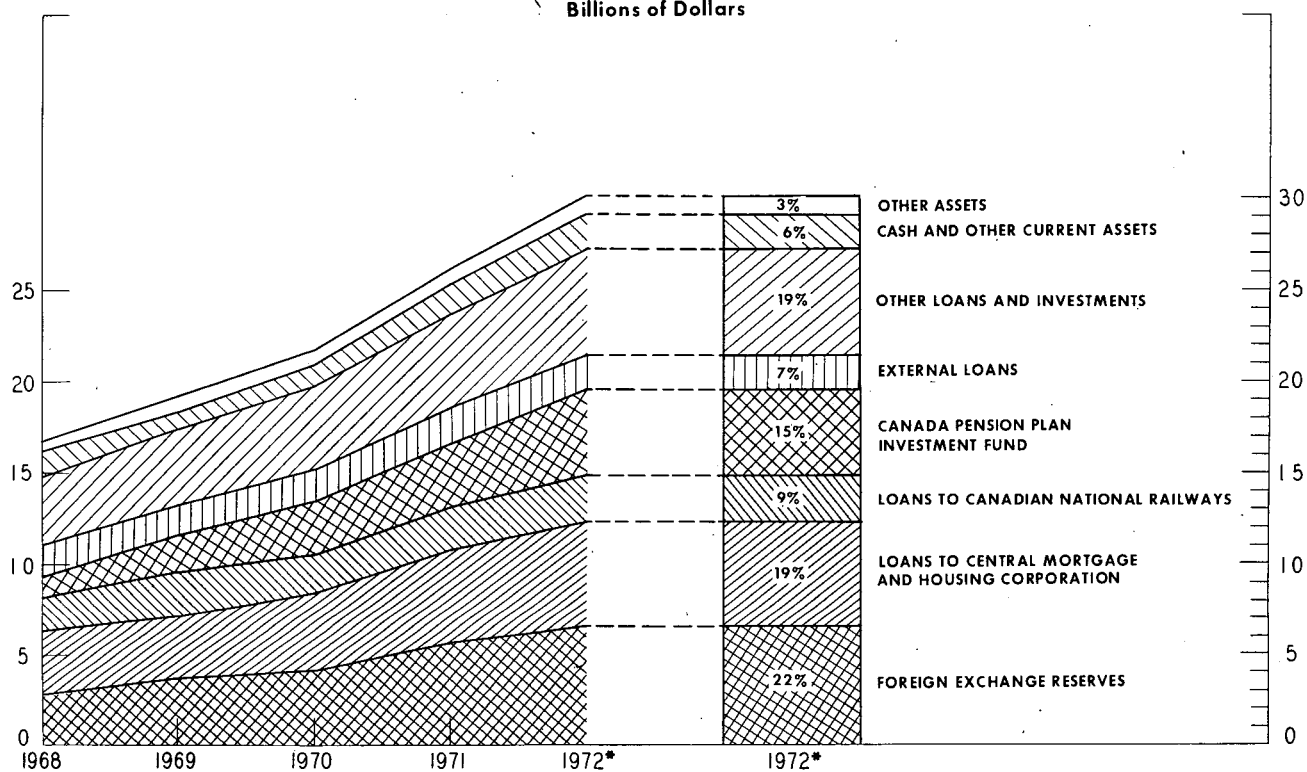
ASSET ACCOUNTS

Current assets

These accounts consist of various cash accounts and the securities investment account.

Total current assets at \$1,924 million are \$236 million more than at March 31, 1971. The main changes are an increase of \$317 million in Receiver General current deposits and a decrease of \$81 million in cash in hands of collectors and in transit.

TOTAL ASSETS
Fiscal Year Ending March 31
Billions of Dollars



* Preliminary

1. As shown on table "Summary of assets and liabilities". This chart does not reflect the reserve for losses on realization of assets.

TABLE 48
(in millions of dollars)

CURRENT ASSETS	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Cash accounts			
Receiver General current deposits—			
Canada.....	1,233.2	316.9	1,550.1
Foreign countries.....	21.7	0.3	22.0
	1,254.9	317.2	1,572.1
Receiver General special deposits—			
Canada.....	1.4		1.4
Foreign countries.....	0.2		0.2
	1.6		1.6
Other cash accounts—			
Cash in hands of collectors and in transit.....	320.7	-81.0	239.7
Moneys received after March 31 but applicable to current year..	35.6		35.6
Post Office—cash on hand and in transit.....	17.1		17.1
Miscellaneous.....	0.8		0.8
	1,630.7	236.2	1,866.9
Securities investment account.....	56.9	0.1	57.0
	1,687.6	236.3	1,923.9

Departmental working capital advances

These accounts record advances outstanding at the close of the fiscal year for working funds for certain departmental activities. The balance of \$222 million is \$6 million higher than at March 31, 1971.

Bullion and coinage consists of separate accounts for bronze, gold, nickel and silver in which are recorded transactions in respect of purchases and sales. Debits include the cost of all coin and bullion purchased from the Royal Canadian Mint. Credits represent the face value of all coin issued to, and gold bullion transferred to, the Bank of Canada and sales of silver bullion. The balances at March 31, 1972 total \$13 million compared with \$12 million at March 31, 1971.

The defence production revolving fund records the cost of materials procured for use in the manufacture of defence equipment until such time as they are billed to the Department of National Defence or sold to defence contractors for use in the manufacture of defence equipment, as well as working capital loans and advances for their production. The balance at March 31, 1972 is \$26 million, \$10 million less than at March 31, 1971.

The stockpiling of uranium concentrates account records the acquisition of uranium concentrates in accordance with contracts entered into with the approval of the Governor in Council by Eldorado Nuclear Limited on behalf of Her Majesty in right of Canada with certain mining companies. The balance of \$113 million is \$12 million more than the balance at March 31, 1971.

TABLE 49
(in millions of dollars)

DEPARTMENTAL WORKING CAPITAL ADVANCES	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Bullion and coinage.....	12.0	1.0	13.0
Canadian government supply services	2.9	6.1	9.0
Defence production revolving fund...	36.3	-10.0	26.3
Miscellaneous departmental imprest and standing advances.....	14.6		14.6
Miscellaneous departmental account- able advances.....	28.0		28.0
Stockpiling of uranium concentrates..	101.2	12.0	113.2
Transport stores account.....	8.7	-1.7	7.0
Other.....	11.9	-0.9	11.0
	215.6	6.5	222.1

Foreign exchange reserve accounts

Included in this category are those accounts which record transactions which affect Canada's holdings of international reserves. These accounts are advances to the Exchange Fund Account and Canada's subscription to the International Monetary Fund.

Advances to the Exchange Fund Account

Advances to the exchange fund are made for the purchase of gold and foreign exchange. Also included in this account are Special Drawing Rights (SDR's) issued by the International Monetary Fund.

During 1971-72 there is an estimated net increase in advances of \$846 million. Additional SDR's during the year of \$117 million bring the total SDR's to \$370 million at March 31, 1972 and an overall balance in the account to \$5,541 million compared with \$4,578 million at March 31, 1971.

Canada's subscription to the capital of the International Monetary Fund

This subscription is Canada's quota in the International Monetary Fund. In this organization, member's quotas are set in U.S. dollars and are normally paid in gold (25 per cent) and the remainder (75 per cent) in the member's currency. If the fund does not require a currency, this portion of a member's quota may be paid in the form of non-interest-bearing notes payable on demand. These notes are recorded in the government's liabilities. The balance at March 31, 1972 is \$1,141 million compared with \$1,149 million at March 31, 1971. The increase is due to revaluation adjustments.

Canada Pension Plan Investment Fund

This investment fund records securities purchased under the Canada Pension Plan and the sale of these securities. The amount by which the operating balance of the Canada Pension Plan Fund in any month exceeds the estimated amount required to meet all payments in the following three-month period is available for the purchase of securities of participating provinces; securities of Canada shall be purchased with the excess remaining after purchasing securities of each province as required. The holdings of \$4,611 million in this account are \$910 million more than at March 31, 1971.

TABLE 50
(in millions of dollars)

CANADA PENSION PLAN INVESTMENT FUND	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Securities of—			
Newfoundland.....	70.3	17.6	87.9
Nova Scotia.....	142.7	35.8	178.5
Prince Edward Island.....	13.9	3.6	17.5
New Brunswick.....	108.8	26.8	135.6
Quebec.....	12.8	6.6	19.4
Ontario.....	2,062.4	499.3	2,561.7
Manitoba.....	217.8	53.7	271.5
Saskatchewan.....	174.7	42.7	217.4
Alberta.....	341.1	87.1	428.2
British Columbia.....	535.9	131.2	667.1
Government of Canada.....	20.8	5.6	26.4
	3,701.2	910.0	4,611.2

Investments held for retirement of unmatured debt

Recorded herein are the government's holdings of the 5½ per cent loan issued August 1, 1962 and maturing August 1, 1980. These total \$11 million compared with \$7 million at the previous year-end.

Advances, loans and investments—Domestic

Balances in this category at March 31, 1972 total \$13,821 million of which \$12,004 million is in respect of crown corporations. At March 31, 1971 balances totalled \$12,191 million of which \$10,755 million were in respect of crown corporations.

TABLE 51
(in millions of dollars)

ADVANCES, LOANS AND INVESTMENTS—DOMESTIC	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Loans to, and investments in, crown corporations—			
Canada Development Corporation.....		25.0	25.0
Canadian National Railways.....	2,122.0	203.0	2,325.0
Air Canada.....	240.7	27.0	267.7
Central Mortgage and Housing Corporation.....	5,038.1	668.0	5,706.1
Farm Credit Corporation.....	1,176.8	30.0	1,206.8
The St. Lawrence Seaway Author- ity.....	618.6	54.0	672.6
Atomic Energy of Canada Limited.....	504.3	113.0	617.3
Export Development Corporation..	354.4	106.0	460.4
National Harbours Board.....	270.3	3.0	273.3
National Capital Commission (ex- cluding Greenbelt).....	23.4	1.6	25.0
Canadian Broadcasting Corporation.....	9.0		9.0
Other.....	248.5	-7.5	241.0
	10,606.1	1,223.1	11,829.2
Recovery likely to require parlia- mentary appropriations—			
Canadian Broadcasting Corpora- tion.....	111.0	26.0	137.0
National Capital Commission (Greenbelt).....	38.1	-0.1	38.0
	149.1	25.9	175.0
Loans to provincial governments.....	10,755.2	1,249.0	12,004.2
Unemployment insurance account....	360.0	109.0	469.0
Veterans Land Act Fund.....		100.0	100.0
Municipal Development and Loan Board—advances.....	492.3	12.0	504.3
Miscellaneous.....	263.6	-10.0	253.6
	320.3	170.0	490.3
	12,191.4	1,630.0	13,821.4

Canadian National Railways (including Air Canada)

Outstanding advances and loans of \$2,593 million to the Canadian National Railways (including Air Canada) are \$230 million more than at March 31, 1971.

During 1971-72 the government made available \$228 million to the Canadian National Railways and \$27 million to Air Canada and received payments of \$24 million from the C.N.R. and \$1 million from Air Canada.

The government made advances of \$177 million to the C.N.R. for capital purposes and loans of \$14 million to Air Canada for capital purposes.

To assist the C.N.R. to finance further capital expenditure during the year, the government purchased \$37 million of the 4 per cent preferred stock of the company. This stock is issued under the authority of the Canadian National Railways Capital Revision Act, 1952 in an amount equal to 3 per cent of the gross revenue of the company.

At March 31, 1971 temporary loans of \$20 million were outstanding to the C.N.R. in respect of its 1971 deficit. Additional loans of \$13 million were advanced during the year for its 1971 operations. The 1971 deficit of \$24 million will be charged to the 1971-72 budgetary expenditure by parliamentary approval leaving a balance of \$9 million.

TABLE 52
(in millions of dollars)

ADVANCES TO CANADIAN NATIONAL RAILWAYS (INCLUDING AIR CANADA)	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Canadian National Railways—			
Capital Revision Act, 1952—			
Preferred stock.....	1,204.1	36.8	1,240.9
Twenty-year obligation.....	100.0		100.0
Refunding Act, 1955.....	541.1	172.4	713.5
Financing and Guarantee Acts.....	197.4		197.4
Interim financing of income deficit.....	20.0	-11.0	9.0
Loans for maintenance, repair and acquisition of passenger equip- ment.....	1.6	-0.2	1.4
Temporary loans—acquisition of bonds.....	40.8	5.0	45.8
Canadian government railways.....	17.0		17.0
	2,122.0	203.0	2,325.0
Air Canada—			
Financing and Guarantee Acts.....	239.8	14.0	253.8
Interim financing.....	0.9	13.0	13.9
	240.7	27.0	267.7
	2,362.7	230.0	2,592.7

TABLE 53
(in millions of dollars)

ADVANCES TO, AND REPAYMENTS BY, CANADIAN NATIONAL RAILWAYS (INCLUDING AIR CANADA)	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (prelim- inary)	
Advances—			
Purchase of CNR preferred stock..	33.5	36.8	3.3
Temporary loans to CNR.....	9.5	5.0	-4.5
Refunding of debt (CNR).....	40.0	172.4	132.4
Financing and Guarantee Acts (Air Canada).....	117.0	14.0	-103.0
Interim financing—			
Air Canada.....	3.9	13.9	10.0
Canadian National Railways.....	22.0	13.2	-8.8
	225.9	255.3	29.4
Repayments—			
Maintenance, repair and acquisition of passenger equipment.....	-0.4	-0.2	0.2
Interim financing—			
Air Canada.....	-9.6	-0.9	8.7
Canadian National Railways.....	-12.0	-24.2	-12.2
	-22.0	-25.3	-3.3
	203.9	230.0	26.1

At March 31, 1971 temporary loans of \$1 million were outstanding to Air Canada in respect of its 1971 operations and have been repaid by the company. An additional \$14 million was advanced during the year for its 1971 operations.

