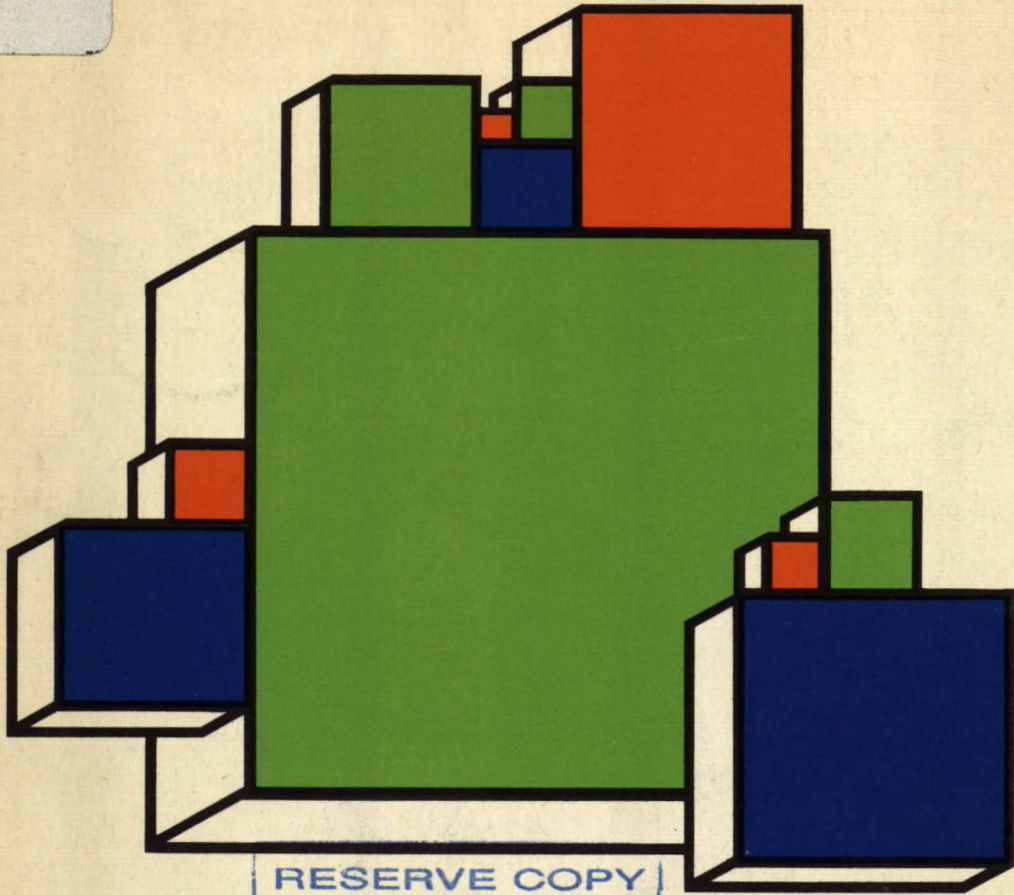


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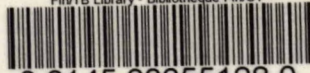
**74
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**74
75** **How
your
tax dollar
is spent**

A taxpayer's introduction to the
spending plans of the Government of Canada
for the fiscal year beginning
April 1, 1974

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Ottawa, 1974

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Contents

Introduction	5
What's new in 1974-75	6
The federal public service— Canadians serving Canadians	11
The dollar divided	17

Tables

I Parliamentary calendar	16
II The spending program— past, present and future	18
III Estimated federal payments to provinces and municipalities 1974-75	25



Introduction

The Main Estimates that are presented to Parliament in winter of each year are, primarily, a request for authority to spend public funds for a range of specified purposes.

Since virtually every function of government entails the expenditure of money, whether for the administration of existing statutes, the construction of physical facilities, the initiation of new programs, or other purposes, the Main Estimates are by far the most comprehensive single statement of current and prospective government activities to be produced in the course of each year. The over 1,200 pages of the Blue Book—as the Estimates are familiarly known—include detailed information on subjects ranging from the provision of public utilities in the Northwest Territories to the number of technical personnel in a particular department, as well as aggregates of resources that the government proposes to use for public purposes in the coming fiscal year.

The annual Blue Book is an expression of continuity as well as change in Canadian society. A substantial part of the expenditure proposed for 1974–75, as an example, would provide continued support for long-established institutions in their modern form: the CBC, which has been providing broadcasting services to Canadians since 1936; the Department of Labour, which will celebrate its 75th anniversary in 1975. Others are relatively new, such as the Department of Communications and its program for the development of a next-generation communications satellite. Still others represent adaptation of established programs. One of the most important changes reflected in the 1974–75 Estimates is the recent amendment of the Family Allowances Act of 1944 to provide substantially higher benefits.

The Estimates also illustrate some of the unique features of Canada as a country. Expenditures by the Ministry of Transport are in various cases directed at offsetting the problems inherent in a

vast geography or—as in the case of the ice-breaker program—a severe climate. The programs of the Department of Regional Economic Expansion represent an attempt to reduce disparities in the living standards as between different parts of the country, while those of the Secretary of State include the strengthening of the bilingual and multi-cultural character of Canada. Programs that are cost-shared with the provinces in fields such as health, welfare, and post-secondary education reflect some of the unique features of Canadian federalism, as do the substantial transfers of resources to other levels of government that take place annually under various pieces of legislation.

In a sense, therefore, the Main Estimates in any given year are a current statement of what government in Canada is about. They also, of course, embody the particular perceptions, priorities, and new initiatives of the government of the day. Viewed over-all, however, they represent the accumulated judgements of successive governments and successive Parliaments about the measures required to respond to the needs of a vast and diverse country.

This booklet is intended to provide, in a non-technical and summary form, information about the Main Estimates submitted to Parliament for the fiscal year 1974–75. The first chapter outlines some of the principal features of the Estimates with particular emphasis on various new initiatives. The second chapter deals with a selected subject that may be of general interest—the Public Service of Canada. The third chapter describes the process by which your tax dollar is divided, together with a summary of the principal results grouped by government function.

HON. C. M. DRURY
President of the Treasury Board
Ottawa, February, 1974

What's new in 1974-75



The federal government has estimated that it will spend \$22 billion in the fiscal year beginning April 1, 1974. This amount represents the cost of continuing existing government programs, taking into account increases in the price of goods and services, as well as the cost of new and improved programs. The new expenditures include programs to provide a minimum basic security for the financially disadvantaged; programs to assist consumers and producers; and programs to improve services and opportunities for all Canadians, in all regions of the country. Let's look at the major new things your dollars will buy in 1974-75.

Income security programs

In April of 1973, a Federal-Provincial Conference of Welfare Ministers met to launch a total review of social security systems at all levels of government in Canada. A federal working paper on Social Security in Canada released at the time envisaged new, co-ordinated federal-provincial strategies in the areas of employment, social insurance, income supplementation, and social and employment services. But much more study and discussion by the federal and provincial governments will be necessary to translate these concepts into an integrated working system. To enable the Department of National Health and Welfare to undertake the tasks of co-ordination, policy research and development, data-gathering and analysis required for the review, funds are provided in the 1974-75 Estimates to establish a Social Security Review Secretariat and to strengthen the planning, research and evaluation activities of the Department.

A first step in the implementation of new social security proposals has already been taken. The Family Allowances Act has been amended by Parliament to provide for an increase of \$1.2 billion in family allowance payments, as well as greater flexibility in the way provinces may choose to have those payments distributed amongst

families of various sizes and ages. At the same time, the family allowance benefits have become taxable, to ensure that low and middle-income families will receive the main benefits from these increases. An estimated \$350 million will be recovered by the federal treasury from these benefits paid in 1974-75. A controlled experiment to test the concept of a Guaranteed Annual Income will be undertaken in conjunction with the Province of Manitoba, and it accounts for a \$3 million increase in 1974-75.

