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How YOUR Tax Dollar Is Spent

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Ottawa, 1972

A Taxpayer's Introduction to the
Spending Plans of the Government of Canada
for the Fiscal Year Beginning
April 1, 1972

How YOUR Tax Dollar Is Spent

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On behalf of the Government of Canada I am pleased to present to the people of Canada this report on how the Government proposes to spend the money it will be collecting from the taxpayers in the fiscal year beginning April 1, 1972.

In a previous report on the Government's spending plan for the fiscal year beginning April 1, 1971, it was shown how the plan is developed. The Government sets out its policies and spending priorities, and the various departments and agencies respond with specific details of programs designed to meet the policy objectives.

In this report we are describing the important role Parliament plays in the approval of the spending plan. The program presented to Parliament each February in the form of Main Estimates is in effect a proposal. The Government has the necessary authority to spend the taxpayers' money only after Parliament gives its approval.

I hope this publication will generate a better understanding of the relationship between Government and Parliament in the handling of your tax dollar.

A handwritten signature in black ink, appearing to read 'C. M. Drury', with a long horizontal stroke extending to the right and a vertical line at the end.

HON. C. M. DRURY,
President of the
Treasury Board

February, 1972.
Ottawa

Introduction



The Federal Government estimates it will spend \$15.7 billion in the fiscal year 1972-73. Only one institution can authorize the Government to spend this money—the Parliament of Canada.

Parliament spends a goodly proportion of its time debating new legislation to meet modern economic and social conditions. But rooted in Canadian tradition and through centuries of British history is a basic Parliamentary responsibility of granting “Supply”, the term applied to the process by which Parliament considers proposed Government expenditures. Although the public view of Parliament may focus on the daily question period or the debating of legislation, one of the continuing and basic powers of Parliament is its ultimate control over the public purse. It is a matter of record, indeed, that on some occasions in past years the Parliament of Canada has used that power to reduce what were considered to be unreasonable spending estimates.

Each February, the Government submits its annual expenditure plan to the House of Commons in a thick book, traditionally bound with a blue cover, called the Main Estimates. Amendments to this plan are submitted by the Government later in the year in the form of smaller blue books, called Supplementary Estimates.

From Confederation in 1867 through to 1968, the Canadian House of Commons considered these estimates in what was called the Committee of Supply. This Committee was composed of all members of the House and carried out its work in the Commons Chamber. Because only Members of Parliament are allowed to speak in the chamber, no outside witnesses or public servants could be heard or questioned. By the late 1960's, the Committee of Supply was sitting for 40 to 60 days each year, providing about 200 hours of study to the Government's expenditure plan. When the Committee approved the Estimates,