Central Mortgage and Housing Corporation

The balance of \$5,706 million at March 31, 1972 is \$668 million more than at March 31, 1971. Loans and advances of \$870 million are partly offset by repayments of \$202 million.

Advances include \$731 million for direct lending, limited dividend and public housing, \$61 million for sewage treatment projects, \$39 million for university housing projects, \$31 million for federal-provincial projects and \$8 million for urban renewal.

Repayments include \$172 million for direct lending, limited dividend and public housing, \$19 million for sewage treatment, \$6 million for federal-provincial projects and \$1 million for university housing projects.

TABLE 54
(in millions of dollars)

ADVANCES TO CENTRAL MORTGAGE AND HOUSING CORPORATION	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Direct lending, limited dividend and public housing.....	4,129.0	559.0	4,668.0
Federal-provincial projects—housing..	228.8	25.4	254.2
Loan and mortgage fund.....	4.7	-0.2	4.5
Municipal sewage treatment.....	236.2	41.8	278.0
University housing.....	339.1	37.1	376.2
Housing projects.....	60.5	-2.3	58.2
Urban renewal.....	14.8	7.2	22.0
Capital stock.....	25.0		25.0
	5,038.1	668.0	5,706.1

TABLE 55
(in millions of dollars)

ADVANCES TO, AND REPAYMENTS BY, CENTRAL MORTGAGE AND HOUSING CORPORATION	Fiscal year ended March 31		Increase or decrease (-)
	1971	1972 (prelim- inary)	
Advances—			
Direct lending, limited dividend and public housing.....	579.0	731.1	152.1
University housing projects.....	30.0	38.5	8.5
Federal-provincial projects.....	9.0	31.5	22.5
Urban renewal.....	61.0	8.0	-53.0
Housing projects.....	63.0		-63.0
Municipal sewage treatment.....		61.0	61.0
	742.0	870.1	128.1
Repayments—			
Direct lending, limited dividend and public housing.....	-122.6	-172.1	-49.5
University housing projects.....	-6.8	-1.4	5.4
Federal-provincial projects.....	-0.5	-6.1	-5.6
Urban renewal.....	-1.9	-0.8	1.1
Housing projects.....	-11.4	-2.3	9.1
Sewage treatment projects.....	-2.3	-19.2	-16.9
Loan and mortgage purchase fund..	-0.2	-0.2	
	-145.7	-202.1	-56.4
	596.3	668.0	71.7

Farm Credit Corporation

The government provides loans to the corporation which makes loans on farm property. The balance of \$1,207 million consists of the crown's investment of \$46 million in the corporation and \$1,161 million in loans. At March 31, 1971 the balance of \$1,177 million consisted of \$45 million capital and \$1,132 million in loans.

The St. Lawrence Seaway Authority

Outstanding obligations of \$673 million in this account consist of \$506 million in interest-bearing loans, \$75 million in interest-free loans and \$92 million in deferred interest. At March 31, 1971 outstanding obligations were \$619 million and consisted of \$460 million in interest-bearing loans, \$75 million in interest-free loans and \$84 million in deferred interest.

Atomic Energy of Canada Limited

The balance of \$617 million compared with \$504 million at March 31, 1971. Included in these balances is \$15 million in capital stock.

Export Development Corporation

The outstanding balance of \$460 million in this account includes \$15 million in capital stock, \$15 million for working capital and \$430 million for loans under section 29A of the Export Development Act. Comparable amounts at March 31, 1971 were \$15 million in capital stock, \$15 million in working capital and \$324 million for loans.

National Harbours Board

Expenditures for capital purposes at harbour sites under the jurisdiction of the National Harbours Board fall into two general categories: (a) non-active loans charged to the net debt of Canada, and (b) investments included in the active assets of the Government of Canada.

At March 31, 1972 active assets of \$273 million are \$3 million more than at March 31, 1971.

National Capital Commission

Outstanding loans to the Commission to acquire property total \$63 million, of which \$38 million is in respect of the "Greenbelt" section of the National Capital Area. These latter loans are likely to require parliamentary appropriations in subsequent fiscal years. At March 31, 1971 outstanding loans were \$61 million of which \$38 million was for "Greenbelt" property.

Canadian Broadcasting Corporation

There is no change in the working capital, the balance remaining at \$9 million. Loans to the Corporation for capital purposes total \$137 million compared with \$111 million at March 31, 1971. Recovery of these loans is likely to require parliamentary appropriations in subsequent fiscal years.

Other domestic loans

Loans to provincial governments in the amount of \$469 million are \$109 million higher than the March

31, 1971 balance. The increase is due mainly to the Federal-Provincial Loans Program, 1971 for the purpose of assisting in the creation of employment. Advances under the Veterans Land Act at \$504 million are \$12 million more than at March 31, 1971, advances under the Municipal Development and Loan Act at \$254 million are \$10 million less than at March 31, 1971 and advances of \$100 million to the unemployment insurance account were made in 1971-72 for which there were no comparable amounts in the previous fiscal year.

Advances, loans and investments—External

Balances in this category total \$1,839 million compared with \$1,707 million at March 31, 1971.

The United Kingdom repaid \$21 million of the \$1,185 million loan made under the United Kingdom Financial Agreement Act, 1946, reducing the principal to \$997 million at March 31, 1972.

Advances under Part II of the Export Credits Insurance Act to Belgium, France and The Netherlands to assist them in the purchasing of goods in Canada are reduced by payments of \$2 million by Belgium, \$8 million by France and \$5 million by The Netherlands bringing the balance to \$85 million at March 31, 1972.

TABLE 56
(in millions of dollars)

ADVANCES, LOANS AND INVESTMENTS—EXTERNAL	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Loans to national governments—			
United Kingdom.....	1,017.7	-20.9	996.8
France.....	59.2	-8.5	50.7
The Netherlands.....	27.5	-4.5	23.0
Belgium.....	13.8	-2.3	11.5
Special loan assistance to develop- ing countries.....	287.7	144.0	431.7
Other.....	0.2		0.2
	1,406.1	107.8	1,513.9
Canada's subscription to capital of—			
Asian Development Bank.....	13.4		13.4
Caribbean Development Bank.....	1.8		1.8
International Bank for Reconstruc- tion and Development.....	85.0		85.0
International Development Associ- ation.....	164.7	50.0	214.7
International Finance Corporation...	3.5		3.5
	268.4	50.0	318.4
Working capital advances and loans to international organizations.....	6.6		6.6
Investments in United States dollar securities issued by other than the Government of Canada.....	25.8	-25.8	
	1,706.9	132.0	1,838.9

Special loan assistance to developing countries increased by \$144 million during the year to \$432 million and Canada's subscriptions to the capital of international organizations increased by \$50 million to \$318 million.

Securities held in trust

Recorded herein are the security holdings in connection with various deposit and trust, and annuity, insurance and pension accounts. The balance at March 31, 1972 is \$135 million compared with \$125 million at March 31, 1971.

Deferred charges

These consist of the unamortized balances of actuarial deficiencies in the superannuation accounts and unamortized loan flotation costs. The balances in these accounts total \$916 million compared with \$744 million at March 31, 1971.

Unamortized portions of actuarial deficiencies

These accounts record the unamortized portions of the actuarial deficiencies in the superannuation accounts in respect of the public service, the Canadian forces and the Royal Canadian Mounted Police. Actuarial evaluations are made quinquennially, the next of which is being made as at December 31, 1970 for the Canadian forces superannuation account, as at December 31, 1972 for the public service superannuation account and as at December 31, 1969 for the RCMP superannuation account. Any actuarial deficiencies revealed when the evaluation is made will be credited to the superannuation account and charged to unamortized actuarial deficiencies and amortized to budgetary expenditure in five equal annual instalments commencing in the fiscal year in which the credit has been made to the superannuation account. Also, the cost for benefits payable under the superannuation acts as a result of the authorization of salary increases is credited to the superannuation accounts and charged to unamortized actuarial deficiencies and amortized over a period of five years commencing in the year in which the increase is authorized.

The unamortized portion of the actuarial deficiency in the public service superannuation account is \$400 million compared with \$311 million at March 31, 1971. During the year \$240 million was charged thereto as a result of salary increases and \$151 million was amortized as a charge to budgetary expenditure of which \$65 million was charged to interest on public debt.

The unamortized portion of the actuarial deficiency in the Canadian forces superannuation account is \$331 million compared with \$227 million at March 31, 1971. During the year \$229 million was charged thereto as a result of salary increases and \$125 million was amortized to budgetary expenditure of which \$59 million was charged to interest on public debt.

The unamortized portion of the actuarial deficiency in the RCMP superannuation account is \$17 million compared with \$30 million at March 31, 1971. During the year \$13 million was amortized to budgetary expenditure of which \$3 million was charged to interest on public debt.

TABLE 57
(in millions of dollars)

DEFERRED CHARGES	Balance at March 31, 1971	Net transactions 1971-72 (preliminary)	Balance at March 31, 1972 (preliminary)
Unamortized portions of actuarial deficiencies—			
Superannuation accounts—			
Public service.....	311.2	89.1	400.3
Canadian forces.....	227.2	103.9	331.1
Royal Canadian Mounted Police.....	30.0	-12.9	17.1
	568.4	180.1	748.5
Unamortized loan flotation costs.....	175.2	-7.5	167.7
	743.6	172.6	916.2

Unamortized loan flotation costs

This account records the residual balances of discounts, commissions, redemption bonuses and conversion premiums on loan flotations that have not been charged to budgetary expenditure. The balance of \$168 million is \$7 million less than at March 31, 1971.

Cost of new loans issued during 1971-72 and charged to the account total \$72 million, of which \$32 million in respect of treasury bills discounts will be charged to interest on public debt in 1972-73. Credits to the account were \$79 million, of which \$45 million is a charge to the budgetary expenditure category "annual amortization costs" and \$34 million (representing discount applicable to 1971-72 on treasury bills issued in 1970-71) is a charge to the budgetary expenditure category "interest on public debt".

TABLE 58
(in millions of dollars)

	Fiscal year ended March 31	
	1971	1972 (preliminary)
Balance at beginning of year.....	182.8	175.2
New loan flotation costs to be amortized—		
7% May 1, 1970—February 1, 1971....	0.5	
7½% May 1, 1970—April 1, 1975.....	2.1	
7% May 1, 1970—September 1, 1977....	1.6	
6½% July 1, 1970—April 1, 1972.....	0.6	
6½% July 1, 1970—July 1, 1973.....	1.1	
7½% July 1, 1970—July 1, 1975.....	3.4	
7½% August 15, 1970—December 15, 1975.....	1.8	
6½% October 1, 1970—July 1, 1973....	0.3	
5½% December 15, 1970—December 15, 1972.....	0.3	
6% December 15, 1970—June 15, 1974....	0.9	
6½% February 15, 1971—February 15, 1989.....	2.4	
Adjustments.....	0.6	
Treasury bills discounts.....	34.5	32.0
Canada savings bonds.....	18.0	22.1
5½% August 1, 1971—December 1, 1974.....		1.1
5½% August 1, 1971—December 15, 1972.....		0.1
5% April 1, 1971—April 1, 1974.....		1.4
5½% April 1, 1971—October 1, 1976....		5.2
6½% April 1, 1971—April 1, 1980.....		2.9
5½% June 1, 1971—June 1, 1976.....		1.7
6½% June 1, 1971—June 1, 1979.....		1.4
6½% August 1, 1971—August 1, 1976....		1.0
5½% October 1, 1971—December 1, 1973.....		0.1
4½% December 1, 1971—December 1, 1974.....		0.5
5½% December 15, 1971—December 15, 1979.....		2.4
	68.1	71.9
Less—		
Amortization charges—		
Canada savings bonds and general loans.....	-38.7	-44.8
Discounts on treasury bills charged to interest on public debt.....	-37.0	-34.6
	-75.7	-79.4
Increase or decrease (—) during year...	-7.6	-7.5
Balance at end of fiscal year.....	175.2	167.7

Capital assets

Assets of the government such as land, buildings, works and equipment, etc. that are charged to budgetary expenditure at the time of acquisition or construction, are included in this category and are shown on the statement of assets and liabilities at a nominal value of \$1.

Inactive loans and investments

Loans and investments which are not currently revenue-producing or realizable are recorded herein. Included are the loans of \$49 million to China under the Export Credits Insurance Act, loans totalling \$24 million and \$7 million made to Roumania and Greece, respectively, in 1919-20 and 1920-21 and advances of \$15 million in respect of the implementation of guarantees (Ming Sung Industrial Company Limited).

Reserve for losses on realization of assets

There has been no change in this reserve since the fiscal year 1956-57. The balance is \$546 million.