To offset the problem experienced by those on fixed incomes, the steady erosion of their buying power by the rising cost-of-living, an indexing system has been introduced for income maintenance programs. Last year benefits under the Old Age Security Act and the Guaranteed Income Supplement were increased by eight per cent. Effective October, 1973, these payments will be adjusted quarterly according to the change in the Consumer Price Index, while Family Allowance payments and Canada Pension Plan benefits will be similarly adjusted annually.

In another federal income supplement program, legislation passed by Parliament in 1973 provided for increases in the basic rates of veterans' pensions and allowances. As of 1972, these benefits are also adjusted annually in accord with the change in the Consumer Price Index. The Main Estimates provide for an increase of \$31 million to pay for these higher benefits.

The Department of National Health and Welfare makes monthly payments for over seven million children and one million pensioners in its administration of the Family Allowance, Old Age Security, and Guaranteed Income Supplement plans. With the increased complexity of these plans, the department needs a faster, more responsive administrative system and is turning to computers. A new computer system will be fully operational by the end of the fiscal year. The system will ensure efficient processing of cheque adjustments and issue, and will also provide

additional services such as income tax deduction at source for pensioners.

The economy and the consumer

New and improved federal government programs aimed at aiding consumers include those federal activities designed to protect the consumer directly, such as inspection to prevent the sale of unclean or dangerously spoiled food; better controls and standards for medical devices; and the monitoring of prices from farm-gate to supermarket by the Food Prices Review Board.

Through the Department of Consumer and Corporate Affairs, the government will continue to give high priority to programs and legislation of direct benefit to the Canadian consumer. Laws and regulations to control abuses in areas of misleading advertising are being strengthened and, as the first stage of the government's new competition policy, an amendment to the Combines Investigations Act was introduced in Parliament in November of 1973. The amended Act would forbid a number of undesirable practices related to selling and price maintenance, as well as bring many service industries, professions and financial institutions under its jurisdiction.

But equally important to the consumer is the security of supply of essentials: food, clothing, shelter, energy.

On the supply side, the government will undertake a number of new programs aimed at ensuring greater stability of supplies to Canadians of the products essential to their standard of living. In the area of agriculture, two new cost-sharing programs are contained in these Estimates, both designed to assist producers in selling crops at reasonable prices. The first program provides for the government to share with producer groups the costs of constructing specialized storage facilities for potatoes, fruits and vegetables, while the second assists producer groups, universities, and provincial agencies in developing new crops and varieties for commercial production. Provision of nearly \$50 million is also made for the second half of the program announced in September, 1973, to contain and roll back milk prices to consumers for a 12-month period by providing a subsidy of five cents per quart on fluid milk and an equivalent subsidy for skim milk powder. Recent revisions to the Crop Insurance Act will permit a 50 per cent federal contribution to crop insurance premiums in order to provide farmers with further financial protection in the event of adverse weather conditions. And, in direct support of both producer and consumer, the

Department of Agriculture will construct a new laboratory at Saskatoon to diagnose, test, and investigate toxicological and regional livestock disease problems.

The Department of the Environment will continue to implement a new licensing policy for Atlantic Coast fishermen, announced in November of 1973. The policy is designed primarily to ensure maximum exploitation of Canada's fish resources, while maintaining these resources at a sustainable yield. Increased resources of \$9 million are also provided in the department's estimates for the development of an integrated small craft harbours policy for Canada under the small craft harbours program, transferred to the Department of the Environment from two other federal departments in 1973.

Energy supply is of increasing concern for Canadians. In June, 1973, the government took an important step towards formulating long-term policies and directions for energy supply and resource development in Canada with the publication of the study *An Energy Policy for Canada*. The Department of Energy, Mines and Resources has reallocated funds to strengthen its policy analysis and response capacity, in order to provide more effective support for policy decisions in the complex energy sector. Priority concerns include the supply and demand of fossil fuels throughout Canada, as well as resource development and management in areas of direct federal responsibility such as those off Canada's coasts and in the Arctic. Support of the CANDU Nuclear Power Generating System is continuing. An increase of \$81 million in loan funds is provided to pay part of the federal share of constructing two new nuclear plants as well as to begin construction of a new heavy water plant. Provision of about \$8 million is also made for the planned construction of a coal preparation plant in the Cape Breton coal fields to improve the marketability of the coal produced by the new Lingan Mine. A further investment of over \$11 million in Panarctic Oils Ltd. is planned to promote increased oil and gas exploration in the eastern Arctic, while programs of surveys, mapping and research to determine the effects of pipelines on the northern environment will help the government to assess applications for the construction of gas and oil pipelines to the southern markets. In order to protect Canadian energy supplies, the National Energy Board has been given increased regulatory responsibilities for the control of crude petroleum and petroleum products such as gasoline, middle distillates, and propane.

Opportunity programs

In a country as vast and diverse as ours, disparities in regional, economic and cultural opportunities are difficult to cure. In 1974-75, the government will make further efforts to increase equality of opportunity for all Canadians.

The Department of Regional Economic Expansion will continue to encourage regional development, and will introduce a series of federal-provincial General Development Agreements, and related subsidiary agreements. For 1974-75, the Department has established procedures to permit greater regional and provincial participation in the formulation and implementation of special development programs.

To implement federal transportation proposals presented at the Western Economic Opportunities Conference, these Estimates provide almost \$43 million for three major new programs of the Ministry of Transport: a highway improvement program, a highway development program and a rail development program. These will provide increased access to natural resources and improved transportation and communications to the northern areas of the four western provinces and the adjoining territories. The Ministry plans major expansions at several airports to accommodate rapidly increasing air traffic, including St. Johns, Halifax, Sept-Îles and Vancouver, while its efforts to improve air navigational facilities in the North will be stepped up during 1974-75.

The Department of Communications will embark upon a significant research program to assist provincial education authorities in selecting the best communications media to meet their needs. Federal laboratories, Canadian industry, and Canadian universities will participate in this new research.

Government programs to assist the full development of all social and cultural groups have been warmly received across Canada. An increase in resources for the implementation of the government's multi-cultural policy from \$3 million to over \$7 million was provided in 1973, and a comparable level of funds is provided for 1974-75. These additional resources are making it possible to expand existing programs, such as the acquisition and distribution of ethnic books, documents and microfilm by the Public Archives and National Library, or the National Museums' programs to research, purchase, publish and exhibit materials on Canadian ethnic folk cultures. More than \$5 million of the total amount provided for multi-culturalism is for a range of new and expanded programs operated by the Department of the

Secretary of State. These include funds for an Advisory Council on Multi-culturalism, composed of more than 100 leading Canadians; increased grants to support multi-cultural projects and centres administered by voluntary organizations; and funds to permit new, many-faceted programs related to Canadian identities, multi-cultural research and studies, and better communication and promotion of the government's multi-cultural policy.

Financial assistance to native peoples has been increased by about \$26 million to provide for the construction of more houses, schools, and utilities on Indian reserves, as well as to aid cultural retention through support for programs of native language teaching and research, and higher education for Indian students. In keeping with the government's policy of encouraging the Indian people to manage their own affairs, an increasing amount, particularly in the area of education, will be administered directly by Indian bands. The federal government also has a special health responsibility to provide service directly to Indians, and to all residents of the Yukon and Northwest Territories. The Estimates provide an increase of \$12 million for the rising cost of such services and for the construction of additional health facilities in remote areas.