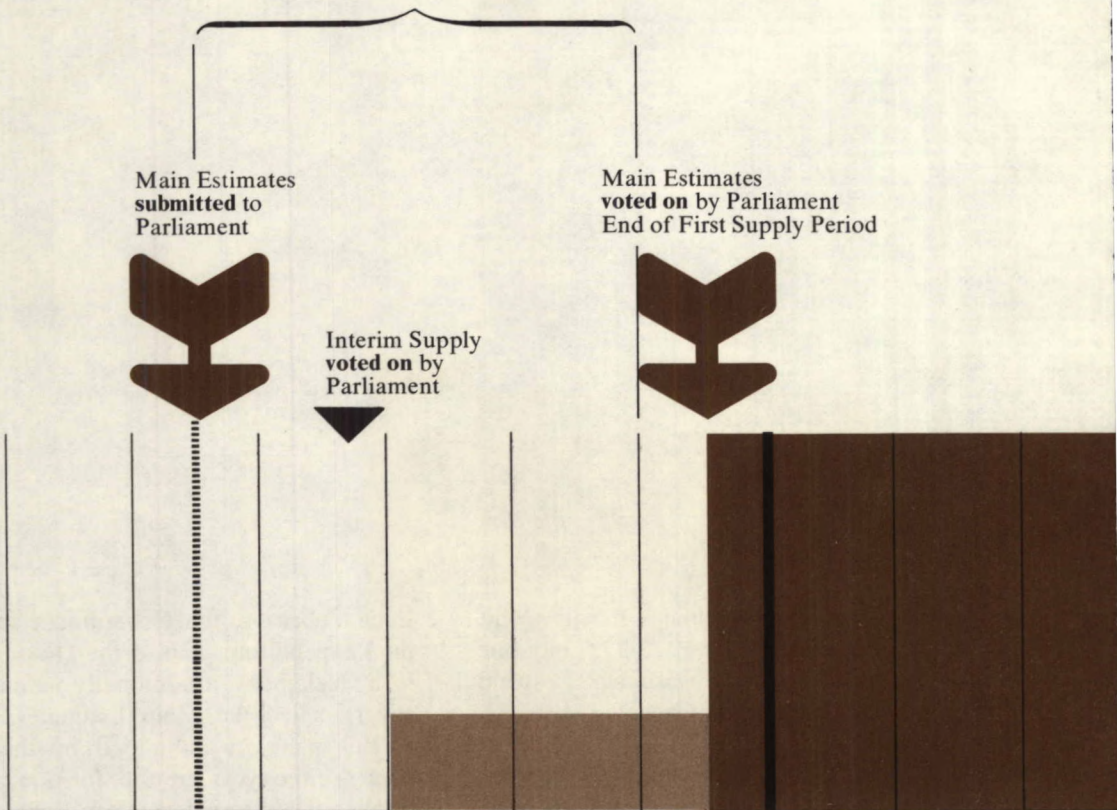
Parliament is Supreme

Standing Committees
of the House of Commons
review Main Estimates

Main Estimates
submitted to
Parliament

Main Estimates
voted on by Parliament
End of First Supply Period

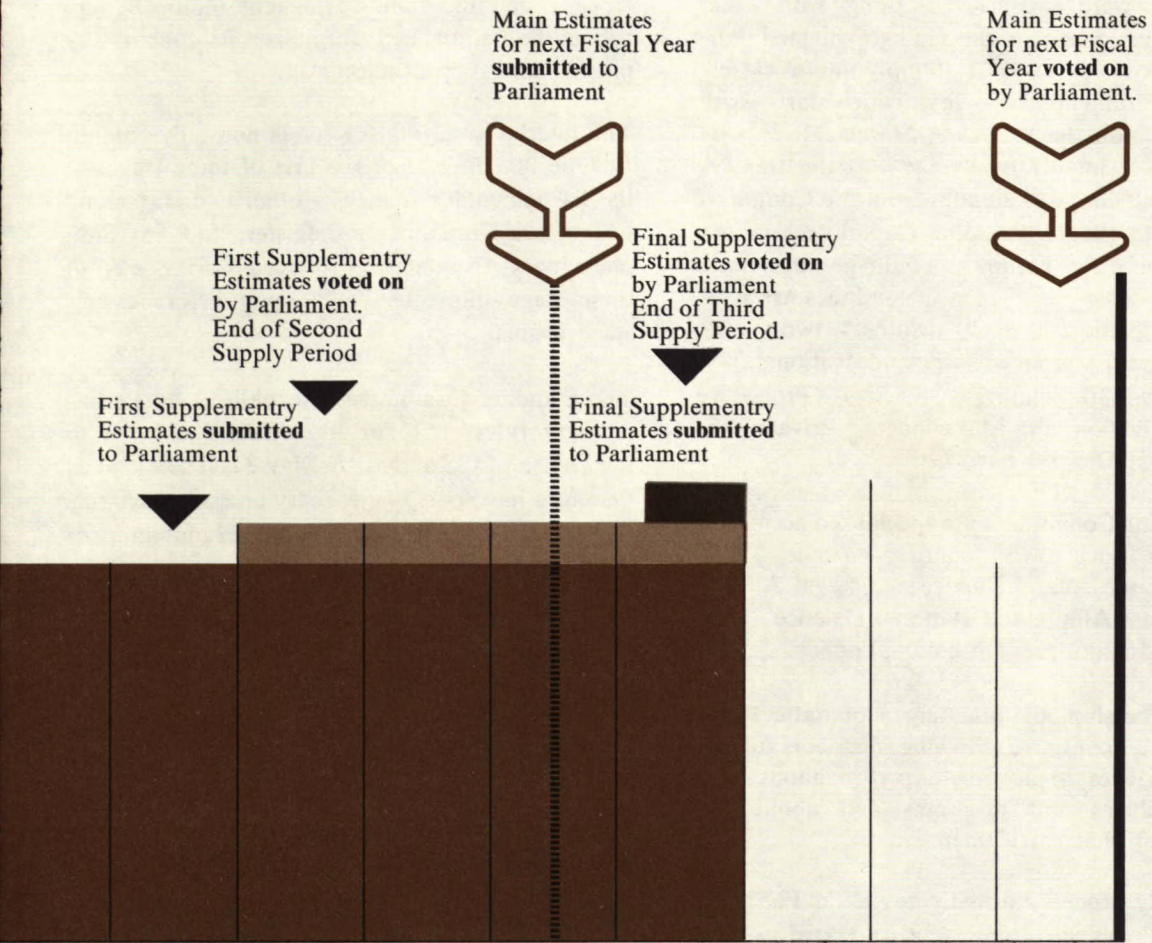
Interim Supply
voted on by
Parliament



Jan. Feb. Mar. Apr. May June July Aug. Sept

Government

The Parliamentary Cal



First Supplementary Estimates **voted on** by Parliament. End of Second Supply Period

First Supplementary Estimates **submitted** to Parliament

Main Estimates for next Fiscal Year **submitted** to Parliament

Final Supplementary Estimates **voted on** by Parliament. End of Third Supply Period.

Final Supplementary Estimates **submitted** to Parliament

Main Estimates for next Fiscal Year **voted on** by Parliament.

Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June

Fiscal Year

Parliament passed an Appropriation Act giving the Government the authority to spend the money for the purposes outlined in the blue books.

In 1968, the procedures governing the granting of supply were modernized along with other House rules. Some of the changes aligned Parliament's consideration of Supply more closely to the Government's fiscal year, which starts April 1 and ends on the following March 31. But by far the most important change was the transfer of the discussion of Estimates from the Commons Chamber to the 16 Standing Committees of the House, where the Estimates could be considered by subject categories. These Committees are relatively small: most have 20 members, two (Agriculture, and External Affairs and National Defence) have 30 members, and two (Procedure and Organization, and Miscellaneous Private Bills and Standing Orders) have 12.

The Standing Committees are specialized according to function, such as Agriculture; Finance, Trade and Economic Affairs; Justice and Legal Affairs; and External Affairs and National Defence. They embrace all major areas of national policy.

The membership of Standing Committees remains fairly constant, allowing members of all political parties to acquire expertise about particular policies and programs and about the departments that carry them out.

The Supply process normally begins in February when the President of the Treasury Board rises in the House of Commons and, in the traditional language, informs the Speaker that he has "a Message from His Excellency, the Governor General, signed by his own hand". All members stand while the Speaker reads the Message in which the Governor General recommends to the House the Main Estimates for the coming fiscal year. The Treasury Board President then tables the blue book containing the Government's expenditure plan for the year ahead.

The Estimates are then divided by subject matter and referred by the House of Commons to the appropriate Standing Committees.

Since the fiscal year begins less than two months after the Committees receive the Estimates for study, the House votes "Interim Supply" at the end of March to make it possible for the Government to carry on its work in the interval between April 1 and the time Parliament ultimately approves the Estimates. It formalizes its approval by passing an Appropriation Act.

The interim authority for funds normally extends to June 30, the end of the first of three stages in the Parliamentary year. The other two stages end just before Christmas and Easter, and any Supplementary Estimates introduced during any of these stages must be voted upon before a new stage begins.

The Standing Committees are obliged by Parliamentary rules to report the Main Estimates to the House of Commons by May 31. They usually therefore have part of February and all of March, April and May for their detailed examination of the Government's expenditure plan.

The Committees may, during their examination of the Estimates, call for the appearance of Ministers and departmental officials. They may also call for departmental papers and records to assist them in their examination. If a Committee wishes, it may hear witnesses from outside of Government who possess specialized knowledge and who can assist the Committee to evaluate specific programs.

Each Committee decides which aspects of the Estimates assigned to it should be studied in detail. A department's Estimates may be reviewed very quickly in one year, but may be scrutinized in great detail the next—in particular when important policy issues arise. One year, for example, the Committee on External Affairs and National Defence may devote a great deal of time to a study of Canada's foreign aid program but the next it may choose to concentrate on the equipment policies of the Canadian Armed Forces.

The individual Member of Parliament plays a key role in the Committees. He may question witnesses and seek detail on particular programs

and activities. He may question Ministers on policy and he may enquire into administrative matters from officials. Through such close examination, Members of Parliament can discover weaknesses—and strengths—in the operations of the Government.

The Committees may not increase proposed expenditures, nor can they alter the objectives for which the expenditures are recommended by the Government. They can, however, recommend to the House of Commons the reduction or even the elimination of particular items. The Government, on the other hand, has the right to ask the House to refuse to accept these recommendations, making their acceptance an issue of confidence in the Government. Should the House refuse the Government's request, the Government would fall.

Supplementary Estimates are studied by the House in a similar manner. They are normally presented to the House and sent to Committee in November and March of each fiscal year.

By the time the Estimates are reported to the House, the several Standing Committees have spent a total of about 500 hours in studying the Government's expenditure plan. This is more than twice as much time as was spent by the old Committee of Supply.

While the capacity of the House to examine Estimates has been increased, the ancient tradition has been maintained which guarantees members the right to express their grievances in the House of Commons before approving Government spending estimates. A total of 25 days each year is set aside for the Opposition parties to discuss matters of their choosing. These are known as Opposition Days, when an Opposition Party proposes a motion criticizing the Government in a particular policy area. A spokesman for that party leads off the debate, and a Cabinet Minister replies. The debate, which lasts throughout the day is widely reported in the press, giving public exposure to matters of immediate concern and controversy.

These Opposition Days occur in each of the three Parliamentary periods; five of them are in the period ending December 10, seven in the period ending March 26 and 13 of them in the period ending June 30—this being, of course, the time that the Main Estimates are before Parliament. In each of these periods, the Opposition may move two motions of non-confidence in the Government. In this way, the traditional rights of Parliament have been preserved.