NET DEBT

The net debt of Canada, or the excess of liabilities over net recorded assets, is estimated at \$17,922

million as at March 31, 1972 compared with \$17,322 million at March 31, 1971. The increase of \$600 million reflects the 1971-72 budgetary deficit.

LIABILITY ACCOUNTS

Current and demand liabilities

These liabilities, which consist of obligations of government payable currently or on demand, total \$2,626 million compared with \$2,135 million at March 31, 1971.

Outstanding cheques at \$630 million are the same as at March 31, 1971 and accounts payable at \$696 million are \$114 million more than at the previous fiscal year-end.

Interest due and outstanding at \$575 million is \$249 million higher and interest accrued at \$560 million is \$64 million higher than at March 31, 1971.

TOTAL LIABILITIES
Fiscal Years Ending March 31
Billions of Dollars

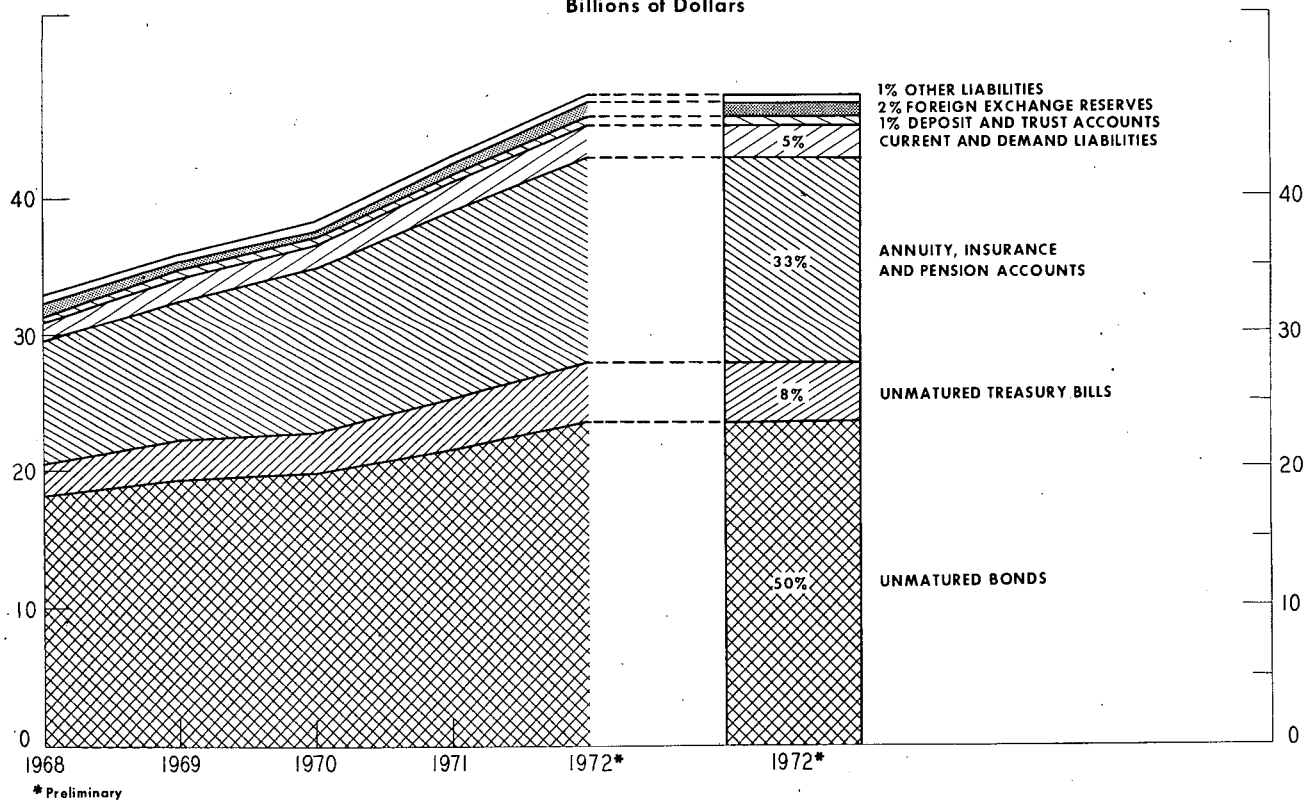


TABLE 59
(in millions of dollars)

CURRENT AND DEMAND LIABILITIES	Balance at March 31, 1971	Net transactions 1971-72 (preliminary)	Balance at March 31, 1972 (preliminary)
Outstanding cheques.....	630.3		630.3
Accounts payable.....	582.3	114.0	696.3
Non-interest-bearing notes payable to international organizations.....	7.1	50.0	57.1
Interest accrued.....	495.6	64.0	559.6
Interest due and outstanding.....	325.6	249.0	574.6
Matured debt outstanding.....	32.7		32.7
Other.....	61.6	14.0	75.6
	2,135.2	491.0	2,626.2

Foreign exchange reserve accounts

Included herein are \$770 million in non-interest-bearing notes issued to the International Monetary Fund to cover that portion of the government's subscription to the IMF not required in cash, and \$370 million to cover Canada's liability for Special Drawing Rights issued by the IMF. At March 31, 1971 comparative figures were \$635 million in notes and \$253 million in respect of SDR's.

TABLE 60
(in millions of dollars)

DEPOSIT AND TRUST ACCOUNTS	Balance at March 31, 1971	Net transactions 1971-72 (preliminary)	Balance at March 31, 1972 (preliminary)
Deposit accounts—			
Provincial tax collection agreements account.....	86.7	115.0	201.7
Guarantee deposits.....	119.3	15.7	135.0
Crown corporations deposits.....	38.0	11.0	49.0
Contractors holdbacks.....	15.9	0.1	16.0
Canadian Dairy Commission.....	19.7	-2.0	17.7
National Harbours Board.....	23.9		23.9
Instalment purchase of bonds, public service.....	17.7		17.7
Other.....	19.6	-3.0	16.6
	340.8	136.8	477.6
Trust accounts—			
Indian band funds.....	31.0	-1.0	30.0
Canadian Pension Commission.....	13.3	-0.3	13.0
Prairie Farm Emergency Fund.....	15.2	-2.2	13.0
Veterans Care Trust Fund.....	9.8	-0.4	9.4
Other.....	29.1	-2.2	26.9
	98.4	-6.1	92.3
	439.2	130.7	569.9

Deposit and trust accounts

Sundry funds deposited with, or held in trust by, the Receiver General for Canada for various purposes are recorded in these accounts. Total balances of \$570 million are \$131 million higher than at March 31, 1971.

The main change is an increase of \$115 million in the provincial tax-collection agreements account bringing the balance in the account to \$202 million at March 31, 1972. During the year collections of provincial income tax credited to the account totalled \$2,138 million and payments to provinces charged to the account were \$2,023 million.

Annuity, insurance and pension accounts

This category records the government's liability in respect of various annuity, insurance and pension accounts. These fall into two classes: social security accounts, which are the Canada Pension Plan Fund, the Old Age Security Fund and the Unemployment Insurance Account; and other accounts which include the superannuation accounts, the government annuities account and sundry insurance accounts.

TABLE 61
(in millions of dollars)

ANNUITY, INSURANCE AND PENSION ACCOUNTS	Balance at March 31, 1971	Net transactions 1971-72 (preliminary)	Balance at March 31, 1972 (preliminary)
Social security accounts—			
Unemployment Insurance Account ⁽¹⁾	351.3	-336.3	15.0
Less investments in bonds and accrued interest.....	-326.3	326.3	
On deposit with Receiver General.....	25.0	-10.0	15.0
Canada Pension Plan Account.....	3,843.6	934.0	4,777.6
Old Age Security Fund.....	728.4	-86.0	642.4
	4,597.0	838.0	5,435.0
Superannuation accounts—			
Public service.....	3,990.0	487.0	4,477.0
Canadian forces.....	3,570.7	388.0	3,958.7
Royal Canadian Mounted Police....	199.7	23.0	222.7
	7,760.4	898.0	8,658.4
Government annuities.....	1,313.8	-13.8	1,300.0
Miscellaneous.....	131.5		131.5
	13,802.7	1,722.2	15,524.9

⁽¹⁾Formerly the Unemployment Insurance Fund.

Unemployment Insurance Account

The Unemployment Insurance Act, 1971, authorized the establishment in the accounts of Canada of an account to be known as the Unemployment Insurance Account and that the balance of the amount standing to the credit of the Unemployment Insurance Fund under the former Act on June 27, 1971, together with interest accrued thereon to that day, be credited thereto.

The Act also provides that all amounts received under the Act as or on account of premiums, fines, penalties, interest and repayment of overpayments of benefits, and all amounts collected by the Commission for services rendered to other government departments or agencies or the public, shall be paid into the Consolidated Revenue Fund and shall be credited to the Unemployment Insurance Account; that any other amounts provided out of the Consolidated Revenue Fund for any purpose related to unemployment insurance that is authorized by an appropriation by Parliament and the administration of which falls to the Commission shall be credited to the Unemployment Insurance Account; that the

Minister of Finance may authorize, in accordance with such terms and conditions and at such rates as he may prescribe, the payment of interest on the balance in the Unemployment Insurance Account, and such interest shall be credited to the account; and that there shall be charged to the account all amounts paid as or on account of benefits under this Act and the costs of administration of the Act.

The balance in the Unemployment Insurance Fund at March 31, 1971 was \$351 million and consisted of \$25 million on deposit with the Receiver General and \$326 million in investments in Government of Canada securities plus accrued interest. As at June 27, 1971 the balance in the Fund was \$272 million and consisted of \$15 million on deposit with the Receiver General, \$21 million on deposit with chartered banks and \$236 million in investments in Government of Canada securities plus accrued interest. As of June 27, 1971 the investments were liquidated and the balance in the Fund (\$272 million) was transferred to the Unemployment Insurance Account. Subsequent transactions during the year bring the balance in the account as at March 31, 1972 to \$15 million.

TABLE 62
(in millions of dollars)

UNEMPLOYMENT INSURANCE ACCOUNT ⁽¹⁾	Fiscal year ended March 31				
	1968	1969	1970	1971	1972 (preliminary)
Receipts—					
Contributions—					
Employees and employers.....	347.4	433.1	491.8	495.2	573.0
Government.....	69.5	86.6	98.4	99.0	90.0
Net income from investments.....	15.9	18.9	27.5	29.2	14.0
Advance from government.....					100.0
Other income ⁽²⁾	-4.3	-0.9	5.3	6.2	32.0
	428.5	537.7	623.0	629.6	809.0
Disbursements—					
Benefit payments.....	-388.6	-459.1	-542.1	-758.1	-1,122.0
Administration costs.....					-23.3
Excess of receipts or disbursements (-).....	39.9	78.6	80.9	-128.5	-336.3
Balance at beginning of year.....	280.4	320.3	398.9	479.8	351.3
Balance at end of year.....	320.3	398.9	479.8	351.3	15.0
Investment in bonds and accrued interest.....	-303.9	-386.8	-468.0	-326.3	
Balance on deposit with the Receiver General.....	16.4	12.1	11.8	25.0	15.0

⁽¹⁾Prior to June 27, 1971 this account was known as the Unemployment Insurance Fund.

⁽²⁾This item is mainly the change in unredeemed warrants and deposits from employers.

Canada Pension Plan Account

The balance of \$4,778 million is \$934 million higher than the March 31, 1971 balance of \$3,844 million.

Credits to the account of \$1,101 million include \$826 million in contributions under the Act, \$270 million in interest from investments and \$5 million in interest on the operating balance on deposit with the Receiver General. Charges of \$167 million include \$144 million in benefit payments. In 1970-71 receipts were \$1,024 million and disbursements were \$112 million of which \$92 million were benefit payments.

The amount by which the operating balance in the account in any month exceeds the estimated amount required to meet all payments in the following three-month period is available for the purchase of securities of participating provinces. Securities of Canada shall be purchased with the excess remaining after purchasing securities of each province as required. It is estimated that securities totalling \$910 million will have been purchased bringing the balance to \$4,611 million at March 31, 1972.

TABLE 63
(in millions of dollars)

CANADA PENSION PLAN ACCOUNT	Fiscal year ended March 31				
	1968	1969	1970	1971	1972 (preliminary)
Receipts—					
Contributions.....	640.2	698.0	745.7	812.4	826.0
Interest on investments.....	42.2	84.4	139.7	206.9	270.0
Interest on operating balance.....	1.4	2.4	3.8	4.0	4.6
Other.....	0.9	0.2	0.4	0.4	0.4
	684.7	785.0	889.6	1,023.7	1,101.0
Disbursements—					
Benefit payments.....	-1.3	-15.6	-47.4	-91.9	-144.0
Administration expenses.....	-11.5	-14.4	-17.7	-20.5	-23.0
	-12.8	-30.0	-65.1	-112.4	-167.0
Excess of receipts over payments.....	671.9	755.0	824.5	911.3	934.0
Balance in account brought forward.....	680.9	1,352.8	2,107.8	2,932.3	3,843.6
Balance at credit of account.....	1,352.8	2,107.8	2,932.3	3,843.6	4,777.6
Less investments in securities held in the Canada Pension Plan investment fund.....	-1,280.8	-2,023.0	-2,832.8	-3,701.3	-4,611.2
Operating balance on deposit with the Receiver General.....	72.0	84.8	99.5	142.3	166.4

Old Age Security Fund

The Old Age Security Act, 1951, directed that this fund be established and that credits to the fund should consist of a 2 per cent sales tax, a 2 per cent (maximum tax \$60) on individual incomes and a 2 per

cent tax on corporation incomes, and that pension payments of \$40 per month be paid to all eligible persons over 70 years of age. Payments were effective from January 1952.