The Officials Languages Resolution, laying down guidelines for the application of the Official Languages Act in the Public Service, was adopted by Parliament in June of 1973. Expenditures of some \$50 million are provided for in 1974-75 in a central Treasury Board vote to accelerate the development of a bilingual Public Service in order to ensure effective service from and access to government for both anglophones and francophones.

Improved services to Canadians

The federal government directly provides many basic services for all Canadians. Such services range from a basic national communications network, through maintenance of national parks, historic sites, and an attractive National Capital Region, to provision of services in other countries for Canadians.

Increased expenditures will be made in 1974-75 to accelerate the updating and efficiency of many of these basic services. Among the services provided abroad, the Department of Industry, Trade and Commerce will assist companies to enter into consortia for the export of a compatible range of Canadian products, under a new section of its program for Export Market Development. The

Department of Manpower and Immigration, in order to provide better service to handle the increasing number of immigration applicants from abroad, is posting more officers to its existing offices, and opening new offices in centres such as Mexico City, Rabat, Seoul, Puerto Rico, Bogota and Ankara. To improve the understanding of Canada abroad, particularly in the United States, the Department of External Affairs will spend \$2.5 million more in 1974-75 on its information programs.

At home, the Department of Communications will pursue a three-year program to improve its radio inspection and regulation service, in order to keep avoidable radio interference to a minimum in heavily populated, large-user areas of the country. The Post Office Department will extend its new mechanized letter-sorting system to seven large urban centres during the year, while the Ministry of Transport will improve the facilities and capability of Canada's Air Traffic Control System with new Control Centres at Toronto and Moncton. Development of a computer-controlled switching system for air traffic control voice communications, known as the Integrated Communication Control System, will also begin in 1974-75. Improvements in the technology available for law enforcement in Canada are reflected in a significant expansion

of the RCMP's Canadian Police Information Centre coverage, an integrated computer information system which provides instantaneous police information to all police forces in Canada.

Not all of the new and improved services provided by the federal government will cost the taxpayer more. The Post Office Department, under the Olympic (1976) Act passed by Parliament in 1973, will administer the promotion, distribution and marketing of Olympic coins in Canada and abroad, as well as the manufacture and sale of commemorative Olympic stamps and related postal products. A special Olympic Account, separate from the Post Office, has been established to receive coin sale proceeds and net proceeds from the sale of Olympic postage stamps and related products. This Account will pay the Post Office for the costs incurred in marketing the coins. Net profits in this account will be transferred to the Olympic Corporation to help finance staging of the 1976 Olympics in Montreal and Kingston. The account opened with the sale of Olympic coins and stamps in 1973, and will continue to the end of 1976.

The 1974-75 Main Estimates do, however, include provision for certain activities that are the direct responsibility of the federal government, such as the provision of security and of host broadcasting facilities for the 1976 Olympics.

The federal public service— Canadians serving Canadians

Find a country that sings the praises of its public servants . . .
but then find a country that does without them!

In all areas of Canada, some 500,000 men and women have chosen to serve their country. Who are they? They're employees of departments and agencies of the federal government. Where are they? Grouped within the federal Public Service itself, or more loosely related to the governmental administrative structure, they are where they are needed most . . . in our cities, towns and villages, in the more remote areas of the North as well as beyond our borders. What do they do? They provide their compatriots with essential services . . . services which are given daily and reflect the decisions of government in meeting the evolving needs of the population . . . needs which make themselves felt through the life of each Parliament as well as through the electoral process.

This having been said, what is a public servant? The majority of us see the employee of the CBC as a public servant, as well as the RCMP officer or the postman who handles our mail daily. All three are in fact serving the population of Canada. This general understanding of the Public Service is a good starting point as it grasps the fundamental aspect of the public servant's function.

The expression "Public Service" can however be defined in many ways. In a strict sense, the only one who is a public servant in the example cited above is the postman. The figure of 500,000 on the

other hand, is based on a comprehensive definition that covers a wide range of corporations, agencies, and other entities that come under the responsibility of the federal government.

Thus for the fiscal year 1974-75, the Blue Book of the Main Estimates lists a total of 415,010 man-years which may be grouped in the following manner:

- 284,265 members of the Public Service;
- 82,007 military personnel employed by the Department of National Defence;
- 14,284 uniformed members of the Royal Canadian Mounted Police;
- 34,454 employees of federal government agencies.

Not included in the Blue Book are employees of certain categories of Crown Corporations such as the Canadian National Railways.

The public sector in its various manifestations is deeply rooted in the Canadian community. Public servants who transform tax money into public services are very often next-door neighbours. They are members of the community . . . taxpayers and citizens like you and I. The presence in a community of a federal laboratory, a regional office, or a military base can be an important source of local jobs, investments and related services.

They are "Special"!

In looking at the various groups employed in the public sector, let's begin with those outside the jurisdiction of the Public Service Employment Act.

The Armed Forces

First, there are the military personnel in Canada's Armed Forces. While it may be difficult to associate

these men and women with the traditional concept of the Public Service, they nevertheless represent an obvious first line in service to the state. To think about the Forces is to think of collective security arrangements under NATO, peacekeeping for the United Nations, and similar activities abroad. But the Armed Forces also work in sectors of life at

home such as the nation's development and the protection of the population. For example, military engineers have built a 360-foot bridge over the Ogilvie River in the Arctic under the auspices of the Department of Indian Affairs and Northern Development; many local populations have benefited from the rapid intervention of Armed Forces' rescue teams during natural disasters . . . when floods, landslides, forest fires occur, these teams are sometimes a community's only chance of survival.

The RCMP

Next we come to the uniformed members of the RCMP. The history of our last century established the reputation of these officers because of their role in the development of the West; but for a majority of us they are more than an historical fact. Their effective efforts against drug trafficking are a highly contemporary example of the role played by the RCMP. In addition to enforcing federal laws in all of Canada, the RCMP are entrusted with the enforcement of provincial laws and of the Criminal Code in eight of our 10 provinces; in those provinces RCMP officers also provide the populations of 155 municipalities with local constabulary service. And, of course, the RCMP bear the entire responsibility for law enforcement in the Yukon and the Northwest Territories.

The Crown Corporation

Finally, we must mention the employees of the various agencies and Crown Corporations. Since this is an area that is not often examined, some definitions and descriptions may be useful.

A Crown Corporation, by and large, administers public services which require both the mode of operation of the private sector and a measure of government control. Its employees are thus "partly" government employees. The Financial Administration Act recognizes four different types of Crown Corporations.

Departmental Corporations are responsible for administrative, supervisory or regulatory services of a governmental nature. The National Research Council, for example, is a Departmental Corporation. Established in 1916 for the encouragement of scientific and industrial research, the Council maintains laboratories at Ottawa, Halifax and Saskatoon; it provides direct financial support to scientific research in Canadian universities and industry; it sponsors study groups charged with exploring given scientific problems of national

interest; it is responsible for the formulation of scientific and manufacturing standards and for the monitoring of their application; it provides technical information to manufacturers, publishes scientific papers, and represents Canada on many international scientific organizations. The National Research Council employs some 3,600 persons and is held answerable to Parliament through the intermediary of a designated Minister.

Agency Corporations are responsible for the management of trading or service operations or for the management of procurement, construction or disposal activities on behalf of the government. For instance, the National Harbours Board was established in 1936 to manage and operate the facilities of nine of Canada's principal harbours. Among other things this entails the maintenance of wharves, piers, warehouses, grain elevators, cold storage facilities and railway terminals. There are 2,000 persons working for the National Harbours Board and it reports to Parliament through the Minister of Transport.