At the end of the last Opposition Day in each period, the House is asked to concur in the Main or Supplementary Estimates by giving assent to a "supply bill".

The Estimates are tabled in the Senate about the same date they are tabled in the Commons. They are referred to the Standing Senate Committee on National Finance. This Committee like its counterparts in the Commons may call Ministers and officials as witnesses as it gives consideration to the Estimates. After each supply bill is passed by the House it is tabled in the Senate and made the subject of debate there.

After it has received Senate approval and Royal Assent, the supply bill becomes an Appropriation Act. This Act authorizes the Government to start spending the money it receives from your taxes.

Four Appropriation Acts are normally passed each fiscal year. In March the Government is granted "Interim Supply" normally for the first three months of the coming fiscal year. In June, the Appropriation Act finally approving the Main Estimates becomes law. Usually in December, the first set of Supplementary Estimates is passed, and in March the final Supplementary Estimates for the fiscal year are authorized.

It is fundamental to the Parliamentary system that the Government's programs be subjected to this detailed and public scrutiny, for it is in this manner that the public is informed each year about differing views on national objectives, and about issues surrounding the means the Government has chosen for achieving these objectives.

Thus, both in Committee and in the Commons, the Member of Parliament has the opportunity to express his views on how the Government plans to spend your tax dollar. Individual Canadians, in turn, have the opportunity to express their opinions on the Government's spending proposals by making representations to their Members of Par-

liament, to the political party of their choice, or directly to the Government.

As a result of this system of Parliamentary scrutiny and debate each Canadian is better informed and therefore more able to exercise his rights and responsibilities as a citizen.

TABLE II
THE SPENDING PROGRAM—PAST, PRESENT AND FUTURE¹

Function	(\$ millions)							Forecast	Proposed
	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71		
Health and Welfare	1,824	1,786	1,994	2,154	2,384	2,734	3,182	3,653	3,831
Economic Development and Support	805	975	1,205	1,473	1,527	1,777	1,862	2,289	2,241
Public Debt	1,051	1,111	1,191	1,301	1,480	1,717	1,823	2,035	2,160
Defence	1,550	1,556	1,651	1,760	1,762	1,792	1,821	1,900	1,947
Fiscal Transfer Payments to Provinces	358	466	515	738	867	932	1,229	1,396	1,307
Transportation and Communications	763	839	941	1,018	932	893	890	1,035	1,110
Internal Overhead Expenses	272	322	391	439	644	640	787	828	951
General Government Services	267	325	372	378	413	508	580	696	795
Education Assistance	28	29	90	114	287	315	463	573	667
Culture and Recreation	169	174	218	280	244	258	264	324	368
Foreign Affairs	131	152	230	217	227	243	281	319	372
Totals	7,218	7,735	8,798	9,872	10,767	11,809²	13,182	15,048	15,749

¹ Present account classification system extends back only to 1964-65. Data for the years 1964-65 to 1970-71 are taken from the Public Accounts of Canada.

² Does not include Expo write off of \$122.9 million.



The annual expenditure plan reflects the concerns of the Government and of Parliament in their role as representatives of the people of Canada: the integrity of Canada as a nation; its relations with other countries and the world; its economic and technological development; the well-being of individual Canadians, their opportunity to be employed, to be trained, to receive adequate incomes; disparities in the development of the several regions of Canada and the opportunities available to the people in them; and the quality of the environment in which Canadians live.

To begin with, the aggregate level of expenditures proposed for 1972-73 reflects the cumulative judgments of Federal governments over the years as to the contribution which can and should be made by the Government of Canada to the economic, social and cultural well-being of the country. It reflects too, the decision of the Govern-

ment of the day to support through its fiscal policy the current high levels in the rate of increase in employment and income in Canada.

There are in addition specific measures designed to maintain these increases in income and employment. The Canada Works Program, initiated in October 1971 will extend into April and May of this year, involving the Local Initiatives Program, loans to the provinces for capital projects—the authority for which was obtained from Parliament in December—a new industry-government on-the-job training program and an expanded program of federal capital works. Expenditures under these programs are expected to reach \$425 million over 1971-72 and 1972-73. Capital expenditures of the Government of Canada will be about \$700 million in 1972-73 including major expenditures in areas where unemployment is the highest.

Dividing the Tax Dollar

Equally important are expenditures designed to help people find employment and where necessary to up-grade their skills. Occupational training for adults will involve expenditures of \$355 million, up from \$337 million, and another \$63 million will be spent on employment and training services to individual Canadians who seek the assistance of the Federal Government's Manpower Centres. Last year's special program for Canadian youth during the summer months will be repeated in 1972: this year it will involve expenditures of \$85 million, and will engage 110,000 young Canadians in useful and constructive endeavours.

Provision for assisting the provinces in financing post-secondary education has also increased—the cash grants will increase from \$463 million to \$543 million—with general agreement having been reached on the necessity for measures to limit the rate of growth in these expenditures during the next two years during which these federal-provincial arrangements will be under review.

Measures designed to assure adequate incomes for Canadians will receive equal emphasis in the 1972-73 expenditure plan. Aside from certain minimum wage laws which assure basic incomes for people who are employed, the Federal Government administers programs which assure minimum incomes for people who are unable to work or who are temporarily unemployed. While these measures are financed out of special funds, which makes unnecessary their inclusion in the printed Estimates, they nonetheless form a part of the Government's expenditure plan: the Canada Pension Plan which pays pensions to the old and the disabled, the Old Age Security Plan, including the Guaranteed Income Supplement, which provides income support for people over 65, and the Unemployment Insurance Plan which in 1972 will be paying improved benefits to people who are temporarily unemployed.

In the Estimates themselves, there is also provision for the expenditure of \$616 million on family and youth allowances. The Minister of National Health and Welfare has announced that

he will be asking Parliament to amend these programs during the year so as to make the benefits available to people who need them most, rather than generally. There is also provision for \$790 million to be paid to the provinces under the Canada Assistance Plan, including tax compensation to Quebec, to assist those who are most in need.

In addition to these measures which support the incomes of individual Canadians, the Federal Government will be contributing nearly \$2,000 million, including tax compensation, towards Canada's hospital and medical insurance plans. These are the plans which, under joint federal-provincial auspices, assure every person the health care required.

Another major concern of the Parliament of Canada—given the size and the diversity of the country and its proximity to the pervasive culture of the United States—has always been to preserve the integrity of the Canadian character and indeed the integrity of nationhood.

One of the forces best able to contribute to the unity as well as to the cultural diversity of our country is the CBC. 1972-73 will see the first planning steps toward a further extension of the CBC's services—to all population concentrations of 500 or more—a program which it is expected will take five years to complete. The CBC intends to rent three channels on the communications satellite which will be put into orbit by Telesat Canada at the end of 1972—another joint industry-government endeavour.

A growing source of pride to Canadians, too, is the developing reputation of Canadian artists—writers, musicians, actors, painters, film makers. The 1972-73 expenditure plan makes more generous provision for the development of the arts in Canada—the National Film Board, the museums, and support of the arts generally.