Amendments to the Act have increased these tax rates: on individual incomes to 4 per cent effective January 1, 1964 (maximum tax \$120 increased to \$240 effective January 1, 1967); on corporation incomes to 3 per cent effective January 1, 1959; and on sales to 3 per cent effective April 10, 1959.

The Old Age Security Act was amended effective January 1, 1972 to provide for the repeal of these taxes and for the crediting to the fund of an amount estimated to be equal to what would have been credited to the fund had those taxes not been repealed.

Pension rates also have increased by amendments to the Act to \$75 per month effective October 1, 1963, to \$76.50 per month effective January 1, 1968, to \$78 per month effective January 1, 1969, to \$79.58 effective January 1, 1970, and to \$80 effective January 1, 1971.

The Act was further amended to authorize pension payments effective January 1966 to all persons who had satisfied the residence requirements of the Act who had attained the age of 69 years on or before January 1, 1966; the age limit being reduced by one year on January 1st

of each subsequent year until 1970. A further amendment in 1966-67 authorized the payment of a monthly guaranteed income supplement to eligible pensioners. The amount of the supplement that may be paid to a pensioner for a month is 40 per cent of the amount of the pension that may be paid to him for that month dependent upon the amount of his income for the preceding year. The most recent amendment in 1970 fixed the maximum basic supplement at \$55 per month for 1971 but provided that this maximum would be increased each year so that the combination of the universal payment of \$80 and the supplement would be increased by the same percentage as the index under the Canada Pension Plan.

During 1971-72 pension payments of \$2,206 million exceed receipts of \$2,120 million by \$86 million reducing the balance in the account to \$642 million at March 31, 1972. Receipts consist of \$670 million from sales tax, \$1,237 million from the tax on personal incomes and \$213 million from the tax on corporation income. In 1970-71 receipts of \$1,914 million exceeded payments of \$1,907 million.

TABLE 64
(in millions of dollars)

OLD AGE SECURITY FUND	Fiscal year ended March 31				
	1968	1969	1970	1971	1972 (preliminary)
Receipts—					
Sales tax.....	544.5	528.1	577.4	573.8	670.0
Personal income tax.....	800.1	915.0	1,026.5	1,132.5	1,237.0
Corporation income tax.....	150.0	183.0	227.1	207.9	213.0
	1,494.6	1,626.1	1,831.0	1,914.2	2,120.0
Disbursements—					
Pension payments.....	-1,153.3	-1,296.8	-1,467.0	-1,634.2	-1,681.0
Guaranteed income supplement.....	-234.8	-244.5	-263.5	-273.0	-525.0
	-1,388.1	-1,541.3	-1,730.5	-1,907.2	-2,206.0
Excess of receipts over disbursements.....	106.5	84.8	100.5	7.0	-86.0
Balance in fund brought forward.....	429.6	536.1	620.9	721.4	728.4
Balance at credit of fund.....	536.1	620.9	721.4	728.4	642.4

TABLE 65
(in millions of dollars)

OLD AGE SECURITY PAYMENTS ⁽¹⁾	Fiscal year ended March 31		Increase or decrease (—)
	1971	1972 (preliminary)	
Newfoundland.....	39.7	47.0	7.3
Nova Scotia.....	83.0	96.8	13.8
Prince Edward Island.....	14.7	17.1	2.4
New Brunswick.....	62.7	73.1	10.4
Quebec.....	464.5	546.4	81.9
Ontario.....	681.1	777.1	96.0
Manitoba.....	106.5	122.7	16.2
Saskatchewan.....	104.7	120.8	16.1
Alberta.....	129.9	150.5	20.6
British Columbia.....	218.8	252.8	34.0
Northwest and Yukon Territories....	1.6	1.7	0.1
	1,907.2	2,206.0	298.8

⁽¹⁾Includes \$525 million in 1971-72 and \$273 million in 1970-71 for guaranteed income supplement.

TABLE 66
(in millions of dollars)

PUBLIC SERVICE SUPERANNUATION ACCOUNT	Fiscal year ended March 31				
	1968	1969	1970	1971	1972 (preliminary)
Receipts—					
Contributions—					
Employees—					
Government.....	66.0	71.6	84.9	88.1	95.0
Crown corporations.....	5.2	5.1	5.3	7.4	7.6
Government.....	59.6	66.0	73.5	85.6	88.0
Crown corporations.....	5.0	4.8	5.3	6.6	7.4
Interest.....	110.9	118.0	131.0	147.7	162.4
Actuarial liability.....	21.5	121.0	215.1	161.8	244.2
Other.....	2.2	3.0	1.8	1.1	1.4
	270.4	389.5	516.9	498.3	606.0
Disbursements—					
Annuities.....	-68.2	-74.7	-83.3	-95.0	-105.5
Withdrawals of contributions.....	-10.8	-10.3	-10.5	-11.4	-12.0
Other.....	-5.1	-1.9	-2.1	-1.3	-1.5
	-84.1	-86.9	-95.9	-107.7	-119.0
Excess of receipts over disbursements.....	186.3	302.6	421.0	390.6	487.0
Balance in account brought forward.....	2,689.5	2,875.8	3,178.4	3,599.4	3,990.0
Balance at credit of account.....	2,875.8	3,178.4	3,599.4	3,990.0	4,477.0

Canadian Forces Superannuation Account

The balance of \$3,959 million in this account reflects an increase of \$388 million during 1971-72.

Receipts of \$489 million include \$41 million in contributions by personnel, \$74 million in contributions by the government, \$145 million in interest and \$229 million to provide for additional liabilities arising from salary increases. Government contributions are

The Public Service Superannuation Account

The balance of \$4,477 million in this account is \$487 million higher than at March 31, 1971. Receipts of \$606 million include employees contributions of \$103 million, the government's contribution of \$88 million, interest of \$163 million, \$240 million to provide for additional liabilities arising from salary increases and contributions of \$7 million by crown corporations. Contributions by the government and crown corporations are equal to the estimated current and prior service payments by individuals in 1970-71. Disbursements of \$119 million include \$106 million for payment of annuities and \$12 million for withdrawal of contributions.

made at the rate of $1\frac{1}{5}$ times the current and prior service contributions by personnel.

Disbursements of \$101 million include \$94 million in pensions and retiring allowances and \$7 million in cash termination allowances and return of contributions.

In 1970-71 receipts totalled \$353 million and disbursements totalled \$89 million.

TABLE 67
(in millions of dollars)

CANADIAN FORCES SUPERANNUATION ACCOUNT	Fiscal year ended March 31				
	1968	1969	1970	1971	1972 (preliminary)
Receipts—					
Contributions—					
Personnel.....	33.1	33.9	38.7	39.2	41.0
Government.....	58.4	57.0	65.6	70.4	73.8
Interest.....	105.2	112.1	124.4	135.6	145.0
Actuarial liability.....		159.6	129.0	107.5	228.9
Other.....	1.4		0.1	0.1	0.1
	198.1	362.6	357.8	352.8	488.8
Disbursements—					
Pensions and retiring allowances.....	-45.7	-55.2	-67.4	-81.3	-93.5
Cash termination allowances and return of contributions..	-6.0	-7.0	-7.5	-7.2	-7.1
Other.....	-0.1	-0.1	-0.1	-0.1	-0.1
	-51.8	-62.3	-75.0	-88.6	-100.7
Excess of receipts over disbursements.....	146.3	300.3	282.8	264.2	388.1
Balance in account brought forward.....	2,577.0	2,723.3	3,023.6	3,306.4	3,570.6
Balance at credit of account.....	2,723.3	3,023.6	3,306.4	3,570.6	3,958.7

Royal Canadian Mounted Police Superannuation Account

The balance of \$223 million in this account is \$23 million higher than at March 31, 1971. Receipts of \$25 million include \$6 million in contributions by personnel, \$8 million in interest, and \$11 million in government's contribution. Government contributions

are made at the rate of $1\frac{1}{5}$ times the current and prior service contributions by personnel.

Disbursements of \$2 million consisted of annuities, allowances, cash termination allowances and return of contributions.

In 1970-71 receipts were \$35 million and disbursements were \$2 million.

TABLE 68
(in millions of dollars)

ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACCOUNT	Fiscal year ended March 31				
	1968	1969	1970	1971	1972 (preliminary)
Receipts—					
Contributions—					
Personnel.....	2.8	3.4	4.2	5.2	6.0
Government.....	4.2	6.6	7.4	9.1	11.3
Interest.....	3.5	4.5	5.5	6.9	8.0
Actuarial liability.....	10.1	12.7	19.2	14.2	
	20.6	27.2	36.3	35.4	25.3
Disbursements—					
Annuities and allowances.....	-0.8	-0.9	-1.0	-1.2	-2.0
Cash termination allowances and return of contributions..	-0.2	-0.2	-0.3	-0.3	-0.3
	-1.0	-1.1	-1.3	-1.5	-2.3
Excess of receipts over disbursements.....	19.6	26.1	35.0	33.9	23.0
Balance in account brought forward.....	85.1	104.7	130.8	165.8	199.7
Balance at credit of account.....	104.7	130.8	165.8	199.7	222.7

Government Annuities Account

The balance of \$1,300 million is \$14 million less than the balance of \$1,314 million at March 31, 1971.

Undisbursed balances of appropriations to special accounts

This category records the undisbursed balances of appropriations to special accounts from which disbursements may be made for authorized purposes. They fall into two classes. The first of these, comprising the majority of the accounts, consists of cases where parliament has appropriated moneys for specific purposes. The other class consists of accounts to which is credited moneys received from the sale of materials, supplies, equipment, land, works and buildings and which are available for purposes of the Department of National Defence.

The balance of \$192 million is \$74 million less than at March 31, 1971.

The main changes are decreases of \$62 million in the reserve for salary revisions and \$15 million in the reserve for wheat inventory reduction payments.

TABLE 69
(in millions of dollars)

UNDISBURSED BALANCES OF APPROPRIATIONS TO SPECIAL ACCOUNTS	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Reserve for wheat inventory pay- ments.....	42.4	-15.4	27.0
Reserve for salary revisions.....	99.2	-62.0	37.2
International assistance account.....	82.6	5.0	87.6
Surplus crown assets.....	23.0	-4.0	19.0
Railway grade crossing fund.....	3.4	2.0	5.4
National capital fund.....	13.5		13.5
Other.....	2.5		2.5
	266.6	-74.4	192.2

Refundable corporation tax

This account recorded the refundable corporation tax on cash profits of businesses paid by all corporations not exempt from tax under section 62 of the Income Tax Act and by certain types of trusts on specified types of income.

The balance of \$3 million at March 31, 1971 was repaid during 1971-72.

Provision for compound interest on Canada savings bonds

This account records the estimated amount for the prorated provision for the special compound interest feature applicable to certain Canada savings bonds. The balance of \$54 million is \$35 million higher than at March 31, 1971.

Deferred credits

Recorded in these accounts are amounts due to the government in respect of which payment is deferred. These are contra accounts to corresponding items under the asset categories "advances, loans and investments".

The balance of \$226 million is \$9 million more than at March 31, 1971.

TABLE 70
(in millions of dollars)

DEFERRED CREDITS	Balance at March 31, 1971	Net trans- actions 1971-72 (prelim- inary)	Balance at March 31, 1972 (prelim- inary)
Deferred interest—			
United Kingdom Financial Agree- ment Act.....	101.1		101.1
The St. Lawrence Seaway Author- ity.....	84.1	7.9	92.0
Northern Canada Power Commis- sion.....	16.9	0.8	17.7
Atomic Energy of Canada Limited.	0.2		0.2
	202.3	8.7	211.0
Balances receivable under agreements of sale of crown assets.....	0.2		0.2
Crown Assets Disposal Corporation..	12.6	0.2	12.8
Unamortized premium on loans.....	1.7	0.3	2.0
	216.8	9.2	226.0

Suspense accounts

These consist of balances where some uncertainty as to disposition exists. The balance of \$5 million is \$1 million more than at March 31, 1971.

Unmatured debt

The unmaturred debt of Canada at \$27,295 million as at March 31, 1972 is comprised of \$26,959 million payable in Canadian dollars, \$262 million payable in U.S. dollars and \$74 million payable in German deutsche marks.

At March 31, 1971 unmaturred debt was \$25,201 million and was comprised of \$24,864 million payable in Canadian dollars, \$263 million payable in United States dollars and \$74 million payable in German deutsche marks.

Details of the various loan transactions resulting in the net increase are described more fully in the section "The Public Debt".

TABLE 71
(in millions of dollars)

UNMATURED DEBT	Balance at March 31, 1971	Net transactions 1971-72 (preliminary)	Balance at March 31, 1972 (preliminary)
Payable in Canadian dollars—			
Marketable bonds.....	12,988.6	365.0	13,353.6
Non-marketable bonds—			
Canada savings bonds.....	7,804.6	1,945.0	9,749.6
Canada pension plan.....	20.8	5.6	26.4
Unemployment insurance fund...	315.0	-315.0	
Treasury bills.....	3,735.0	95.0	3,830.0
	24,864.0	2,095.6	26,959.6
Payable in United States dollars ⁽¹⁾ ...	263.3	-1.8	261.5
Payable in German deutsche marks ⁽¹⁾	73.9		73.9
	25,201.2	2,093.8	27,295.0

⁽¹⁾Marketable bonds converted at official parity rates.