Proprietary Corporations are responsible for the management of lending or financial operations, or for the management of commercial or industrial operations. Central Mortgage and Housing Corporation, created in December, 1945, is of this type. Since the proclamation of the National Housing Act in 1954, this Corporation has been underwriting mortgage loans given by recognized lenders while, at the same time, making loans directly in the field of housing as well as for public and industrial construction. Through its services, loans and grants are given to provinces and municipalities for Neighbourhood Improvement and Community Development; the Corporation also conducts research on housing and manages a number of rental units in its possession, including those which were built for Canada's veterans. The Minister of State for Urban Affairs answers to Parliament on behalf of Central Mortgage and Housing Corporation, which currently employs about 3,100 persons.

There are a few Unclassified Corporations not subject to the provisions of the Financial Administration Act. Their function is usually of a special nature as in the case of the Canada Council, with its 225 employees. The Council was founded in 1957 with a mandate to promote the fine arts, the humanities and the social sciences through an extensive program of grants and scholarships. It answers to Parliament through the intermediary of the Secretary of State.

Public service employment

So far, we have been dealing with the employees of various public agencies that are, so to speak, once removed from the federal administration. The central core of this administration comprises the 284,000 positions covered by the Public Service Employment Act. They are what is normally meant when one speaks of the Public Service.

What do all those people do? The biggest single group are the employees of the Post Office, followed by the civilian employees of the Department of National Defence.

The following table shows the distribution of authorized man-years in those departments and agencies employing more than 10,000 public servants.

<i>Department or Agency</i>	<i>Total</i>
Post Office.....	54,218
National Defence (military excluded).....	38,362
National Revenue.....	23,497
Transport.....	19,871
Indian Affairs and Northern Development.....	12,678
Environment.....	12,037
Manpower and Immigration.....	11,821
Unemployment Insurance Commission.....	11,398
Agriculture.....	11,221
Veterans Affairs.....	10,349
National Health and Welfare.....	10,150

These departments, together with a range of smaller ones, are required to provide a diversity of services to meet public needs. The 390 Canada Manpower Centres located across the country, for example, help match the needs of employees and employers. Other public servants offer special kinds of services to groups who have specific needs: National Health and Welfare nurses care for the health of native people in the high Arctic; employees from Veterans Affairs provide our veterans with services in all regions of Canada; Indian Affairs and Northern Development employees look after the rights of Indians under federal law . . . not to mention the maintenance of National Parks—a boon to thousands of travellers every summer; while the air traffic controllers employed by the Ministry of Transport seek to ensure safe travel for millions of Canadians using air transport every year.

While funds for departmental operations, including salaries, must be voted by Parliament, the responsibility for controlling staffing levels in departments rests with the Treasury Board. This responsibility is rigorously exercised, and requests

for increases are critically examined against alternative courses such as more efficient use of existing staff or the use of labour-saving technology such as computers.

The staffing of all positions within the Public Service is the responsibility of the Public Service Commission, a body responsible directly to Parliament. The Commission has the exclusive right and authority to appoint or transfer employees while ensuring the application of the merit principle in staffing. The Commission provides training programs and promotes fair representation in the service of both official language groups, women, and minority groups.

A relatively recent development is the establishment of collective bargaining between the government and its employees. Since the adoption of the Public Service Staff Relations Act in 1967 and up to December 31, 1973, the number of collective agreements signed totalled 265, only five of which followed strikes. In 1973, negotiators for the Treasury Board, which acts as Employer for the federal government, signed 38 collective agreements with unions representing some 86,500 government employees. During this period, there was an important increase in the number of collective agreements signed without the intervention of a third party, i.e., 28 compared to 11 in 1972; four agreements were signed after arbitration and six were signed after conciliation, compared to seven and five respectively in the preceding year. The average annual salary increase provided for in all agreements in force in 1973 was 6.4 per cent compared to 5.8 per cent in 1972. In addition to these negotiated pay increases, most employees who were not at the maximum point in their pay ranges received annual incremental increases.

Decentralization

Many people normally think of the Public Service as being concentrated in Ottawa. In fact, some 75 per cent of the federal government's employees are located outside the National Capital Region.

The first column in the following table shows the percentage distribution by province of federal public servants, excluding those in the National Capital Region. The second column shows the proportion of the total population accounted for by each province as of September 30, 1972. It will be noted that there is a reasonably close relationship between the two.

<i>Province</i>	<i>% employees</i>	<i>% population</i>
British Columbia.....	14.0	10.6
Alberta.....	8.4	7.8
Saskatchewan.....	4.6	4.3
Manitoba.....	6.3	4.7
Ontario (Ottawa excluded).....	27.5	34.7
Quebec (Hull excluded).....	21.8	27.8
New Brunswick.....	4.3	3.0
Nova Scotia.....	8.2	3.8
Prince Edward Island.....	0.7	0.5
Newfoundland.....	2.7	2.5
Yukon and Northwest Territories.....	1.5	0.3
Total.....	100.0	100.0

In the past few years the pace of decentralization has been accelerated and now touches key sectors of government organization. An important element in these changes is an effort to increase the decentralization of administrative authority across Canada in a way that the needs of the population will be met more quickly and efficiently. The objective is, in effect, to root decision-making in every part of Canada.

The reorganization to which the Department of Regional Economic Expansion has committed itself is an example. From the time of its creation in 1969, the objective of the department has been to reduce regional economic inequalities, and it was evident that programs had to be adapted to the specific economic development needs of each region. A further decentralization of authority is now being effected in order to adapt programs and procedures still more closely to regional realities. And, for the first time in the history of any department, regional centres are, as a consequence of this approach, being managed by assistant deputy ministers.

Another important reorganization is that of the Department of Industry, Trade and Commerce, which undertook to decentralize resources and responsibilities to the regional office level in its program of assistance to small businesses, by the appointment of regional tourist officers in each province, and by the delegation of authority to regional offices to approve certain industrial support grants. A further reorganization is in progress in the Post Office Department, which now has 93 per cent of its employees outside the National Capital Region. The Department of Energy, Mines and Resources and the Department of the Environment have started construction of important facilities for ocean floor research that will form part of the new Patricia Bay Oceanographic Institute at Victoria; the Royal Canadian Mint will relocate most of its operations in Winnipeg as soon as its building is

completed; the offices of the Transport Development Agency of the Ministry of Transport are in Montreal; and the National Research Council has installed two of its science and engineering laboratories in Saskatoon and Halifax.

Public Servants Outside Canada

Another 1,600 public servants work outside Canada and represent our interests in diplomacy, international trade and immigration.

Canada holds an enviable position in the field of international aid which it owes in large part to public servants who for many years have been working abroad, often under difficult conditions. Canada now has 120 diplomatic, consular or other missions in 78 independent countries. The majority of these public servants work for the Department of External Affairs, while the rest are employed by the Departments of Industry, Trade and Commerce and Manpower and Immigration.

The Canadian International Development Agency (CIDA) for which the Secretary of State for External Affairs is responsible to Parliament, is in relative terms a newly opened window on the world for Canada. Under the auspices of CIDA, Canada is host nation to students and other persons from developing countries who are seeking professional and technical training; conversely, over 850 Canadian teachers are overseas doing their share to develop better teaching facilities and programs in those countries, while some 250 experts sponsored by CIDA bring technical skills and scientific knowledge directly to the developing world. CIDA's Industrial and Trade Division, a joint venture with the Department of Industry, Trade and Commerce, has since 1969 been helping Canadian business to identify possible markets in developing countries in connection with the various Canadian assistance programs.