Increased grants will be made, too, for Fitness and Amateur Sport, reflecting the growing emphasis on physical recreation in Canada. And increased funds are being provided

for the network of National Parks which are meant to preserve Canada's natural heritage and to provide Canadians with focal points in their travels across the country.

An objective which is basic to Canadian unity—the right of the individual to use either official language in dealing with the Government of Canada, or the opportunity to learn the other official language if it is required when one works for the Federal Government—will receive further emphasis in 1972-73. A total of some \$50 million is being provided to this end.

Another objective which is basic to Canadian unity is the equalization of opportunity between individual Canadians, wherever they may live. The Government's policy was stated in its paper *The Constitution and the People of Canada*: "There is no room in our society for great or widening disparities—disparities between the opportunities available to individual Canadians, or disparities in the opportunities or the public services available in the several regions of Canada."

The Department of Regional Economic Expansion is being allocated approximately \$505 million including loans of \$80 million toward this objective in 1972-73. Its programs include grants to industries locating in slow growth areas, in whatever region they may have been designated; contributions and loans to certain of the provinces to improve power, water and other services—again to attract industry; and assistance of various kinds for rural development, particularly on the Prairies and in the Atlantic Provinces.

Equalization payments to the lower income provinces, ensuring adequate levels of provincial public services across the country, will come to nearly \$1,031 million in 1972-73. These payments are made to seven of the ten provinces. This is the program which was described by the United States Advisory Commission on Intergovernmental Relations as being "a sophisticated and effective method for equalizing the revenue capacity of the Provinces".

Rarely mentioned when speaking of the integrity of the Canadian nation is the role played by Canada's Armed Forces—responsible for the surveillance of Canada's territory and for its protection in time of emergency, and responsible for carrying out Canada's part in the peace-keeping activities of the United Nations. Nor do Canadians think often of the role being played by the nation's missions abroad, representing Canada's interests and serving individual citizens. The 1972-73 expenditure plan provides some \$1,943 million for the Department of National Defence and \$109 million for the Department of External Affairs. This is aside from the \$491 million which will be contributed next year to assisting the peoples of the developing countries of the world.

On the economic front, the expenditure plan contains expanded provision for industrial and economic growth, and for increasing the development and application of science and technology in Canada.

A Ministry of State for Science and Technology has been established for the purpose of coordinating government support for scientific advancement and the development of Canadian technology. And expanded support will be made available to private industry to assist it in developing and applying new technology—the Program for the Advancement of Industrial Technology, the Industrial Research Assistance Program, and the Defence Industry Productivity Program. Scientific research is being carried out within the Government, on the other hand, in the fields of agriculture, forestry and fisheries—by the Departments of Agriculture and Environment, and in the Fisheries Research Board. This is not to mention the scientific research being done in such agencies as the National Research Council and the grants which are made to Canadian universities.

The \$1,267 million to be spent on transportation and communications provides for the vast network of facilities required in a country of Canada's size—land, sea and air. It includes loans of \$157 million to be spent on the marine and airport

facilities operated by the Ministry of Transport, and will be supplemented by loans of \$100 million to Air Canada and Canadian National Railways.

Provision is made in 1972-73 for an expanded program of assistance to local and community airports. An experimental program in Short Take-Off and Landing aircraft (STOL), as a vehicle for rapid interurban transport, will also be supported. And the program for the development of northern roads, involving some \$15 million in 1972-73, forms a part of the expenditure plan of the Department of Indian Affairs and Northern Development.

Two of the more interesting projects in the communications field involve the development and application of satellite technology in Canada. A communications satellite called ANIK is being launched for Telesat and is expected to be in use by 1973 for telephone, data, and radio and television communication. Another project involves the construction by the Government of a satellite tracking station in Canada for the purpose of receiving and examining data on Canada's earth resources—data which will be communicated to Canadian stations by a satellite being launched by the United States.

Elsewhere in the field of communications the Post Office is extending the use of the postal code and the mechanization of its operations to assure Canadians more rapid—in many cases twenty-four hour—delivery service.

A more recent concern of governments in industrialized societies is the growing pollution of the environment—particularly in and around urban areas. The 1972-73 Estimates include provision for the Department of the Environment whose special concern it is to work with the provinces in improving the environment. One of the major projects entered into by this Department and the Central Mortgage and Housing Corporation, in cooperation with the Government of Ontario—and looking toward an agreement with the United States—is work on water quality improvement in the Great Lakes. Another project involves water

basin studies designed to ensure, through agreement with participating provinces, that Canada's fresh water resources are preserved and protected. This work, which has been underway in the Atlantic and the Western provinces, will be extended, it is planned, to other great watersheds in the rest of Canada.

Another new Ministry has been established to enable the Federal Government to contribute more positively and constructively to planned urban development in Canada. The Ministry of State for Urban Affairs will be responsible for coordinating the policies of the Government which affect development in particular urban centres—transport, housing, public works, and others. The new Ministry will also be focussing on research into urban problems, on experimentation with prototype urban development projects, and on assistance to national and regional consultations designed to coordinate urban development.

The Central Mortgage and Housing Corporation, responsible to the Minister of State for Urban Affairs, will continue its program at the record levels established in 1970 and 1971. The Corporation will finance directly at least 50,000 housing starts, roughly the same number as in 1971, most of them being low income housing units. In addition \$29.8 million is provided in the Estimates for CMHC's share of operating subsidies for over 50,000 low income housing units.

This is only a partial picture of the Government's expenditure plan for 1972-73—more information is given in the pages which follow. But it gives some idea as to how complicated it is to divide your tax dollar to meet the various needs of the country.

How this is done was described in last year's *How Your Tax Dollar is Spent*.

At the outset, the Cabinet Committee on Priorities and Planning discusses the general policy direction that the Government should take in the coming year. This is the Cabinet Committee which develops and recommends to Cabinet the

broad priorities and objectives of the Government.

Next the Minister of Finance reviews the state of the economy and forecasts both what may happen in the year ahead, and the fiscal policy which likely will be suitable under the economic circumstances he foresees. He also estimates the resources which will be available to the Government in the coming year. The tax revenues come largely, of course, from your personal income taxes, the taxes paid by businesses, and the general sales tax that everyone pays. There are in addition substantial non-tax revenues and other cash sources such as the monies available in special funds, and any borrowings which the Government may decide, given its fiscal policy.

At the same time as the revenue forecasts are submitted to Ministers, the President of the Treasury Board presents an estimate of the continuing costs of the programs and activities which were established in previous years. A comparison of the two sets of estimates—revenues and expenditures—gives a measure of the funds available, if any, for new measures or tax reductions.

The Government also considers whether there are programs which might be phased out in favour of new and higher priorities. Some programs come to a predetermined end, such as the Trans Can-

ada Highway agreement with the provinces. Final payments for this program were made in 1971-72.

Against this background of priorities and policy objectives, and the information provided by the Minister of Finance and the President of the Treasury Board, the Cabinet Committee on Priorities and Planning recommends to Cabinet the areas of policy which should receive priority—in terms of the development of new programs or the expansion of existing ones.

Once general spending guidelines in respect of these priorities have been approved by Cabinet, the Treasury Board begins its review of departmental proposals—the work of assembling those recommended programs and activities which will best meet the Government's objectives, given the total resources estimated to be available.