THE CASH POSITION OF THE GOVERNMENT

The government's cash account represents balances of current and special deposits to the credit of the Receiver General for Canada in the Bank of Canada, chartered banks in Canada and certain banks in London, New York, Brussels, Bonn, Frankfurt and Rome.

The cash position of the government is affected not only by budgetary transactions but also by changes in the government's unmaturred debt and other non-budgetary transactions. Non-budgetary transactions are those which affect the government's asset and liability accounts and must be taken into account when considering the full scope of the government's financial operations.

On the asset side, the non-budgetary transactions consist, for the most part, of loans and advances to, and repayment by crown corporations and other government agencies and funds, national, provincial and municipal governments, international organizations and other borrowers. On the liability side they relate mainly to receipts and payments in connection with the many deposit and trust accounts, and annuity, insurance and pension funds held or administered by the government.

The following statement summarizes both the budgetary and non-budgetary transactions in 1971-72 and indicates how they affected the government's cash position. For purposes of comparison the corresponding figures for 1970-71 are also shown.

TABLE 72
(in millions of dollars)

CHANGE IN CASH POSITION	Fiscal year ended March 31	
	1970-71	1971-72 (preliminary)
Budgetary transactions—		
Revenue.....	12,803	14,145
Expenditure.....	-13,182	-14,745
	-379	-600
Non-budgetary transactions (ex- cluding unmatured debt transac- tions) (net)—		
Receipts and credits.....	893	1,582
Disbursements and charges.....	-2,702	-2,755
	-1,809	-1,173
Overall cash requirement to be fi- nanced by increase in unma- tured debt or decrease in cash balances	-2,188	-1,773
Unmatured debt transactions—		
Marketable bonds.....	631	363
Canada savings bonds.....	1,226	1,945
Canada pension plan.....	5	6
Unemployment insurance fund....	-138	-315
Treasury bills.....	840	95
Securities investment account....	40	
Investments held for retirement of debt.....	7	-4
	2,611	2,090
Net increase or decrease (-) in Receiver General bank balances..	423	317
Receiver General bank balance at beginning of year.....	833	1,256
Receiver General bank balances....	1,256	1,573

In 1971-72 an estimated deficit of \$600 million in budgetary transactions and an estimated net requirement of \$1,173 million for non-budgetary transactions (excluding unmatured debt transactions) will result in an overall requirement of \$1,773 million. As transactions in unmatured debt during the fiscal year are expected to result in an increase of \$2,090 million in outstanding unmatured debt, Receiver General bank balances will increase by \$317 million. In 1970-71 the budgetary deficit of \$379 million and net requirements of \$1,809 million for non-budgetary purposes resulted in an overall requirement of \$2,188 million. As there was an increase of \$2,611 million in outstanding unmatured debt, Receiver General bank balances rose by \$423 million.

The implication of the level of cash balances at any given time can be misinterpreted because of their wide fluctuations throughout the year, as is illustrated in the following table. Furthermore, because many cheques are issued at the end of a month and are not redeemed until the first few days of the following month whereas the largest percentage of receipts are not received until later, cash balances may drop in the early days of each month by as much as \$125 million to \$300 million.

TABLE 73
GOVERNMENT OF CANADA
CANADIAN CASH BALANCES
(in millions of dollars)

AT END OF MONTH	Fiscal year ended March 31				
	1968	1969	1970	1971	1972
April.....	594.7	609.7	713.0	527.0	1,217.0
May.....	866.7	458.4	804.1	540.0	1,476.3
June.....	650.4	328.6	879.8	311.8	1,373.2
July.....	686.7	248.4	874.4	345.9	1,378.7
August.....	661.5	381.2	841.9	433.8	1,242.5
September.....	367.0	190.8	636.4	296.0	1,021.0
October.....	194.9	391.8	479.0	262.3	927.8
November.....	607.1	995.0	1,537.0	1,345.5	2,825.8
December.....	650.1	706.6	1,377.0	1,446.6	2,286.5
January.....	1,065.2	853.5	1,440.7	1,629.9	2,506.0
February.....	940.6	761.2	1,366.7	1,723.3	2,279.4
March (preliminary).....	997.2	587.0	808.4	1,233.2	1,550.1

TABLE 74
GOVERNMENT OF CANADA
FOREIGN CASH BALANCES
(converted to Canadian Dollar Value)
(in millions of dollars)

AT END OF MONTH	Fiscal year ended March 31				
	1968	1969	1970	1971	1972
April.....	15.1	13.1	22.7	25.6	6.1
May.....	18.2	14.6	23.5	32.7	9.3
June.....	19.3	19.3	22.2	33.3	8.9
July.....	16.7	20.4	23.3	30.6	1.5
August.....	24.5	22.9	20.4	27.6	19.3
September.....	19.8	26.8	16.8	23.1	23.5
October.....	21.3	18.2	24.8	28.0	24.9
November.....	13.0	24.6	25.2	24.7	23.5
December.....	17.1	14.4	24.8	30.0	26.5
January.....	25.5	18.1	23.8	24.5	23.9
February.....	15.6	20.7	20.8	27.0	20.3
March (preliminary).....	18.8	14.5	24.8	21.9	22.0

Non-budgetary receipts and credits (excluding unmatured debt transactions)

Non-budgetary receipts and credits of \$1,582 million include net receipts of \$812 million in respect of annuity, insurance and pension accounts, \$36 million in repayments of loans and \$734 million from other accounts.

TABLE 75
(in millions of dollars)

RECEIPTS AND CREDITS (NET)	Fiscal year ended March 31	
	1971	1972 (preliminary)
Repayments of loans, investments and advances—		
Municipal Development and Loan Board...	9.2	10.0
Investments in United States securities issued by other than the Government of Canada.....	32.3	25.8
	41.5	35.8
Annuity, insurance and pension accounts—		
Social security funds—		
Canada Pension Plan Account.....	911.3	934.0
Canada Pension Plan Investment Fund...	-868.5	-910.0
Old Age Security Fund.....	7.0	-86.0
Unemployment Insurance Account ⁽¹⁾	13.3	-10.0
Superannuation accounts—		
Public service.....	390.6	487.0
Canadian forces.....	264.3	388.0
Royal Canadian Mounted Police.....	33.9	23.0
Other.....	-2.2	-13.8
	749.7	812.2
Other receipts and credits—		
Outstanding cheques.....	114.4	
Accounts payable.....	-20.3	114.0
Interest accrued.....	61.6	64.0
Interest due and outstanding.....	164.0	249.0
Non-interest-bearing notes—International Development Association.....	-9.6	50.0
Provincial tax-collection agreements account	-87.6	115.0
Compound interest on Canada savings bonds	-1.7	35.4
Cash in hands of collectors and in transit...	-124.4	81.0
Other.....	5.8	25.9
	102.2	734.3
	893.4	1,582.3

⁽¹⁾Formerly the Unemployment Insurance Fund.

Non-budgetary disbursements and charges (excluding unmatured debt transactions)

Non-budgetary disbursements and charges total \$2,755 million and include \$1,804 million for loans, investments and advances, \$703 million in respect of foreign exchange reserve accounts and \$247 million for other accounts.

TABLE 76
(in millions of dollars)

DISBURSEMENTS AND CHARGES (NET)	Fiscal year ended March 31	
	1971	1972 (preliminary)
Loans, investments and advances—		
Atomic Energy of Canada Limited.....	160.9	113.0
Canadian Broadcasting Corporation.....	-1.0	26.0
Canadian National Railways (including Air Canada).....	203.9	230.0
Central Mortgage and Housing Corporation.	596.3	668.0
Farm Credit Corporation.....	49.1	30.0
Export Development Corporation.....	80.9	106.0
The St. Lawrence Seaway Authority.....	55.9	54.0
Provincial governments.....	40.3	109.0
Unemployment Insurance Commission....		100.0
Veterans Land Act advances.....	20.2	12.0
Yukon and Northwest Territories.....	14.1	21.0
National Governments.....	78.2	107.8
International organizations.....	28.0	50.0
Airport capital loans.....	41.2	85.0
Regional economic expansion loans.....		22.0
Canada Development Corporation.....		25.0
Telesat Canada.....	10.0	20.0
Other.....	7.7	25.5
	1,385.7	1,804.8
Foreign exchange reserve accounts—		
Exchange Fund Account—		
Advances.....	1,239.0	846.0
Special Drawing Rights in the International Monetary Fund.....	119.0	117.0
International Monetary Fund—		
Government's equity.....	348.9	-7.6
Allocation of Special Drawing Rights....	-119.0	-117.0
Non-interest-bearing notes.....	-271.0	-135.0
	1,316.9	703.4
Other disbursements and charges—		
Undisbursed balances.....	6.8	74.4
Deferred charges.....	-7.0	172.6
	-0.2	247.0
	2,702.4	2,754.7

THE PUBLIC DEBT

Gross debt, net recorded assets and net debt

The gross debt of Canada, or the total of liabilities as recorded on the statement of assets and liabilities, is estimated to be \$47,633 million at March 31, 1972, an increase of \$4,658 million over the total at March 31, 1971. The main changes are increases of \$2,094 million in unmatured debt and \$1,722 million in annuity, insurance and pension accounts. Unmatured debt at \$27,295 million represents 58 per cent and annuity, insurance and pension accounts at \$15,525 million represents 33 per cent of the total. At March 31, 1971 unmatured debt at \$25,201 million was 59 per cent and annuity, insurance and pension accounts at \$13,803 million were 32 per cent of total liabilities.

The government's net recorded assets are estimated to be \$29,711 million at March 31, 1972, an increase of \$4,058 million over the total at March 31, 1971. The main changes are increases of \$1,762 million in

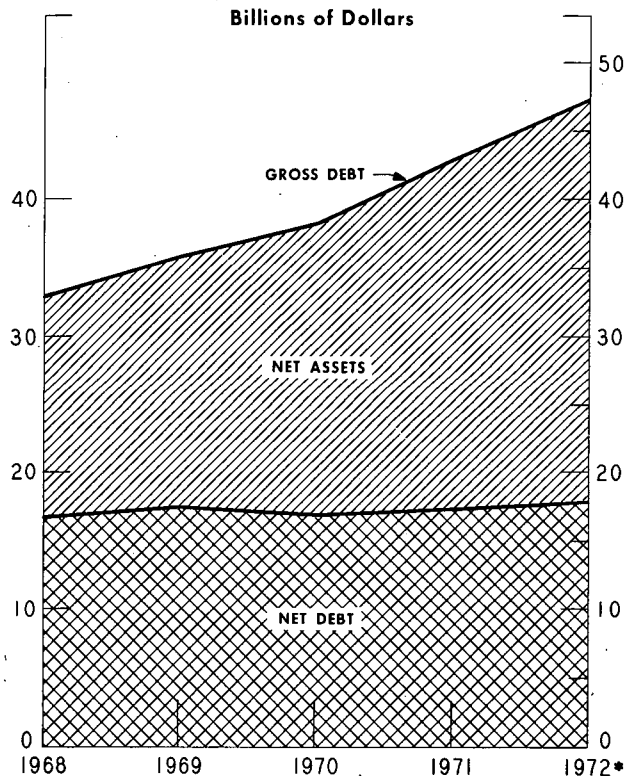
advances, loans and investments, \$910 million in the Canada Pension Plan investment fund and \$955 million in foreign exchange reserve accounts. Advances, loans and investments at \$15,660 million represent 54 per cent, foreign exchange reserve accounts at \$6,683 million represents 22 per cent and the Canada Pension Plan investment fund at \$4,611 million represents 15 per cent of the total. At March 31, 1971 advances, loans and investments at \$13,898 million were 54 per cent, foreign exchange reserve accounts at \$5,727 million were 22 per cent and the Canada Pension Plan investment fund at \$3,701 million was 14 per cent of the total.

Based on the above figures the net debt of Canada will be \$17,922 million at March 31, 1972 compared with \$17,322 million at March 31, 1971. The increase of \$600 million is equivalent to the 1971-72 estimated deficit.