A Presence Growing with the Country

Like all post-industrial societies, Canada has experienced an extremely rapid growth for the last quarter of a century. This growth has brought major changes in Canadian society and, consequently, in government priorities and services offered to the population. Since it is deeply rooted in our daily activities, the Public Service has had to adapt itself to the country's growth and development, thereby inevitably provoking many changes in the structure of federal departments and agencies.

An important factor influencing both the character and size of the Public Service has been the

adoption of new laws and the implementation of programs developed to solve certain problems intimately linked with the country's growth. What are these problems?

Energy... This problem moved dramatically to centre stage in the closing months of 1973. It had, however, been receiving increasing attention by the federal government in preceding years. The Energy Development Branch of the Department of Energy, Mines and Resources has, for example, grown rapidly from a strength of 54 in 1970-71, to 195 in 1974-75. A major study on energy policy was made public in June, 1973.

Social security... Canada, rich as it is, still can't avoid the fact that certain groups are less capable than others of profiting from the country's growth, and increased efforts by the government are necessary to redistribute resources. In this area, the Public Service had to adapt itself to major initiatives such as the Guaranteed Income Supplement for needy old-age pensioners, the new Unemployment Insurance Program, and Tax Reform. Other programs to provide help to specific groups of citizens have been implemented, such as the Opportunities for Youth Program for students searching for summer jobs, the Local Initiatives Program to counteract the effects of seasonal unemployment, and the New Horizons Program for senior citizens.

Pollution... In recent years, Canadians and the various levels of government in Canada have become increasingly conscious of the potentially harmful effects of uncontrolled industrialization, and of the need to improve a quality of life that has become endangered.

The federal government has for its part taken steps to respond to this situation, including the creation of the Department of the Environment in 1970.

Urbanization... Once again, faced with rapid development of urban centres, the government has had to act to co-ordinate planning at the national level, in co-operation with provinces and municipalities; of particular importance in this respect was the creation of the Ministry of State for Urban Affairs.

Other concerns of a different nature have also altered the administrative structure. One such case is the growing awareness of provincial identity and the new sharing of responsibilities in the sectors where the needs vary from province to province and where government intervention is intimately linked with the economic and socio-cultural life of a province. Federal-Provincial consultations have become much more frequent at all levels in fields

such as health and social welfare, communications, fiscal matters, and manpower, and the administration of some programs in these areas has been greatly modified.

Another important phenomenon is a growing awareness of the country's cultural diversity. Since 1969, the federal government has undertaken to make bilingualism a reality in the Public Service through the Official Languages Act. The Act and the Regulations that followed it acknowledge the right of all citizens to receive government services in the official language of their choice and recognize the public servant's right to work, as a general rule, in the official language of his choice. In 1973, Parliament approved a set of principles and guidelines, and a major five-year program to promote bilingualism in the Public Service is now being implemented.

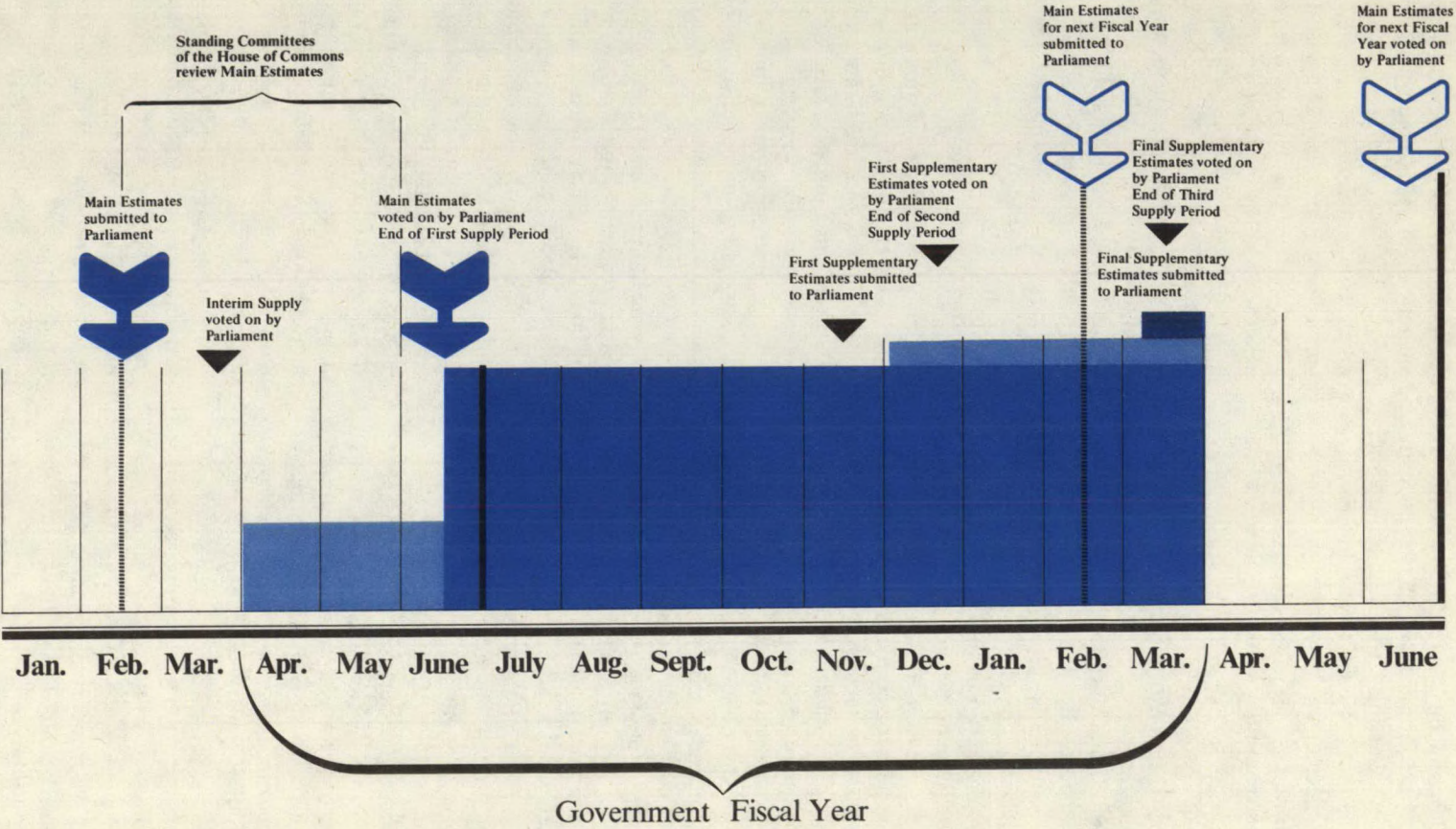
Growth: Quantity and Quality

The creation of departments, agencies or boards as well as the implementation of new programs necessarily increases the number of public servants. However, this number is also affected by population increases and the demand for governmental services. With cities and suburbs growing as they are, new systems of mail distribution are necessary; as a consequence, more employees are needed in the Post Office Department. More travel and rapidly growing international trade mean more imports, and consequently more customs officers must man the boundaries. Increased air traffic means more air traffic controllers.

The growth in the size of various departments is generally comparable to what is happening in other areas of employment in Canada. The latest data available from Statistics Canada show that from 1968 to 1973, the average growth rate of manpower in the federal government was 3.5 per cent. For the same period, the growth rate of provincial government employees was 4.54 per cent and that of the aggregate Canadian labor force averaged at 3.22 per cent.

In spite of the necessity to adapt constantly to changing needs, the growth of the federal Public Service has been held in check by new practices and methods of work designed to make the most efficient use of resources. While an increase in quality of output is more difficult to measure, it is deemed as important as controlling the growth in personnel in view of the ultimate objective of the federal administrative structure: *providing the public with the best service possible!*

The Parliamentary Calendar and the Estimates



The dollar divided

The process

How were the new and expanded programs, described earlier, and the total functional division of the budget described below, decided upon by the government?