It is on the basis of these recommendations that the Government decides upon the expenditure plan which will be proposed to Parliament.

In the budgeting system used by Treasury Board the Government spending is divided into eleven different categories or "functions" of Government. Each category takes a piece of your dollar. Over the years the size of some pieces has changed significantly as priorities change. Here's how your dollar is spent:

Function	1964-65 (cents)	1972-73 (cents)
Health and Welfare	25	24
Economic Development and Support	11	14
Interest on Public Debt	15	14
Defence	21	13
Fiscal Transfer (Equalization) Payments to Provinces	05	08
Transportation and Communications	11	07
Internal Overhead Expenses (government office space, pension contributions, etc.)	04	06
General Government Services (administration of justice, tax collection, Parliament, etc.)	04	05
Education Assistance	0.4	04
Foreign Affairs	02	03
Culture and Recreation	02	02
	\$1.00 = \$7.2 billion	\$1.00 = \$15.7 billion



HEALTH AND WELFARE 24 CENTS

In the coming fiscal year the Government plans to spend \$3,831 million on the many programs operated under the general category of Health and Welfare. This means that out of every tax dollar you pay the Government, 24 cents will be spent on the health and well-being of individual Canadians.

Six cents will go towards the Federal Government's share of provincial hospital insurance programs.

Four cents will be spent on family allowances, youth allowances and family assistance programs. The Minister of National Health and Welfare has announced the Government's intention to seek Parliament's approval for a "Family Income Security Plan" to replace these programs. This plan would entail about \$150 million a year more in benefits and would provide higher benefits to those most in need.

Four cents will go to the provinces as the Government's contribution towards your medicare program.

Three cents will go to the provinces as the Government's payment towards the Canada Assistance Plan.

Three cents are set aside for payment of pensions and other benefits to Canada's war veterans. Two cents will be spent on programs to advance the economic and social well-being of Indians and Eskimos.

This fiscal year the Government of Canada is also making money available to establish experimental projects designed to evaluate the guaranteed annual income concept.

The establishment of a new Ministry of State for Urban Affairs and Housing reflects the Federal Government's concern about the new social problems created by our rapidly expanding urban centres. The Ministry will have a basic role in undertaking urban research and in coordinating federal policies in urban areas. In addition, funds are being allocated in 1972-73 for the development of various urban prototype or demonstration projects which will contribute to the development of improved urban policies.

The Government is setting aside \$85 million for various youth programs, including a continuation of the Opportunities for Youth Program inaugurated in the summer of 1971.

HEALTH AND WELFARE

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Public Health:		
Environmental Protection & Health Services	10.8	15.5
Public Health	19.2	14.0
Medical Care:		
Medicare Payments to Provinces	576.5	660.0
Health Resources Fund	37.0	37.0
Medical Research Council— grants, scholarships, administration	36.1	38.0
Hospital Care:		
Hospital Insurance Payments to Provinces	850.6	950.8
Other Health, including Northern Health Services	21.4	22.7
Income Maintenance:		
Family and Youth Allowances	615.9	616.4
Family Assistance	2.6	2.5
Government Contributions to Unemployment Insurance Fund	110.7	—
Administration Cost, Unemployment Insurance Commission	57.3	—

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Government Annuities		
Administration	1.1	1.1
Transitional Assistance and Adjustment Assistance Benefits	1.6	1.7
Social Assistance:		
Canada Assistance Plan, Payments to Provinces	441.2	489.6
Aid to the Blind and Handicapped	10.9	12.9
Guaranteed Income Experimental Projects	—	5.0
Company of Young Canadians	1.9	2.0
Other Social Assistance	20.8	23.4
Veterans' Benefits:		
Administration	5.7	5.3
Welfare Services	98.4	100.1
Pensions	237.5	237.4
Bureau of Pensions Advocates	0.9	1.2
Treatment Services—		
Health and Rehabilitation	72.2	77.0
Veterans' Land Act	11.3	11.7
Indians and Eskimos:		
Administration, Indian Affairs and Northern Development	9.4	11.2
Indian and Eskimo Affairs— welfare, education, etc.	264.9	284.6
Indian Health Services	32.9	33.0
Housing and Urban Renewal:		
Urban Affairs Ministry	2.1	15.0
Housing Research and Community Planning	6.8	7.1
Public Housing Projects and Land Development	19.2	29.8
Municipal Sewage Treatment Assistance	16.8	21.7
Aid to Urban Renewal Projects	25.0	32.6
Losses on Mortgage Sales	2.1	1.0
Other:		
Administration, National Health and Welfare	8.1	7.8
Student Summer Employment, Opportunities for Youth, etc.*	24.7	62.0
TOTAL HEALTH AND WELFARE	3,653.6	3,831.1

* The total provision for Student Summer Employment in 1972-73 is \$85 million, made up of the \$62 million shown here and \$23 million earmarked in departmental budgets. The total provision in 1971-72 was \$67 million including \$25 million shown here for Opportunities for Youth and \$42 million spent from funds allocated in departmental budgets for the purpose.



ECONOMIC DEVELOPMENT AND SUPPORT 14 CENTS

As Canada seeks to expand its world and domestic trade in the face of increasing foreign competition, the Government plans to spend 14 cents of every tax dollar on programs designed to stimulate the economy and increase the productivity of the Canadian labor force.

Two cents will go towards the agricultural industry, where emphasis will be on programs under which farmers can assist themselves in improving the marketing of their products and in the management of their farms. Among the techniques available is the CAN-FARM program, in which participating farmers are provided with a farm management and accounting service.

The Government's concern about the Canadian fishing industry is reflected in new programs which emphasize improvements in water quality, the prevention of fish contamination, and the patrol of fishing waters to prevent the intrusion of foreign fishing vessels.

With the world trade picture changing rapidly, the Government is studying new trading patterns, particularly in Europe and the Far East. It is also increasing its expenditures to promote Canadian trade through trade fairs and missions.

Formation of the new Ministry of State for Science and Technology is a reflection of the Government's intention to extend the promotion of

scientific advancement and the development of Canadian technology. Another major activity in the 1972-73 Estimates involves a program of research analysis and implementation related to national policies in energy and mineral resources fields. Additional research is being carried on in Government departments in the fields of earth sciences and forestry, including studies of the possible impact on the environment should an oil or gas pipeline be constructed from the Arctic to markets in southern Canada.

More funds are being provided for industrial research assistance designed to place Canada's secondary industries in a more competitive position. For example, it is proposed that the funds for PAIT, the program for aid to industrial technology, be increased from \$25 million in 1971-72 to \$36 million in 1972-73.

Three cents of your tax dollar is being devoted to programs for the labor force. Most of it, about \$355 million, is to be spent on an expanded program of Occupational Training for Adults.

Another three cents will go towards regional economic expansion activities geared to bring a more even distribution of industrial activity and employment opportunities throughout Canada. The proposed expenditures for the Department of Regional Economic Expansion will reach \$505 million in 1972-73, including loans.