GROSS AND NET DEBT

Fiscal Years Ended March 31

Billions of Dollars



* Préliminaire

NET DEBT AS AT MARCH 31

Billions of Dollars

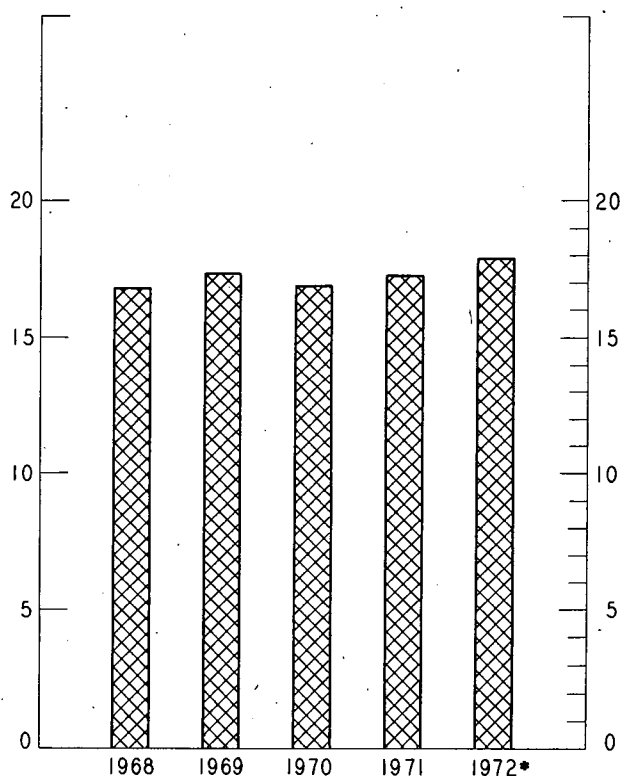


TABLE 76

STATEMENT OF PUBLIC DEBT, UNMATURED DEBT, NET RECORDED ASSETS AND NET DEBT OF CANADA
(in millions of dollars)

As at March 31	Gross public debt		Total	Less net recorded assets	Net debt	Increase in net debt during fiscal year
	Unmatured debt	Other liabilities				
1968.....	20,579.9	12,344.3	32,924.2	16,164.4	16,759.8	794.8
1969.....	22,101.0	13,818.3	35,919.3	18,583.4	17,335.9	576.1
1970.....	22,637.2	15,512.9	38,150.1	21,206.8	16,943.3	-392.6
1971.....	25,201.2	17,774.6	42,975.8	25,653.4	17,322.4	379.1
1972 (preliminary).....	27,295.0	20,338.6	47,633.6	29,711.2	17,922.4	600.0

Unmatured debt

Total unmaturred debt of \$27,295 million is \$2,094 million more than at March 31, 1971.

The government's holdings of its own securities as at March 31, 1972 at \$68 million are comprised of \$57 million in the securities investment account (of which \$45 million is Canada savings bonds held in respect of the employees instalment purchase plan) and \$11 million in investments held for retirement of unmaturred debt. This is an increase of \$4 million over the previous year-end total, when holdings were \$57 million in the securities investment account (\$45 million in respect of the employees instalment purchase plan) and \$7 million in investments held for retirement of unmaturred debt.

Of the total unmaturred debt, \$26,959 million is payable in Canadian dollars, \$262 million is payable in U.S. dollars and \$74 million is payable in German deutsche marks. Securities payable in foreign currencies have been valued at official parity rates.

Summary of security issues, maturities, cancellations, conversions and redemptions

Excluding the refunding of treasury bills, the government will have issued securities in an amount of \$4,863 million and will have retired \$2,769 million.

Net sales of Canada savings bonds series 26 of \$2,503 million and additional sales of series 25 of \$1 million exceed maturities and redemptions of \$559 million by \$1,945 million bringing total Canada savings bonds to \$9,750 million at March 31, 1972.

Treasury bills of \$3,830 million are \$95 million more than at March 31, 1971 and consist of \$2,340 million in three-month bills, \$1,090 million in six-month bills and \$400 million in special bills.

TABLE 77
(in millions of dollars)

UNMATURED DEBT TRANSACTIONS	Fiscal year ended March 31	
	1971	1972 (preliminary)
Balance at beginning of fiscal year...	22,637	25,201
New issues—		
Non-marketable bonds—		
Canada savings bonds.....	2,144	2,504
Unemployment Insurance Commission bonds.....	81	
Canada Pension Plan bonds.....	5	6
	2,230	2,510
Marketable bonds.....	2,600	2,258
Treasury bills (net).....	840	95
	5,670	4,863
Maturities, redemptions, cancellations and conversions—		
Non-marketable bonds—		
Canada savings bonds.....	918	559
Unemployment Insurance Commission bonds.....	219	315
	1,137	874
Marketable bonds.....	1,969	1,895
	3,106	2,769
Increase.....	2,564	2,094
Balance at close of fiscal year.....	25,201	27,295

TABLE 78
DEBT MATURED, REDEEMED, CONVERTED
OR CANCELLED DURING THE FISCAL YEAR
ENDED MARCH 31, 1972 (estimated)
(in millions of dollars)

	Re- Matured	deemed	Con- verted	Can- celled	Total
Marketable bonds—					
CT 15.....	350				350
F 17.....	285				285
T 28.....				350	350
F 20.....	225				225
F 31.....	200				200
F 35.....	200				200
F 45.....	170				170
F 46.....			38		38
F 49.....	75				75
5% 1962-87					
NY.....		2			2
	1,505	2	38	350	1,895
Non-marketable bonds—					
Canada savings bonds (S13-25).....	32	527			559
Unemployment Insurance Commission.....		315			315
	1,537	844	38	350	2,769

Interest rates

The average interest rate on the government's unmatured debt as at March 31, 1972 is estimated at 5.88 per cent compared with 6.03 per cent at March 31, 1971. The average yield on three-month treasury bills was 3.57 per cent at tender on March 29, 1972

compared with 3.02 per cent at tender on March 25, 1971; on six-month bills it was 3.86 per cent at tender on March 29, 1972 compared with 3.08 per cent at tender on March 25, 1971; and on special bills it was 4.39 per cent at tender on February 10, 1972 compared with 4.98 per cent on February 11, 1971.

TABLE 79
NEW SECURITIES ISSUED DURING
FISCAL YEAR ENDED MARCH 31, 1972
(in millions of dollars)

	Total amount issued
Marketable bonds—	
5½% 1971-74.....F 14	75
5½% 1971-72.....F 59	125
8% 1971-86.....F 47	38
5% 1971-74.....F 62	350
5½% 1971-76.....F 63	395
6½% 1971-80.....F 64	200
5½% 1971-76.....F 65	125
6½% 1971-79.....F 66	100
6½% 1971-76.....F 67	350
5½% 1971-73.....F 69	150
4½% 1971-74.....F 70	125
5½% 1971-79.....F 71	225
	2,258
Non-marketable bonds—	
Canada savings bonds—	
Nov. 1, 1970—Nov. 1, 1981.....S 25	1
Nov. 1, 1971—Nov. 1, 1980.....S 26	2,503
	2,504
Canada Pension Plan.....	6
Treasury bills (net).....	95
	4,863

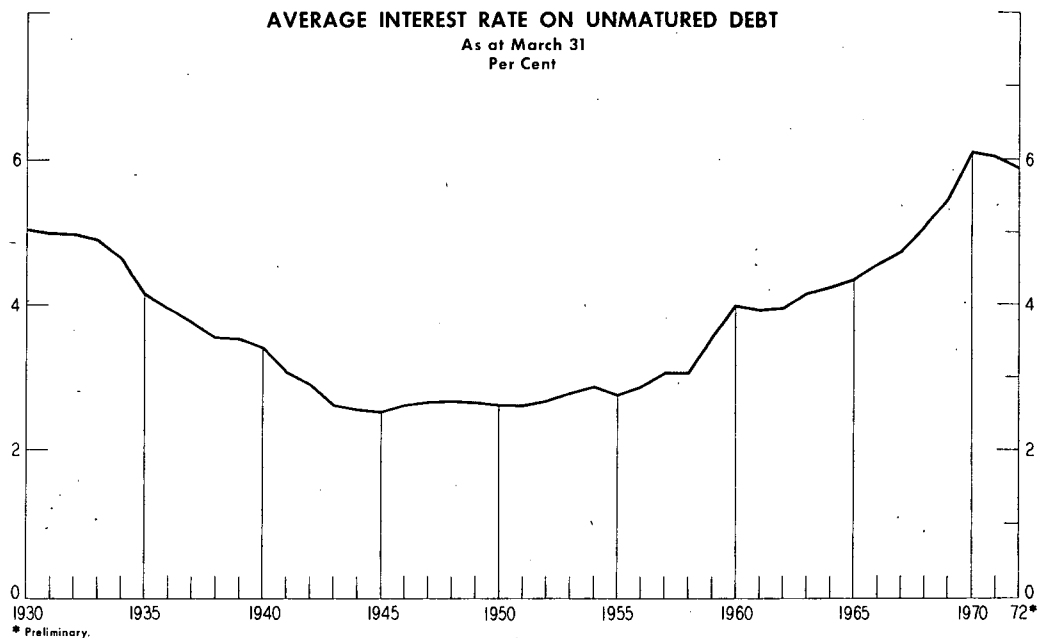


TABLE 80
TREASURY BILLS AVERAGE YIELDS AT TENDER

FISCAL YEAR ENDED MARCH 31	High per cent	Low per cent	Last issue per cent
Three-month bills—			
1968.....	7.01	3.96	6.98
1969.....	7.00	5.48	6.58
1970.....	7.83	6.54	7.00
1971.....	7.02	2.99	3.02
1972.....	4.06	2.96	3.57
Six-month bills—			
1968.....	7.02	3.97	6.98
1969.....	7.01	5.43	6.80
1970.....	7.93	6.74	6.76
1971.....	6.82	3.08	3.08
1972.....	4.27	3.13	3.86
Special bills—			
1968.....	5.65	5.65	5.65
1969.....	6.53	5.90	5.90
1970.....	8.01	7.46	8.01
1971.....	6.80	4.77	4.98
1972.....	4.39	3.60	4.39

Indirect debt or contingent liabilities

In addition to the direct debt set out in the statement of assets and liabilities, the government has assumed certain indirect or contingent liabilities. These consist of securities of the Canadian National Railways, guaranteed as to principal and interest, and a number of miscellaneous guarantees, the chief of which are the guarantee of insured loans made by chartered banks and other approved lending institutions under the National Housing Act, advances under the Export Development Act, bank loans under the Canada Student Loans Act and the Farm Improvements Loans Act and bank loans to the Canadian Wheat Board.

TABLE 81
CONTINGENT LIABILITIES
(in millions of dollars)

	Amount of guarantee	Amount outstanding
Railway securities guaranteed as to principal and interest—		
Canadian National 3½% due February 1, 1974.....	200.0	200.0
Canadian National 2½% due June 15, 1975, U.S. \$6,000,000 ⁽¹⁾	6.0	6.0
Canadian National 5% due May 15, 1977.....	77.1	77.1
Canadian National 4% due February 1, 1981.....	300.0	300.0
Canadian National 5½% due January 1, 1985.....	90.0	90.0
Canadian National 5% due October 1, 1987.....	143.3	143.3
Grand Trunk Western Railroad Company.....	5.4	5.4
Other outstanding guarantees and contingent liabilities—	821.8	821.8
Loans made by lenders under Part IV of the National Housing Act, 1954 for home extension and improvements ⁽²⁾	30.0	22.8
Insured loans made by approved lenders under the National Housing Act, 1954 ⁽²⁾⁽³⁾	16,000.0	9,225.0
Liability for insurance and guarantees under the Export Development Act ⁽²⁾	1,150.0	605.5
Loans made by chartered banks under the Farm Improvement Loans Act....	207.9	92.4
Loans made by chartered banks and credit unions under the Fisheries Improvement Loans Act.....	3.7	2.5
Loans made by chartered banks under the Small Businesses Loans Act.....	34.4	20.1
Loans made by chartered banks and credit unions under the Canada Student Loans Act ⁽⁴⁾	638.4	588.0
Loans made by chartered banks to the Canadian Wheat Board ⁽²⁾	725.0	327.0
Loans made by lenders under the Cape Breton Development Act.....	100.0	30.0
Loans made by lenders under the General Adjustment Assistance Program....	250.0	17.2
	19,961.2	11,752.3
Loans maintained by approved lending institutions under National Housing Acts prior to 1954 Act.....	Unstated	Indeterminate
Guarantees to owners of returns from moderate rental housing projects ⁽⁵⁾	Unstated	Indeterminate

⁽¹⁾Liability is subject to exchange rate in effect June 15, 1975.

⁽²⁾As of December 31, 1971.

⁽³⁾As reported by approved lenders as of December 31, 1971.

⁽⁴⁾Includes contingent liability in respect of alternative payments to non-participating province.

⁽⁵⁾As of December 31, 1971, funds totalling \$6,504,237 were held by the Central Mortgage and Housing Corporation for the purpose of settling claims. In 1971 rental contracts totalled \$4,288,000.