The thick "Blue Book" of Main Estimates presented to Parliament by the government is the beginning of one decision-making process, but the end of another.

It is the beginning of Parliament's consideration of the government's spending plans for the coming year. Only Parliament can grant approval of these plans, and the House of Commons and the Senate devote a good proportion of their time to scrutinizing them.

But the arrival of the Blue Book also marks the end of more than a year's preparation by the government.

The process of compiling the Main Estimates for the fiscal year that will begin on April 1, 1974, actually began in the first part of 1973 when Cabinet Ministers held a series of meetings to discuss what general policy considerations should guide the over-all spending program.

During the same period, a forecast was made of the state of the economy in 1974-75, together with an estimate of revenues likely to be available.

On the expenditure side of the equation, the cost of existing programs had to be predicted. The orderly continuation of government services and other commitments account for a very large part of government spending. Costs are increased through rising prices for purchased goods and salaries paid to employees, and also through the growth in the Canadian population to whom services must be provided. For example, funds for salaries and other personnel costs have had to be increased by 10.5 per cent from \$4.3 billion in 1973-74 to \$4.8 billion in 1974-75.

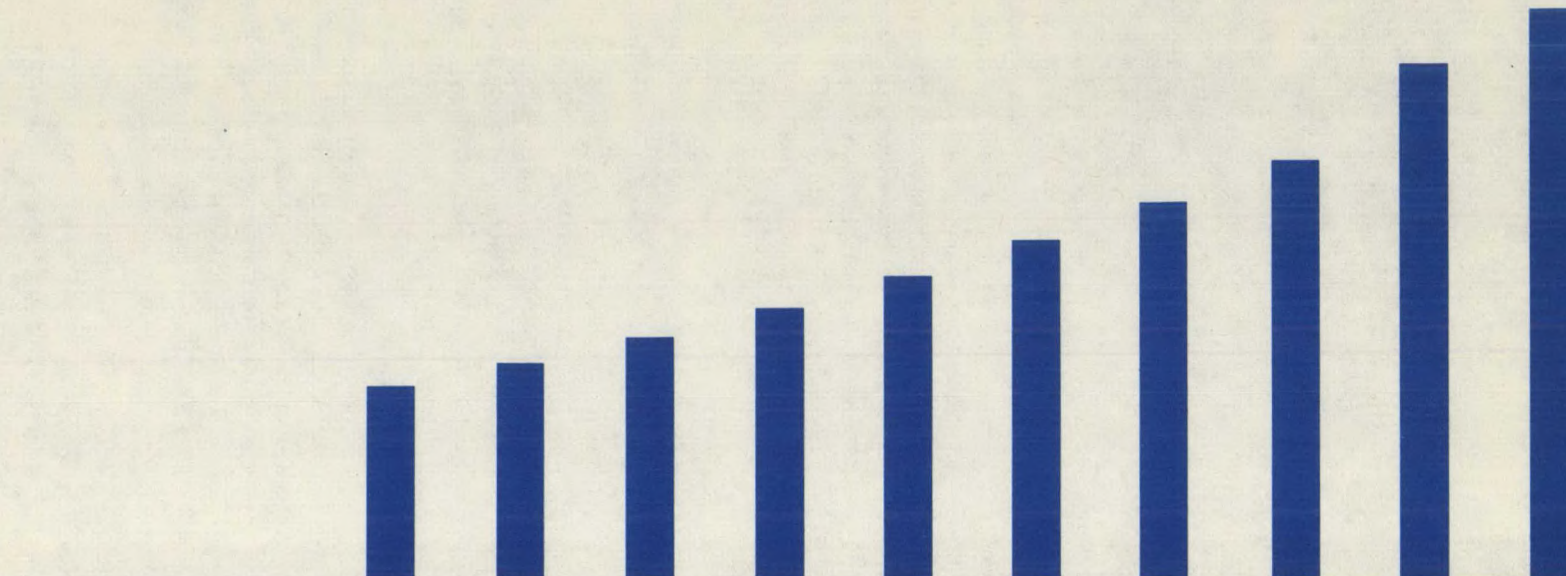


There is a legal obligation to continue many government programs, in accordance with the statutes passed by Parliaments in the past. Over 52 per cent of 1974-75 expenditures will be devoted to statutory programs. This includes family allowances and the federal share of hospital and medical care costs and welfare payments. It also covers payments to the lower-income provinces to help equalize for all Canadians the quality of services such as highways, education and recreation.

The government also has other firm commitments of a non-statutory nature to honour each year. These include veterans' pensions and allowances, reimbursements under the National Housing Act and assistance grants to developing countries around the world. These types of commitments will account for seven per cent of 1974-75 expenditures.

Proposals for new or improved programs must be assessed carefully against the limited resources available. The government's new priorities must be woven into the program package. Each factor affects all the others and, even when the decisions are taken, they must be re-examined from time to time as conditions or forecasts change.

The reviews conducted by Ministers in early 1973 were, in effect, the first step in the annual cycle of planning, programming and budgeting. From them emerged a set of priorities and spending guidelines which were then used in the detailed preparation of the expenditure budget by the Treasury Board and its Secretariat over the months that followed.

TABLE II—THE SPENDING PROGRAM—PAST, PRESENT AND FUTURE¹


Function	(\$ millions)									Forecast	Proposed
	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74	1974-75	
Health and Welfare	1,786	1,994	2,154	2,384	2,734	3,182	3,633	3,789	5,550	6,855	
Public Debt	1,111	1,191	1,301	1,480	1,717	1,823	2,010	2,321	2,640	2,925	
Economic Development and Support	975	1,205	1,473	1,527	1,777	1,862	2,167	2,419	2,721	2,672	
Defence	1,556	1,651	1,760	1,762	1,792	1,821	1,898	1,908	2,228	2,365	
Fiscal Transfer Payments to Provinces	466	515	738	867	932	1,229	1,426	1,501	1,770	1,839	
Transportation and Communications	839	941	1,018	932	893	890	1,023	1,164	1,471	1,637	
General Government Services	325	372	378	413	508	580	698	819	979	1,105	
Internal Overhead Expenses	322	391	439	644	640	787	763	793	737	969	
Education Assistance	29	90	114	287	315	463	561	588	618	599	
Culture and Recreation	174	218	280	244	258	264	348	435	475	550	
Foreign Affairs	152	230	217	227	243	281	314	384	446	507	
Totals	7,735	8,798	9,872	10,767	11,809²	13,182	14,841	16,121	19,635	22,023	

¹ Data for the years 1965-66 to 1972-73 are taken from the Public Accounts of Canada.² Does not include Expo write off of \$122.9 million.

As part of the annual expenditure cycle, in March, 1973 the various departments submitted calculations of the resources they would require in 1974-75 to maintain their existing level of service and to meet firm commitments. The review of these submissions was combined with an examination of alternative ways of allocating the uncommitted portion of the government's over-all resources. By summer, the results had been drawn together by the Treasury Board into a comprehensive expenditure budget that was then reviewed by Cabinet.

The next step was for the government decisions to be translated into detailed financial terms by departments and agencies. The preparation of the Main Estimates is a major publishing venture, and several months of detailed and exacting work by departments are required after the decisions by Ministers.

Final approval for the proposed spending program was given by Cabinet in December. The printing of the Blue Book was ordered, and the government prepared to present its program to Parliament for approval.

With the tabling of the Main Estimates in late winter, Parliament begins its examination of the government's budget proposals for 1974-75, sum-

marized in this booklet. Under current procedures, Parliament's deliberations would be concluded by the end of June. In the meantime, Parliament is asked to vote "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 when final approval of the Estimates will be given.