ECONOMIC DEVELOPMENT AND SUPPORT

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Agriculture:		
Administration (including CANFARM)	15.0	22.6
Research	50.8	52.8
Production and Marketing Administration and Operations	25.1	27.4
Agricultural Commodities Stabilization—		
Dairy Subsidies, etc.	132.9	111.4
Payments for Farm Adjustment	—	17.1
Crop Insurance	5.2	7.8
Health of Animals Program	27.8	30.0
Canadian Grain Commission	13.2	16.2

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Feed Freight Assistance	19.9	20.5
Farm Credit Corporation	8.6	8.7
Wheat Carrying Costs	85.3	29.0
Advance Grain Payments	3.5	2.5
Grains, Market Development and Administration	6.2	16.9
Canadian Dairy Commission	0.5	0.7
Fisheries:		
Management and Resources	62.7	68.0
Forestry:		
Forestry research and services	25.4	33.0
Minerals:		
Mineral and Energy Resources	29.1	32.6
Gold Mining Assistance	13.9	14.2
Water Resources:		
Water Resource Programs	56.0	59.5
International Joint Commission	0.6	0.4
Energy:		
Energy Development	2.8	3.7
Minto Coal Fields Assistance	4.0	4.0
Atomic Energy of Canada Limited	77.1	79.0
Grants for Atomic Energy Research	2.6	2.6
Grant for Tri-University Meson Facility	9.1	4.9
Atomic Energy Control Board	0.9	1.0
National Energy Board	3.1	3.6
Other:		
Department of Energy, Mines and Resources Administration	7.1	6.0
Department of the Environment, Planning and Administration	10.4	11.6
Secondary Industry:		
Grants and Contributions to Industry for Industrial Research and Development and to Modernize Specific Industries	120.0	140.1
Commercial and Fishing Vessel Construction Subsidy	20.5	26.5
Corporate Affairs—surveillance, research, bankruptcy and other administration	8.8	10.4
Canadian Film Development Corporation	0.4	0.4
Standards Council	0.4	0.5
Working Conditions:		
Labour Department, Administration and Operations	11.0	13.3

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Training:		
Employment and Training Services	61.7	62.8
Occupational Training for Adults	337.0	354.8
Manpower Mobility—grants for workers moving to jobs	8.4	11.0
Capital Assistance to Provinces for Technical and Vocational Schools	76.1	—
Immigration:		
Immigration Programs	28.7	32.1
Other Labour Force Programs:		
Canada Works Program*	145.0	25.0
Departmental and Program Administration, Manpower and Immigration	22.7	23.4
Program Development	7.1	7.3
Tourism:		
Tourism Development	11.9	16.2
Foreign Trade:		
Anti-Dumping Tribunal	0.2	0.2
Market Development	18.8	26.8
World Exhibitions	0.2	0.8
Social Science Research:		
Statistics Canada Administration, Operations and 1971 Census	70.9	55.5
Economic Council of Canada	2.1	2.7
Social Sciences and Humanities	16.6	17.8
Physical Science Research:		
Ministry of State for Science and Technology	1.2	4.1
Science Council of Canada	1.3	1.4
National Research Council Operations	56.4	63.4
Other Research	7.6	8.3
University Grants	67.6	67.6
Regional Development:		
Northern Economic Development Program	33.6	38.7
Regional Economic Expansion, Grants to Industry and Provinces and Other Spending in Less Favoured Regions	345.4	424.8
Payments to Cape Breton Development Corporation including coal subsidies and industry rationalization	35.1	42.2
Other Economic Development:		
Earth Sciences Surveys	21.1	20.3
Forgiveness, Developmental Loans to provinces	—	35.0
Administration, Industry, Trade, and Commerce	5.4	6.1

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Domestic Environment, Industry, Trade and Commerce	7.1	8.4
Employment Support Act	30.0	—
Other	9.5	4.8
TOTAL ECONOMIC DEVELOPMENT AND SUPPORT	2,288.6	2,240.4

* The total Canada Works Program includes \$425 million in expenditures to be made in 1971-72 and 1972-73, consisting of \$150 million for the Local Initiatives Program, \$80 million for labor-intensive projects by Federal Government departments, \$15 million for additional Occupational Training for Adults, \$20 million for on-the-job training, and \$160 million in special development loans to the provinces.



PUBLIC DEBT

14 CENTS

Canada's public debt, which stood at \$46 billion in December 1971, is an accumulation of the debt the Federal Government has incurred over the years. Approximately one-third of the debt was built up during World War Two through the sale of war bonds and certificates and other borrowings. Another large portion of the debt represents the costs of post-war housing designed to enhance the standard of living of Canadians.

The Government obtains its money from the financial markets through the sale of bonds and treasury bills. It also borrows directly from the public through the sale of Canada Savings Bonds.

Paying the interest and other charges on the public debt will cost \$2,160 million in 1972-73, or 14 cents of the tax dollar. Most of this money is paid to Canadians in the form of interest payments on bonds held by them.

PUBLIC DEBT		
	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Spending on the Public Debt Interest, Amortization, Servicing Cost and Cost of Issuing New Loans	2,034.7	2,160.4
TOTAL PUBLIC DEBT CHARGES	2,034.7	2,160.4

In August, 1971, a new White Paper on Defence was issued to provide Canadians with a comprehensive statement of the national defence policies.

DEFENCE		
	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Department of National Defence:		
Armed Forces, Defence Research, Mutual Aid, Civil Emergency Measures, Departmental Administration	1,896.7	1,942.7
Other	3.7	3.7
TOTAL DEFENCE	1,900.4	1,946.4



DEFENCE 13 CENTS

The defence budget in 1972-73 is estimated at \$1,943 million. Most of the increase over 1971-72 is for pay adjustments intended to bring the pay and conditions of service in the Armed Forces into line with those in the Public Service.

The Armed Forces program involves the protection of Canadian territory, continental defence in cooperation with the United States, and the maintenance of forces in Europe and Canada to meet existing NATO commitments. It also includes support of international peacekeeping operations, such as the Canadian contingent of the UN peacekeeping force in Cyprus, as well as Canadian military observers with the UN truce supervisory organizations in the Middle East and Kashmir.



FISCAL TRANSFER PAYMENTS 8 CENTS

Each year the Federal Government makes substantial fiscal transfer payments to the lower-income provinces which are used for the purpose of upgrading the quality of the public services these provinces provide. In the 1972-73 fiscal year these payments will total \$1,307.2 million, or eight cents of your tax dollar. In addition, all provinces receive funds for nationwide programs such as medical and hospital care and the Canada Assistance Plan.

To help the provinces to expand their public services generally, the Federal Government has also made available substantial "tax room" through the reduction or abatement of federal taxes. In 1972-73 the total payments and tax transfers to the provinces will amount to \$5.2

billion. A breakdown of fiscal transfers and other federal payments to the provinces appears as Table III on page 31.

FISCAL TRANSFER PAYMENTS		
	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Statutory Subsidies:		
Subsidies under the British North America Act	33.8	33.8
Fiscal Arrangements:		
Revenue Equalization and Estate Tax Sharing	1,113.3	1,031.2
Other:		
Utilities Income Tax Transfers	25.4	23.9
Payments to Quebec— Established Programs	223.6	218.3
TOTAL FISCAL TRANSFER PAYMENTS	1,396.1	1,307.2



TRANSPORTATION AND COMMUNICATIONS 7 CENTS

Transportation and communications services provided to you by the Federal Government will take seven cents of your tax dollar in 1972-73.