SUPPLEMENTARY DETAILED TABLES

REVENUE

EXPENDITURE

ANNUAL CHANGES IN LOANS AND INVESTMENTS

UNMATURED DEBT

STATEMENT OF REVENUE FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

	1967-68	1968-69	1969-70	1970-71	1971-72 (preliminary)
Tax revenue—					
Income tax—					
Personal ⁽¹⁾⁽²⁾	2,849.6	3,356.4	4,085.1	4,696.5	5,540.0
Corporation ⁽¹⁾⁽²⁾	1,670.6	2,030.0	2,612.0	2,218.5	2,200.0
On dividends, interest, etc., going abroad.....	220.5	205.6	248.5	258.2	280.0
	4,740.7	5,592.0	6,945.6	7,173.2	8,020.0
Social development tax.....		63.0	476.5	566.3	409.0
Excise taxes—					
Sales tax ⁽¹⁾⁽²⁾	1,601.1	1,569.8	1,716.9	1,707.5	2,000.0
Other taxes—					
Cigarettes, tobacco and cigars.....	266.7	304.2	295.8	319.4	330.8
Jewellery, watches, ornaments etc.....	10.2	9.5	10.4	10.2	11.6
Matches and lighters.....	1.2	1.1	1.1	1.1	1.2
Television sets, radios and phonographs.....	32.6	35.3	40.8	38.6	14.2
Toilet preparations.....	17.9	18.6	19.7	21.4	23.2
Wines.....	5.3	5.9	7.0	8.1	9.5
Sundry commodities.....	1.5	1.7	2.6	4.0	2.0
Interest and penalties.....	2.2	2.4	2.2	2.1	3.6
Less refunds.....	-0.6	-0.8	-1.2	-1.7	-1.1
	337.0	377.9	378.4	403.2	395.0
Customs import duties.....	746.4	761.7	818.3	814.5	970.0
Excise duties—					
Spirits.....	180.5	185.4	194.7	209.4	229.6
Beer.....	120.2	135.0	139.4	149.1	159.8
Cigarettes, tobacco and cigars.....	194.6	196.6	193.8	212.2	226.2
Less refunds.....	-6.7	-7.7	-9.1	-9.7	-10.6
	488.6	509.3	518.8	561.0	605.0
Estate tax.....	102.2	112.4	100.6	119.9	134.7
Miscellaneous tax revenue.....	0.3	0.3	0.3	0.3	0.3
Total tax revenue.....	8,016.3	8,986.4	10,955.4	11,345.9	12,534.0
Non-tax revenue—					
Return on investments.....	612.3	697.2	860.0	1,000.2	1,095.0
Post office—net postal revenue.....	261.5	288.4	354.8	337.6	400.0
Other.....	104.7	182.0	144.0	119.3	116.0
Total non-tax revenue.....	978.5	1,167.6	1,358.8	1,457.1	1,611.0
Total revenue.....	8,994.8	10,154.0	12,314.2	12,803.0	14,145.0

⁽¹⁾Excluding credits to old age security fund—

	1967-68	1968-69	1969-70	1970-71	1971-72 (preliminary)
Personal income tax.....	800.1	915.0	1,026.5	1,132.5	1,237.0
Corporation income tax.....	150.0	183.0	227.1	207.9	213.0
Sales tax.....	544.5	528.1	577.4	573.8	670.0

⁽²⁾Net after deduction of refunds and drawbacks as well as transfers to the old age security fund.

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

	1967-68	1968-69	1969-70	1970-71	1971-72 (preliminary)
AGRICULTURE—					
Administration and general	109.6	115.5	114.7	120.8	135.7
Agricultural commodities stabilization account—net operating loss...	139.7	145.4	136.3	126.4	127.0
Wheat inventory reduction payments			100.0		
Canadian Livestock Feed Board	21.6	18.2	22.2	20.8	20.4
Farm Credit Corporation—net operating loss	3.8	6.0	8.7	8.6	8.4
Canadian Dairy Commission	0.3	0.3	0.4	0.4	0.5
	275.0	285.4	382.3	277.0	292.0
COMMUNICATIONS	14.5	12.9	13.4	13.9	21.0
CONSUMER AND CORPORATE AFFAIRS—					
Administration and general	12.9	13.8	16.1	18.1	22.2
Prices and Incomes Commission			0.6	2.1	1.8
	12.9	13.8	16.7	20.2	24.0
ENERGY, MINES AND RESOURCES—					
Administration and general	4.2	4.9	6.5	7.7	7.6
Atomic energy	69.3	72.6	74.9	76.7	89.0
Dominion Coal Board	33.6	7.2	8.8	6.0	
Minerals, energy and earth sciences	53.9	54.8	56.7	56.7	77.4
National Energy Board	1.6	1.5	1.9	2.4	3.0
	162.6	141.0	148.8	149.5	177.0
ENVIRONMENT	147.7	159.2	164.8	172.9	199.0
EXTERNAL AFFAIRS—					
Administration and general	48.5	53.7	59.7	55.7	77.8
Assessments, contributions and other payments to international organizations and international multilateral economic and special programs	16.7	15.3	13.3	15.5	16.2
Canadian International Development Agency	150.1	156.8	168.7	209.9	214.5
International Joint Commission	0.4	0.4	0.5	0.5	0.5
	215.7	226.2	242.2	281.6	309.0
FINANCE—					
Administration and general	36.4	23.7	19.3	29.2	42.5
EXPO 1967—deficit			122.9		
Grants to municipalities and provinces in lieu of taxes	41.5	45.1	49.5	54.1	58.0
Public debt charges	1,300.8	1,480.0	1,716.9	1,822.8	1,995.0
Fiscal transfer payments to provinces	737.5	867.1	932.4	1,228.9	1,429.0
Tariff Board	0.5	0.4	0.4	0.5	0.5
Auditor General	2.3	2.4	2.9	3.1	4.0
Insurance	0.4	0.4	0.6	1.0	1.0
	2,119.4	2,419.1	2,844.9	3,139.6	3,530.0
GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS	1.0	1.0	1.1	1.2	1.2
INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—					
Administration and general	5.3	5.8	7.5	7.7	9.0
Conservation program	27.4	30.6	32.2	33.5	48.0
Indian and Eskimo affairs	139.4	165.2	204.1	227.7	251.0
Northern development	50.9	55.0	57.5	81.7	108.0
	223.0	256.6	301.3	350.6	416.0
INDUSTRY, TRADE AND COMMERCE	163.9	179.2	263.7	211.5	281.0
Statistics Canada	22.5	24.0	32.4	39.1	69.0
	186.4	203.2	296.1	250.6	350.0
JUSTICE	15.4	16.9	19.7	22.7	28.4

**STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS**
(in millions of dollars)

	1967-68	1968-69	1969-70	1970-71	1971-72 (preliminary)
LABOUR.....	10.9	11.1	12.1	13.5	17.0
MANPOWER AND IMMIGRATION—					
Administration and general.....	20.6	23.4	10.0	12.4	15.0
Development and utilization of manpower.....	342.3	337.4	399.4	529.5	585.0
Immigration.....	21.6	29.4	24.3	22.8	23.0
Municipal winter works incentive program.....	30.5	21.5	0.4		
Program development.....	2.9	4.4	5.4	6.1	7.0
Unemployment Insurance Commission—					
Administration and general.....	37.6	38.8	45.0	79.0	74.0
Government's contribution to the fund.....	69.5	86.6	98.4	99.0	89.0
	525.0	541.5	582.9	748.8	793.0
NATIONAL DEFENCE—					
Administration and general.....	24.7	24.9	26.8	29.9	32.4
Canadian forces superannuation account—					
Government's contribution.....	58.4	57.0	65.6	70.4	73.8
Amortization of deferred charges.....	72.6	104.5	92.2	89.4	66.0
Additional interest.....				45.7	59.0
Defence services.....	1,528.3	1,507.7	1,540.6	1,517.2	1,602.1
Defence research.....	40.6	44.1	44.1	45.9	47.3
Mutual aid to NATO countries.....	18.0	15.3	14.1	14.4	14.4
Civil emergency measures organization.....	8.0	6.3	5.0	5.0	5.0
	1,750.6	1,759.8	1,788.4	1,817.9	1,900.0
NATIONAL HEALTH AND WELFARE—					
Administration and general.....	3.9	4.2	11.0	12.3	18.0
Food and drug services.....	7.9	9.1	12.2	15.6	19.0
Health insurance and resources—					
General health grants to provinces.....	46.0	44.0	69.1	19.6	16.0
Government's contributions under the Hospital Insurance and Diagnostic Services Act.....	468.6	561.9	635.9	734.3	850.6
Health resources fund.....	32.7	33.9	34.4	37.5	37.0
Medical Care Act.....		33.0	181.0	400.5	576.5
Other.....	1.3	1.6	1.2	1.4	1.9
Health services.....	7.6	6.7	7.0	6.5	8.0
Medical services.....	36.5	39.2	40.6	45.4	47.0
Welfare services—					
Family allowances.....	558.8	560.2	560.1	557.9	554.5
Youth allowances.....	49.4	52.4	55.1	58.0	59.8
Unemployment assistance.....	6.1	1.1	0.7		
Canada assistance plan.....	225.6	256.8	293.6	391.6	462.4
Other.....	36.6	30.2	22.6	23.0	28.3
Medical Research Council.....	20.7	27.2	31.2	34.4	35.0
	1,501.7	1,661.5	1,955.7	2,338.0	2,714.0
NATIONAL REVENUE—					
Customs and excise.....	56.7	59.5	70.1	74.4	84.5
Taxation.....	58.1	60.2	74.2	84.0	97.0
Tax Review Board.....	0.3	0.3	0.3	0.4	0.5
	115.1	120.0	144.6	158.8	182.0
PARLIAMENT—					
House of Commons.....	14.3	14.3	17.6	21.0	27.8
Senate.....	3.4	3.6	4.6	5.1	5.3
Library of Parliament.....	0.6	0.7	0.8	1.1	1.3
	18.3	18.6	23.0	27.2	34.4

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

	1967-68	1968-69	1969-70	1970-71	1971-72 (preliminary)
POST OFFICE.....	281.7	319.5	340.5	368.6	412.0
PRIVY COUNCIL					
Privy Council.....	8.1	6.3	6.9	7.2	8.2
Economic Council of Canada.....	1.5	1.5	1.6	1.7	1.7
Chief Electoral Officer.....	0.7	13.5	0.3	1.2	1.2
Commissioner of Official Languages.....			0.4	0.4	1.0
Public Service Staff Relations Board.....	1.0	1.1	1.2	1.3	1.6
Science Council of Canada.....	0.4	0.4	1.2	1.2	1.3
	11.7	22.8	11.6	13.0	15.0
PUBLIC WORKS—					
Administration and general.....	48.4	43.4	38.2	38.1	42.9
Accommodation services.....	133.8	172.0	190.5	218.4	263.5
Marine services.....	43.9	32.1	31.3	34.6	34.6
Trans-Canada highway—contributions to provinces.....	64.7	37.3	26.8	39.6	2.0
	290.8	284.8	286.8	330.7	343.0
REGIONAL ECONOMIC EXPANSION.....	134.7	125.7	179.4	260.5	276.0
Cape Breton Development.....	1.7	30.1	32.7	37.3	40.0
	136.4	155.8	212.1	297.8	316.0
SECRETARY OF STATE—					
Administration and general.....	28.8	24.5	16.4	26.6	60.4
Bilingualism development program.....			1.7	53.4	74.1
Education support program.....	108.2	276.6	301.4	388.2	450.0
Canada Council.....	16.9	20.6	23.7	24.2	26.0
Canadian Broadcasting Corporation.....	143.3	148.3	166.0	166.0	181.0
Canadian Film Development Corporation.....		0.2	0.4	1.0	1.0
Canadian Radio-Television Commission.....	1.0	1.9	2.8	3.3	4.0
Centennial Commission.....	31.2				
Company of Young Canadians.....	2.4	1.9	1.9	1.9	1.9
National Arts Centre Corporation.....	1.0	1.1	2.5	2.6	2.8
National Film Board.....	9.3	10.0	10.5	10.4	11.0
National Library.....	1.6	1.7	2.0	2.5	4.0
National Museums of Canada.....	6.7	7.1	7.3	8.2	10.0
Office of the Representation Commissioner.....	0.1	0.1	0.1	0.1	0.1
Public Archives.....	2.0	2.2	2.4	3.7	3.7
Public Service Commission.....	12.7	12.9	14.1	15.8	18.0
	365.2	509.1	553.2	707.9	848.0
SOLICITOR GENERAL—					
Administration and general.....	0.9	0.5	0.9	1.4	1.6
Correctional services.....	64.9	63.6	70.0	75.1	85.0
Royal Canadian Mounted Police.....	87.7	101.8	113.2	146.3	178.4
	153.5	165.9	184.1	222.8	265.0
SUPPLY AND SERVICES—					
Administration and general.....	3.0	4.3	4.0	4.2	4.0
Services.....	32.8	34.6	40.7	36.5	42.0
Supply.....	21.5	21.6	28.2	21.6	21.5
Public Printing and Stationery.....	4.7	3.5	4.0		
Information Canada.....			1.5	7.0	7.5
Canadian Arsenals Limited.....	0.4	0.3	0.5	1.5	1.5
Canadian Commercial Corporation.....	2.0	2.1	3.4	3.9	3.5
	64.4	66.4	82.3	74.7	80.0