Four appropriation Acts are normally passed each fiscal year. In March, as described above, Parliament will be requested to vote *Interim Supply*, normally granted for the first three months of each fiscal year. In June, with passage by Parliament, approval by the Senate, and Royal Assent, the Appropriation Act finally approving the *Main Estimates* would become law—more than a year after their preparation began in earnest. *Supplementary Estimates* are prepared throughout the summer to take into account necessary revisions and additions to the government's Main Estimates expenditure plan, and are usually tabled in November for passage by Parliament in December. And a second set of *Supplementary Estimates*, reflecting later additions and revisions made through the fall and winter, are normally submitted to Parliament in the final month of the fiscal year.

The division

The 1974-75 spending program of \$22 billion proposed by the government is divided into 11 categories, or "functions" of government in the budgeting system used by the Treasury Board. The table on the opposite page shows the total expenditures proposed for each category in 1974-75, com-

pared with the amounts spent on each over the previous nine years.

Below, the table expresses the percentage of the total budget spent for each function in 1965-66, along with the percentage proposed for each in 1974-75.

Function	1965-66 (cents)	1974-75 (cents)
Health and Welfare	23.1	31.2
Interest on Public Debt	14.4	13.3
Economic Development and Support	12.6	12.1
Defence	20.1	10.7
Fiscal Transfer Payments to Provinces	6.0	8.4
Transportation and Communications	10.8	7.4
General Government Services (administration of justice, tax collection, Parliament, etc.)	4.2	5.0
Internal Overhead Expenses	4.2	4.4
Education Assistance	.4	2.7
Culture and Recreation	2.2	2.5
Foreign Affairs	2.0	2.3
TOTAL	\$1.00 = \$7.7 billion	\$1.00 = \$22.0 billion

Of the 11 functional categories of services provided in Canada by the federal government, health and welfare programs take the largest single piece of the budget. Programs aimed at the health and well-being of Canadians will cost 31 cents of the 1974-75 tax dollar.

Many of the federal spending programs for health and welfare consist of providing a share of the cost of provincial programs. Cost-shared programs include hospital and medical care insurance, as well as welfare plans forming part of our social security system, such as the Canada Assistance Plan. The federal government pays to each province an agreed-upon share of the costs incurred in operating the programs. Some of these payments do not, however, go to the Province of Quebec, which has opted for higher tax compensation in lieu of part of the cash transfer payments available under the federal-provincial cost-sharing agreements.

In 1974-75, 20 cents of the tax dollar will be spent on the federal share of provincially-operated health and welfare plans, as follows: 5½ cents on hospital insurance programs, 3½ cents on medical care programs, three cents on the Canada Assistance Plan, and eight cents on family and youth allowances. The increase for family and youth allowances in 1974-75 over 1973-74 Main Estimates amounts to almost \$1.2 billion, and will raise the allowance to an average payment of \$20 per child. While this is a federal program, it permits each province to design a payment configuration by family size and age that will meet the social needs and objectives of its population. As well, the increase provides for an annual cost-of-living increase to ensure that the payments represent a constant purchasing power.

Provision is also made for continued special assistance to the blind and handicapped, such as rehabilitation services ranging from medical restoration through to vocational training and maintenance allowances. The estimates of the Department of National Health and Welfare also provide \$3 million in 1974-75 for the first year of a controlled experiment on guaranteed minimum annual income, being conducted in co-operation with the Province of Manitoba. The three-year experiment is designed to evaluate the concept of a guaranteed income and its effects on the community. Data analysis of the experiment is expected to take two years to complete, and will eventually be used by the government in developing future policy in the field of income security.

Almost three cents are set aside for payment of pensions and other benefits to Canada's war veterans. An increase of about \$44 million has been provided as a result of legislation passed by Parliament last year which raised the basic veteran's disability pension rate by 24 per cent, effective July 1, 1973. The amended veterans' Pension Act also provides for an established relationship between the basic pension and the rate payable for widows and dependents of veterans. For example, under the new rates, the married pensioner entitled to a 100 per cent disability pension, with two dependent children, receives an increase of \$104 per month, while a widow with two dependent children would gain \$90 per month. Two cents will go towards programs in this category devoted to the health and social welfare of Indians and Eskimos. Within this portion, an increase of some \$12 million is provided to improve the quality of Indian health services.

The Unemployment Insurance Act of 1971 requires that the government assume financial responsibility for the costs of benefits associated with unemployment over four per cent and the cost of benefits to fishermen. In 1973, the costs of benefits and administration of unemployment insurance amounted to approximately \$2.2 billion, of which the federal government's share is \$923 million payable in 1974-75, equivalent to about four cents of the tax dollar.

For a package of summer employment programs for students in 1974, including the Opportunities for Youth Program, a total of \$66 million has been allocated.

The 1974-75 Main Estimates of Central Mortgage and Housing Corporation reflect a significant change in federal housing policy. This will be the first full financial year for the implementation of the new housing and land assembly programs under the recently amended National Housing Act. These amendments give Central Mortgage and Housing Corporation additional lending powers to provide loans to enable non-profit charitable organizations, low-income families and co-operative non-profit groups to obtain housing; as well as to provide assistance for land assembly and new community development, and for the rehabilitation and improvement of existing housing and neighbourhood facilities. Through these Main Estimates, the Corporation seeks authority to make additional grants, loan subsidies and subventions, to assist lower-income individuals and groups in obtaining adequate housing. The Corporation's programs, and urban research carried out by the Ministry of

Urban Affairs, will account for about one cent of your tax dollar in 1974-75.

HEALTH AND WELFARE

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Public Health:		
Environmental Protection & Health Services	21.0	25.0
Public Health	25.5	25.7
Medical Care:		
Medicare Payments to Provinces	700.0	762.2
Health Resources Fund	37.0	36.0
Medical Research Council— grants, scholarships, administration	40.1	41.2
Hospital Care:		
Hospital Insurance Payments to Provinces	1,066.5	1,204.1
Other Health, including Northern Health Services	23.8	37.4
Income Maintenance:		
Family and Youth Allowances	1,015.8	1,836.0
Family Assistance	2.2	—
Government's Contribution to Unemployment Insurance Account	880.2	923.0
Government Annuities Administration	1.4	1.5
Transitional Assistance and Adjustment Assistance Benefits	.5	.5
Social Assistance:		
Canada Assistance Plan, Payments to Provinces	562.1	631.8
Aid to the Blind and Handicapped	13.4	14.4
Guaranteed Income Experimental Projects	2.0	3.0
Company of Young Canadians	2.8	3.1
Other Social Assistance	45.8	52.0
Veterans' Benefits:		
Administration	6.2	6.2
Welfare Services	136.7	151.2
Pensions	299.6	330.5
Bureau of Pensions Advocates	1.5	1.8
Treatment Services— Health and Rehabilitation	88.9	96.1
Veterans' Land Act	11.7	11.6
Indians and Eskimos:		
Administration, Indian Affairs and Northern Development	14.3	15.6
Indian and Eskimo Affairs— welfare, education, etc.	334.5	360.1
Indian Health Services	40.0	52.3
Housing and Urban Renewal:		
Urban Affairs Ministry	12.2	18.1
Housing Research and Community Planning	8.0	16.6
Public Housing Projects and Land Development	44.9	68.5

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Municipal Sewage Treatment Assistance	36.0	28.0
Aid to Urban Renewal Projects	13.0	20.0
Other Housing Assistance	14.5	30.1
Other:		
Administration, National Health and Welfare	9.5	8.9
Student Summer Employment, Opportunities for Youth, etc.*	38.8	42.0
TOTAL	5,550.4	6,854.5

* The total provision made for the summer employment and activity program for students in 1974 is \$65.9 million, made up of the \$42 million shown here and \$23.9 million earmarked in departmental budgets. The \$38.8 million shown for 1973-74 includes only funds expended for the Opportunities for Youth Program in 1973, while other student summer program expenditures in 1973 are included under the various departments responsible for their operation.