Three cents will go for the operations of the Post Office, the same as last year. Also, in the communications field, the Government of Canada plans to expand its satellite telecommunications program. This is being done through the development of a communications technology satellite and through studies of domestic satellite systems which may follow ANIK, the satellite which is to be placed in orbit in late 1972 to provide

domestic satellite communications systems for Canada.

Four cents will be used for a variety of programs which will further strengthen Canada's transportation system. Local and community airports in the national air transportation system are being given additional support through a revised policy of capital and operating assistance. In addition to the STOL project referred to earlier, funds are also being provided for a number of major new transportation projects, such as the deepening of the St. Lawrence River below Quebec City and a new air terminal at Calgary, Alberta.

TRANSPORTATION AND COMMUNICATIONS		
	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Air Transport:		
Aviation Services—airports, air traffic control and aids to navigation, etc.	167.4	176.7
Water Transport:		
Marine Services— aids to navigation, ice breaking, pilotage, search and rescue, etc.	109.7	130.0
National Harbours Board	4.6	2.3
Steamship Subsidies	6.0	7.4
Marine Program— construction and operation of harbours, wharves, etc.	32.0	25.0
St. Lawrence Seaway Authority	15.3	14.1
Rail Transport:		
Railway Subsidies	54.0	40.0
Canadian National Railways Deficit	27.0	30.0
Maritime Freight Rate Subsidies	14.2	13.0
Atlantic Region Freight Assistance	7.5	10.2
Road Transport:		
Railway Grade Crossing Fund	20.0	20.0
Trans-Canada Highway Construction Grants	2.3	—
Other Road Transportation	13.5	17.2
Post Office:		
Cost of Operations Before Deducting Revenues	418.4	460.1
Telecommunications:		
Department of Communications Research, Planning, Administration	21.8	30.0
Other:		
Weather Forecasting Services	25.1	38.1
Surface Transportation	71.6	59.7

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Transportation Development Agency	5.8	15.1
Ministry of Transport Headquarters	10.1	9.2
Canadian Transportation Commission Operations	9.0	11.9
TOTAL TRANSPORTATION AND COMMUNICATIONS	1,035.3	1,110.0



INTERNAL OVERHEAD EXPENSES 6 CENTS

What are called "the internal overhead expenses" of government include a wide variety of programs ranging from grants to municipalities in lieu of taxes on Federal Government properties, to pension and medical plans for federal employees. In total, these expenditures will amount to approximately \$950 million in 1972-73, or six cents of your tax dollar, the same as last year.

Of this amount \$284 million is required for the accommodation for Federal departments and agencies. This includes an expenditure of \$66 million for work on new buildings in the Ottawa-Hull area, including the new headquarters for the Department of National Defence and the Department of Consumer and Corporate Affairs.

The expansion of bilingualism within the public service is reflected in proposed expenditures

totalling \$50 million. These expenditures are designed to ensure that all Canadians may be served in the official language of their choice and to ensure that Canadians wishing to work in the Public Service are given an opportunity to learn the other official language.

INTERNAL OVERHEAD EXPENSES

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Government Support Services:		
Accommodation—rent, maintenance, new buildings	261.8	284.0
Grants to Municipalities in Lieu of Taxes on Federal Property	58.5	62.2
Translation services	11.6	15.0
Language Training	9.7	10.5
Public Service Bilingualism	—	25.0
Other Administrative Costs	125.2	138.1
Pension and Medical Plans:		
Government Contributions to Civil Servants' Pension and Medical Plans	297.8	356.3
Contingencies Vote:		
For Unforeseen Spending and General Salary Increases	63.0	60.0
TOTAL INTERNAL OVERHEAD EXPENSES	827.6	951.1



GENERAL GOVERNMENT SERVICES 5 CENTS

In 1972-73 it will cost five cents to provide the essential services required for the administration of Government in a modern society.

Just over one cent will be spent on the collection of taxes and customs duties.

More than two cents will be spent on the protection of persons and property including the administration of courts, judges' salaries and pensions and the operation of the Law Reform Commission which has been established to review continually the laws of Canada and to make recommendations for improving and modernizing them.

GENERAL GOVERNMENT SERVICES

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Legislation and Administration:		
Legislative—		
salaries, operating costs of Parliament, election expenses, Representation Commission and Auditor-General	40.0	41.4
Executive—		
Governor-General and Lieutenant-Governors, Privy Council, Constitutional Conference, Commissioner of Official Languages, Department of Finance and Treasury Board Administration	27.9	35.5
National Revenue— costs of collecting taxes, tariffs and duties	185.5	216.9
National Capital Commission	42.8	37.2
Information Canada	8.4	10.4
Yukon and Northwest Territories	73.6	87.4
Protection of Persons and Property:		
Justice—administration, courts, Judges' salaries	19.4	23.9

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Law Reform Commission and Tax Review Board	0.4	1.5
Correctional Services	83.8	92.5
Royal Canadian Mounted Police	177.3	200.2
Consumer Protection Services including Food and Drug Administration	32.1	43.6
Combines Investigation, Department of Insurance, Prices and Incomes Commission	4.7	4.7
TOTAL GENERAL GOVERNMENT SERVICES	695.9	795.2



EDUCATION ASSISTANCE 4 CENTS

The Federal Government plans to spend \$667 million on education assistance, or four cents of every tax dollar. Most of this money is for the purpose of financing, directly or indirectly, the education of students enrolled in Canada's post-secondary institutions. Some \$542 millions of this is paid to the provinces under an arrangement which involves federal contributions equal to half of the operating costs of post-secondary educational institutions. Another \$444 million,

not shown in the Estimates, accrues to provinces for the same purpose through a reduction of federal taxes in favour of provincial levies. Included in the \$667 million is \$34 million to pay interest and other charges in respect of loans to Canadian students from lending institutions.

EDUCATION ASSISTANCE

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Post Secondary Education:		
Education Support Administration	0.5	0.5
Post-Secondary Education payments to provinces for costs of universities, community colleges, etc.	462.9	542.5
Other Education:		
Student Loans Program, interest and other charges	29.7	34.0
Bilingualism Development— Including payments to provinces	79.6	90.0
TOTAL EDUCATION ASSISTANCE	572.7	667.0



FOREIGN AFFAIRS

3 CENTS

Most of the three cents of your tax dollar which is spent on foreign relations goes towards aid to

underdeveloped countries. In 1972-73 Canada's total aid contributions, including loans, investments and advances which are not shown in the tables printed in this booklet, will amount to \$491 million.

Most of this spending is managed by the Canadian International Development Agency, which provides aid directly to the Governments of developing countries mainly through loans, grants and technical assistance. Other development assistance is distributed through special international development banks, some of which are global and some of which operate in specific geographic areas such as Asia and the Caribbean. These banks in turn lend the money to their member countries.

Canada will also contribute \$20.8 million as its share of the operating costs of international organizations, notably the United Nations and its many specialized agencies.

In addition, \$88.5 million will be spent by the Department of External Affairs to operate our embassies and consulates throughout the world, and the departmental headquarters in Ottawa.