STATEMENT OF EXPENDITURES BY DEPARTMENTS AND MAJOR CATEGORIES
FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

	1967-68	1968-69	1969-70	1970-71	1971-72 (preliminary)
TRANSPORT—					
Administration and general.....	7.1	7.9	7.4	8.5	15.0
Air transportation program.....	104.0	115.4	109.0	124.5	157.4
Marine transportation program.....	92.0	91.5	95.6	90.9	100.0
Surface transportation.....	58.7	41.1	47.3	49.6	71.6
Canadian National Railways—deficit.....	35.8	29.2	24.6	29.7	24.2
Canadian Transport Commission—					
Administration and general.....	3.6	4.2	10.3	10.5	15.7
Payments under the National Transportation Act.....	126.0	93.7	79.6	65.7	52.3
Contributions to the railway grade crossing fund.....	15.0	15.0	15.0	20.0	20.0
Maritime Freight Rates Act.....	14.2	13.9	14.6	14.0	14.0
Steamship subventions.....	11.1	12.2	6.0	6.0	6.0
Subsidies to air carriers.....	1.2	1.3	3.4	1.8	2.0
National Harbours Board.....	4.8	6.6	8.6	2.5	2.2
The St. Lawrence Seaway Authority.....	10.6	11.4	10.5	10.1	13.6
	484.1	443.4	431.9	433.8	494.0
TREASURY BOARD—					
Administration and general.....	38.3	43.2	45.4	55.6	62.0
Reserve for salary revisions.....		120.5	58.7	65.0	15.0
Public service superannuation account—					
Government's contribution.....	59.6	66.0	73.5	85.6	88.0
Amortization of deferred charges.....	60.6	84.8	91.8	84.8	86.0
Additional interest.....				49.5	65.0
National Research Council.....	101.0	117.8	121.7	122.9	129.0
	259.5	432.3	391.1	463.4	445.0
URBAN AFFAIRS AND HOUSING—					
Department.....					2.0
Central Mortgage and Housing Corporation.....	23.1	29.7	43.6	47.0	62.4
National Capital Commission.....	23.2	25.0	24.0	28.4	47.6
	46.3	54.7	67.6	75.4	112.0
VETERANS AFFAIRS—					
Administration and general.....	10.1	10.1	4.7	7.3	6.8
Welfare services.....	114.2	112.9	112.6	109.8	99.3
Pensions.....	205.6	223.3	222.3	216.4	238.6
Treatment services.....	61.4	71.6	72.1	66.4	70.9
Veterans land administration.....	9.5	9.7	10.7	10.1	11.4
	400.8	427.6	422.4	410.0	427.0
	9,789.6	10,730.1	11,921.6	13,182.1	14,745.0

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1972
AND THE ANNUAL INTEREST THEREON (PRELIMINARY)

			Date of maturity	Rate per cent	Amount of loan \$	Annual interest \$
Payable in Canadian dollars—						
Loan of 1936.....	P 1	Perpetual		3	55,000,000	1,650,000
Loan of 1969.....	F 37	1972 Apr. 1		7½	235,000,000	17,037,500
Loan of 1970.....	F 53	Apr. 1		6½	215,000,000	13,975,000
Conversion loan, 1958.....	T 28	Sept. 1		4½	717,203,100	30,481,132
Loan of 1970.....	F 59	Dec. 15		5½	225,000,000	11,812,500
Loan of 1969.....	F 43	1973 Feb. 1		8	110,000,000	8,800,000
Loan of 1970.....	F 50	Feb. 1		7	150,000,000	10,500,000
Loan of 1968.....	F 25	Apr. 1		7	475,000,000	33,250,000
Loan of 1970.....	F 54	July 1		6½	150,000,000	9,750,000
Loan of 1970.....	F 58	July 1		6½	200,000,000	13,500,000
Loan of 1965.....	CT 17	Oct. 1		5	275,000,000	13,750,000
Loan of 1967.....	F 11	Oct. 1		5	200,000,000	10,000,000
Canada savings bonds, 1958.....	S 13	Nov. 1		4½	14,135,000	590,747
Loan of 1967.....	F 22	Dec. 1		6½	225,000,000	14,062,500
Loan of 1971.....	F 69	Dec. 1		5½	150,000,000	7,875,000
Loan of 1969.....	F 38	1974 Apr. 1		7½	125,000,000	9,062,500
Loan of 1971.....	F 62	Apr. 1		5	350,000,000	17,500,000
Loan of 1968.....	F 28	June 15		7	250,000,000	17,500,000
Loan of 1970.....	F 60	June 15		6	200,000,000	12,000,000
Loan of 1969 and 1970.....	F 46	Oct. 1		8	424,912,000	33,992,960
Canada savings bonds, 1964.....	S 19	Nov. 1		5½	47,992,000	2,639,560
Loan of 1967.....	F 14	Dec. 1		5½	175,000,000	9,625,000
Loan of 1971.....	F 70	Dec. 1		4½	125,000,000	5,312,500
Loan of 1968.....	F 32	1975 Apr. 1		6½	200,000,000	13,000,000
Loan of 1970.....	F 51	Apr. 1		7½	225,000,000	16,312,500
Loan of 1970.....	F 55	July 1		7½	260,000,000	18,850,000
Loan of 1959.....	T 36	Oct. 1		5½	310,361,000	17,069,855
Loan of 1965.....	CT 24	Oct. 1		5½	50,000,000	2,750,000
Loan of 1967.....	F 9	Oct. 1		5½	70,000,000	3,850,000
Canada savings bonds, 1963.....	S 18	Nov. 1		5½	51,299,000	2,821,445
Loan of 1970.....	F 56	Dec. 15		7½	450,000,000	32,625,000
Loan of 1960.....	T 38	1976 Apr. 1		5½	436,198,000	23,990,890
Loan of 1954.....	T 11	June 1		3½	247,046,500	8,029,011
Loan of 1971.....	F 65	June 1		5½	125,000,000	7,187,500
Loan of 1971.....	F 67	Aug. 1		6½	350,000,000	21,875,000
Loan of 1971.....	F 63	Oct. 1		5½	395,000,000	20,737,500
Canada savings bonds, 1962.....	S 17	Nov. 1		5½	80,397,000	4,421,835
Loan of 1970.....	F 52	1977 Sept. 1		7	500,000,000	35,000,000
Canada savings bonds, 1965.....	S 20	Nov. 1		5	45,280,000	2,264,000
Loan of 1953 and 1958.....	T 5	1978 Jan. 15		3½	207,911,500	7,796,681
Loan of 1969.....	F 41	July 1		8	125,000,000	10,000,000
Special replacement series.....	SRS	Oct. 1		7	210,812,000	14,756,840
Canada savings bonds, 1969.....	S 24	Nov. 1		8	4,239,595,000	339,167,600
Loan of 1971.....	F 66	1979 June 1		6½	100,000,000	6,500,000
Loan of 1954.....	T 13	Oct. 1		3½	343,246,500	11,155,511
Canada savings bonds, 1966.....	CS	Nov. 1		5½	212,521,000	11,688,655
Loan of 1971.....	F 71	Dec. 15		5½	225,000,000	12,937,500
Loan of 1971.....	F 64	1980 Apr. 1		6½	200,000,000	12,500,000
Loan of 1962.....	AT 14	Aug. 1		5½	104,822,500	5,765,238
Loan of 1966.....	CT 26	Aug. 1		5½	73,831,500	4,060,732
Loan of 1966 and 1967.....	F 3	Aug. 1		5½	158,271,000	8,704,905
Canada savings bonds, 1967.....	S 22	Nov. 1		5½	113,681,000	5,974,252
Canada savings bonds, 1971.....	S 26	Nov. 1		5½	2,503,000,000	143,920,000
Canada savings bonds, 1970.....	S 25	1981 Nov. 1		7½	1,764,041,000	136,671,750
Canada savings bonds, 1968.....	S 23	1982 Nov. 1		6½	466,540,000	31,491,450
Conversion loan, 1958.....	T 29	1983 Sept. 1		4½	1,992,679,450	89,670,575
Loan of 1969 and 1970.....	F 47	1986 Oct. 1		8	88,000	7,040
Loan of 1963.....	AT 21	1988 June 1		5	100,000,000	5,000,000
Loan of 1964.....	CT 9	June 1		5	50,000,000	2,500,000
Loan of 1971.....	F 61	1989 Feb. 15		6½	150,000,000	10,125,000
Loan of 1964 and 1965.....	CT 12	1990 May 1		5½	225,000,000	11,812,500
Loan of 1967.....	F 12	May 1		5½	125,000,000	6,562,500
Loan of 1966 and 1967.....	F 6	1992 Sept. 1		5½	225,000,000	12,937,500

UNMATURED DEBT INCLUDING TREASURY BILLS AS AT MARCH 31, 1972
AND THE ANNUAL INTEREST THEREON (PRELIMINARY)

		Date of maturity	Rate per cent	Amount of loan	Annual interest
				\$	\$
Payable in Canadian dollars— <i>Concluded</i>					
Loan of 1968.....	F 33	1995 Oct. 1	6½	100,000,000	6,500,000
Conversion loan, 1956.....	T 15	1998 Mar. 15	3½	197,045,000	7,389,188
Three-month treasury bills.....				2,340,000,000	79,794,000
Six-month treasury bills.....				1,090,000,000	38,964,000
Special treasury bills.....				400,000,000	15,963,000
Canada Pension Plan bonds.....			various	26,400,000	1,807,000
				26,959,309,050	1,587,574,852
Payable in United States dollars—					
Loan of 1949.....		1974 Sept. 1	2½	48,755,627	1,340,780
Loan of 1950.....		1975 Sept. 15	2½	30,301,591	833,294
Loan of 1962.....		1987 Oct. 15	5	74,378,304	3,718,915
Loan of 1968.....		1988 June 1	6½	108,108,000	7,432,425
				261,543,522	13,325,414
Payable in German deutsche marks.....					
		1973 June 1	6½	73,844,250	4,984,487
				27,294,696,822	1,605,884,753

The interest shown is a projection for one year on the principal amounts outstanding at March 31, 1972. Where various rates of interest are applicable during the term of a loan the interest rate in effect at March 31, 1972 has been used. Bonds payable in foreign currencies have been converted at official parity rates.

ANNUAL CHANGES IN LOANS AND ADVANCES FOR THE LAST FIVE FISCAL YEARS
(in millions of dollars)

	1967-68	1968-69	1969-70	1970-71	1971-72 (preliminary)
Loans to, and investments in, crown corporations—					
Air Canada.....	0.6	50.1	71.3	111.3	27.0
Atomic Energy of Canada Limited.....	32.9	68.5	136.0	160.9	113.0
Canada Deposit Insurance Corporation.....	29.4	-5.9	7.0	-19.1	-1.0
Canada Development Corporation.....					25.0
Canadian Arsenals Limited.....			-0.5		
Canadian Broadcasting Corporation.....	18.4	18.3	19.6	-1.0	26.0
Canadian Commercial Corporation.....	6.5	-1.0			
Canadian Corporation for the 1967 World Exhibition.....	30.0	-57.0	-148.0		
Canadian Dairy Commission.....	22.1	19.8	3.2	-21.8	-23.0
Canadian National Railways.....	163.2	150.3	102.0	92.6	203.0
Canadian Overseas Telecommunication Corporation.....	2.6	-3.1	-3.4	-3.6	-2.0
Cape Breton Development Corporation.....	5.2	4.8	-2.0	-4.0	4.0
Central Mortgage and Housing Corporation.....	633.9	385.2	481.2	596.3	668.0
Eldorado Nuclear Limited.....			17.2	9.8	5.0
Export Development Corporation.....	34.7	32.5	41.9	80.9	106.0
Farm Credit Corporation.....	169.2	128.2	77.8	49.1	30.0
Freshwater Fish Marketing Corporation.....			2.2	2.6	5.0
National Capital Commission.....	0.8	-9.2	1.3	-5.6	1.5
National Harbours Board.....	27.8	11.1	4.5	4.6	3.0
Northern Canada Power Commission.....	2.9	8.5	2.6	4.7	2.0
Northern Transportation Company Limited.....		2.0	8.0	6.1	1.0
Royal Canadian Mint.....			2.0	-1.0	
St. Lawrence Seaway Authority ⁽²⁾	26.7	28.8	41.5	55.9	54.0
Other.....		0.3	1.3	2.0	1.5
	1,206.9	832.2	866.7	1,120.7	1,249.0
Loans to national governments—					
United Kingdom.....	-19.2	⁽³⁾ 18.1	-20.0	-20.4	-20.9
Export Credits Insurance Act.....	-2.3	-2.3	-2.3	-15.3	-15.3
Special loans to Colombo plan countries to finance the purchase of wheat and flour from Canada.....	-0.3				
Loans to India for the purchase in Canada of aircraft and associated spare parts and equipment.....	-2.7	-1.3			
Special loan assistance—developing countries.....	29.1	48.5	81.1	114.0	144.0
Other.....	-0.1	0.1	-0.1	-0.1	
	4.5	63.1	58.7	78.2	107.8
Other loans and investments—					
Subscriptions to capital of, and working capital advances and loans to, international organizations—					
Canada's subscription to capital of—					
Asian Development Bank.....	2.7	2.7	2.7	2.6	
Caribbean Regional Development Bank.....			1.1	0.7	
International Bank for Reconstruction and Development.....					
International Development Association.....	15.0	27.1	27.0	24.9	50.0
Working capital advances and loans to international organizations.....	-0.3	-0.3	-0.2	-0.2	
Loans to provincial governments.....	64.2	82.6	49.3	40.3	109.0
Municipal Development and Loan Board.....	48.5	1.6	-8.5	-9.2	-10.0
Veterans Land Act advances.....	71.5	38.7	50.4	20.2	12.0
Advances to Unemployment Insurance Commission.....					100.0
Airports—capital loans.....			5.1	41.2	85.0
Development of space and terrestrial communications.....			9.9	-9.9	20.0
Investment in shares of Panarctic Oils Ltd.....			13.6	6.8	8.0
Loans to manufacturers of automotive parts in Canada.....	7.9	1.1	12.1	6.5	2.0
Other.....	21.7	15.6	39.4	53.7	29.2
	231.2	169.1	201.9	177.6	405.2
Net total of changes in loans and investments.....	1,442.6	1,064.4	1,127.3	1,376.5	1,762.0

⁽¹⁾ Formerly the Export Credits Insurance Corporation.

⁽²⁾ Includes deferred interest.

⁽³⁾ Deferred interest.