FOREIGN AFFAIRS

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
External Relations:		
Department of External Affairs	78.2	88.5
Canada's Contributions to International Organizations— United Nations, etc.	16.7	20.8
Assistance to Developing Countries:		
Aid to Developing Countries— grants, technical assistance, etc.	214.9	250.6*
Administration Costs, Canadian International Development Agency	9.1	11.7
TOTAL FOREIGN AFFAIRS	318.9	371.6

* Total aid in 1971-72 will be \$491 million.



CULTURE AND RECREATION 2 CENTS

The Federal Government is making more funds available for its cultural and recreational programs in 1972-73, particularly for museums and other endeavours that will reflect and preserve the Canadian identity. Under a new multi-culturalism program, the Government will assist ethnic groups to preserve their cultural heritage. Funds are also being provided to native peoples' organizations.

Of the two cents being spent on culture and recreation, more than one cent will go towards the operations of the Canadian Broadcasting Corporation.

The development of new national parks in British Columbia, Ontario and Quebec reflects the Government's concern over the preservation of our natural heritage.

The eleven functional pieces into which your tax dollar is divided add up to \$15.7 billion. In total they represent an expenditure plan the Government believes will meet the needs of the people

As part of the fitness and amateur sport program, funds are being provided for special programs to prepare Canadian athletes and coaches for the 1976 Summer Olympics to be held in Montreal.

CULTURE AND RECREATION

	Forecast Expenditure 1971-72 (\$ millions)	Proposed for 1972-73 (\$ millions)
Cultural Institutions:		
Costs of National Museums, National Library, National Arts Centre, Public Archives	20.2	30.2
Recreation:		
National Parks, Historic Sites and Conservation	57.1	59.1
Film, Radio and Television:		
Canadian Broadcasting Corporation	181.0	207.0
Canadian Radio-Television Commission	4.4	4.8
National Film Board	11.4	13.6
Other:		
Fitness and Amateur Sport Administration	1.4	1.1
Fitness and Amateur Sport Grants	7.2	7.5
Arts and Cultural Support	1.3	4.2
Citizenship Development	17.5	20.0
Canada Council and Support of the Arts	9.8	17.1
B.C. Centennial	9.8	—
Secretary of State Administration	3.4	3.6
TOTAL CULTURE AND RECREATION	324.5	368.2

and the country as a whole, from the fisherman in Newfoundland to the housewife in British Columbia and to the child on Baffin Island.

\$15.7 Billion = One Dollar

TABLE III

ESTIMATED FEDERAL PAYMENTS TO PROVINCES AND MUNICIPALITIES¹ 1972-73

	(in millions of dollars)										
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
Statutory Subsidies—B.N.A. Acts	9.7	0.6	2.2	1.8	4.5	5.6	2.1	2.1	3.1	2.1	33.8
Equalization	112.8	23.7	104.3	104.8	446.1	—	58.1	94.2	—	—	944.0
Adjustments for prior years ²	—	—	—	—	—	—	—	—	—	—	87.2
Public Utilities Income Tax Transfer	1.0	0.2	1.6	0.1	3.0	10.5	0.7	—	6.0	0.5	23.6
Total Unconditional Payments	123.5	24.5	108.1	106.7	453.6	16.1	60.9	96.3	9.1	2.6	1,088.6
Hospital Insurance ³	28.9	5.8	46.4	37.5	386.2	492.3	59.3	55.6	99.8	122.0	1,333.8
Medicare	15.8	3.3	23.0	19.1	183.5	235.6	31.4	28.4	50.0	68.3	658.4
Health grants	0.1	—	0.1	0.1	0.6	0.8	0.1	0.1	0.2	0.2	2.3
Health Resources Fund	3.5	0.2	0.5	0.5	11.0	2.4	4.7	4.0	2.0	8.2	37.0
Canada Assistance Plan, etc. ³	26.5	4.6	21.8	21.4	298.4	223.8	38.1	26.5	47.5	81.5	790.1
Total Health and Welfare	74.8	13.9	91.8	78.6	879.7	954.9	133.6	114.6	199.5	280.2	2,821.6
Post-Secondary Education ⁴ —cash transfer	7.2	1.7	19.5	9.4	175.5	200.0	20.9	17.3	70.2	20.8	542.5
—income tax offset ⁵	4.9	0.9	10.3	6.9	106.6	203.7	17.3	10.3	33.2	50.4	444.5
—total	12.1	2.6	29.8	16.3	282.1	403.7	38.2	27.6	103.4	71.2	987.0
Municipal Grants in lieu of taxes	0.3	0.2	4.8	0.6	12.2	30.1	3.6	1.7	3.3	4.7	61.5
Economic Development ²	—	—	—	—	—	—	—	—	—	—	157.5
Bilingualism Development											
—primary and secondary education	0.3	0.2	1.0	6.0	38.0	19.0	1.1	1.0	1.2	1.2	69.0
—language training ²	—	—	—	—	—	—	—	—	—	—	20.0
Total Other—excluding income tax offset	7.8	2.1	25.3	16.0	225.7	249.1	25.6	20.0	74.7	26.7	850.5
—including income tax offset	12.7	3.0	35.6	22.9	332.3	452.8	42.9	30.3	107.9	77.1	1,295.0
Total Payments to Provinces (excluding income tax offsets)	206.1	40.5	225.2	201.3	1,559.0	1,220.1	220.1	230.9	283.3	309.5	4,760.7
Total Payments to Provinces (including income tax offsets)	211.0	41.4	235.5	208.2	1,665.6	1,423.8	237.4	241.2	316.5	359.9	5,205.2
Equalization Payments—dollars per capita	213	214	135	164	74	—	59	102	—	—	

¹ Totals will not agree with Main Estimates detail because of exclusion of transfers to the Yukon and Northwest Territories, because of inclusion where applicable of tax abatements to Quebec and because of rounding.

² The distributions of the prior year equalization adjustments, economic development grants and language training programs are not available by province.

³ Payments to Quebec for hospital insurance and Canada Assistance Plan include the value of income tax abatements of 16 points and 4 points valued at \$327 and \$102 million respectively.

⁵ Value of Income Tax Offset associated with post-secondary education program

a. Individuals 4.357 pts.

b. Corporation 1 pt.

Total Income Tax Offset

⁴ When in 1967 the federal government undertook to make a financial contribution to each province equal to 50% of the eligible operating costs of post-secondary education in each province, the contribution took the form of (a) a federal reduction in favour of each province of the federal individual income tax by 4 points and federal corporation income tax by 1 point and (b) cash transfers equivalent to the difference between 50% of costs and the value of the tax points. Under the new income tax system 4.357 points of individual income tax is equivalent to the former 4 points. This undertaking was accompanied by a provision that no Province was to receive less than \$15 per capita (1967 population) escalated thereafter by the nation's rate of increase in eligible post-secondary education expenditures; three Provinces, Newfoundland, Prince Edward Island and New Brunswick are paid under this provision.

4.0 0.7 8.9 5.8 89.1 171.4 14.4 8.9 26.8 42.8 372.8

0.9 0.2 1.4 1.1 17.5 32.3 2.9 1.4 6.4 7.6 71.7

4.9 0.9 10.3 6.9 106.6 203.7 17.3 10.3 33.2 50.4 444.5