Public debt

13 cents

In March, 1973, at the close of the last fiscal year, Canada's gross public debt, owed mainly to Canadians, stood at \$52 billion. The public debt is made up in part of the amounts the government has borrowed in the financial markets, in part of amounts owing on Canada Savings Bonds held by the general public, and in part of pension and trust funds. Paying the interest and other charges on this debt is going to cost \$2.9 billion in 1974-75.

PUBLIC DEBT

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Spending on the Public Debt Interest, Amortization, Servicing Cost and Cost of Issuing New Loans	2,640.0	2,925.0
TOTAL	2,640.0	2,925.0

Economic development and support

12 cents

A little over 12 cents of every 1974-75 tax dollar is budgeted for programs designed to stimulate and support Canada's economic development.

Potential petroleum shortages underline the importance of a long-term national policy for energy supply and resource development. As well as strengthening its capability to deal with rapidly-changing circumstances affecting the supply and

demand of petroleum products, the government will support additional nuclear power generating capacity. Loans are provided for a new nuclear plant to employ the CANDU design developed by Atomic Energy of Canada Ltd., and for a new heavy water plant, both in Quebec. These loans are not included in the 12 cents shown as the Economic Development and Support portion of the tax dollar. At the same time, the Department of Energy, Mines and Resources will increase its efforts to develop new national mineral policies, in co-operation with provincial governments, to meet the needs of future Canadian growth.

The government's program to develop Canada's North, and to bring greater social and economic benefits to its residents, will continue in 1974-75. In addition to continued investment in Panarctic Oils Ltd., and on-going environmental research programs, the Northern Development Program plans major investments of some \$29 million in northern highways. Substantial work on both the Dempster and Mackenzie highways is provided for, and other highways will be rebuilt so that improved road surfaces can accommodate increased traffic.

Efforts to encourage development in regions of Canada where special measures are needed to create productive employment opportunities will continue in 1974-75. Regional development opportunities will be more actively pursued through a series of General Development and Subsidiary Agreements with individual provinces. The proposed budget, including loans, for the Department of Regional Economic Expansion is \$513 million in 1974-75.

The Department of the Environment will implement a new licensing policy for Atlantic Coast Fisheries, designed to maximize yearly catches while protecting the fishing grounds from depletion. This program will involve registering all existing fishing craft and catching units, licensing their operators, recording and protecting all over-fished areas, and encouraging greater exploitation of under-fished resources. As well, an allocation of \$10 million will be made to federal departments to aid in the clean-up of pollution created by federal facilities.

In the area of primary industry, Canada continues to provide basic food supplies to our population as well as to overseas markets. Emphasis in 1974-75 will be placed on increasing agricultural production to ensure continuity of supply, and to provide increased measures of confidence to producers. A new national research program will provide for contracting of research and develop-

ment in agricultural machinery, including the evaluation of farm machine performance in different climatic conditions. For programs in support of farm development, product improvement, and marketing and inspection services, the government will spend just over two cents of your tax dollar.

ECONOMIC DEVELOPMENT AND SUPPORT		
	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Agriculture:		
Administration (including CANFARM)	24.6	29.0
Research	62.9	70.6
Production and Marketing Administration and Operations	33.7	36.6
Agricultural Commodities Stabilization-Dairy Subsidies, etc.	191.7	179.5
Grassland Incentives	7.7	15.0
Crop Loss Compensation	1.8	—
Crop Insurance	17.3	22.7
Health of Animals Program	35.5	39.1
Canadian Grain Commission	18.7	21.4
Feed Freight Assistance	24.3	21.7
Farm Credit Corporation	7.3	5.3
Wheat Carrying Costs	5.8	—
Advance Grain Payments	1.0	2.5
Grains Marketing, Industry, Trade and Commerce	11.4	24.2
Canadian Dairy Commission	.8	.9
Domestic Wheat Support	74.7	—
Fisheries, Forestry and Water Resources:		
Fisheries Management and Research	95.2	121.1
Marine Sciences	30.5	37.4
Environmental Management	87.3	94.3
International Joint Commission	.7	1.3
Minerals:		
Mineral and Energy Resources	36.9	38.7
Energy:		
Energy Development	4.7	5.5
Atomic Energy of Canada Limited	89.4	86.9
Grants for Atomic Energy Research	2.6	2.7
Grant for Tri-University Meson Facility	4.6	4.7
Atomic Energy Control Board	1.1	1.3
National Energy Board	5.1	5.9
Other:		
Department of Energy, Mines and Resources Administration	10.3	12.8
Department of the Environment, Planning and Administration	25.4	26.6

	Forecast Expenditure for 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Secondary Industry:		
Grants and Contributions to Industry for Industrial Research and Development and to Modernize Specific Industries	146.5	153.7
Commercial and Fishing Vessel Construction Subsidy	32.5	26.5
Corporate Affairs, surveillance, research, bankruptcy, patents and other administration	12.0	13.7
Canadian Film Development Corporation	.4	.4
Standards Council	1.1	1.2
Working Conditions:		
Labour Department, Administration and Operations	14.0	15.4
Training:		
Employment and Training Services	150.7	124.3
Occupational Training for Adults	364.8	374.5
Manpower Mobility—grants for workers moving to jobs	12.9	12.0
Immigration:		
Immigration Program	43.5	47.4
Other Labour Force Programs:		
Canada Labour Relations Board	1.3	1.7
Special Employment Program	161.9	—
Departmental and Program Administration, Manpower and Immigration	40.3	42.8
Planning and Research	8.3	8.1
Tourism:		
Tourism Development	21.5	23.1
Foreign Trade:		
Anti-Dumping Tribunal	.4	.5
Market Development	26.9	29.6
World Exhibitions	.4	.4
Social Science Research:		
Statistics Canada-Administration, Operations and Census	73.3	89.1
Economic Council of Canada	3.8	4.0
Social Sciences and Humanities	19.9	22.9
Physical Science Research:		
Ministry of State for Science and Technology	5.0	4.1
Science Council of Canada	1.6	1.7
National Research Council Operations	72.5	71.6
Other Research	7.9	8.4
University Grants	68.6	72.1
Regional Development:		
Northern Economic Development Program	56.7	55.1

	Forecast Expenditure for 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Regional Economic Expansion, Grants to Industry and Provinces and Other Spending in Less Favoured Regions	361.6	439.8
Payments to Cape Breton Development Corporation including coal subsidies and industry rationalization	37.7	47.8
Other Economic Development:		
Earth Sciences Surveys	21.7	24.6
Forgiveness, Developmental Loans to provinces	17.0	30.0
Administration, Industry, Trade and Commerce	15.5	17.0
Other	5.8	.9
TOTAL	2,721.0	2,672.1

Defence

11 cents

Total government expenditure on defence in 1974-75 is estimated at \$2,365 million. The \$2,361 million which will be spent directly by the Department of National Defence represents a \$145 million increase in DND expenditure over that approved in the 1973-74 Estimates, and will allow for increased capital expenditure totalling \$290 million. It will also provide additional funds to cover increased personnel, operating and maintenance costs.

In percentage terms, total DND expenditure is expected to increase by about seven per cent over 1973-74 with 12.3 per cent of the total being allocated for capital projects compared with 10.5 per cent approved in 1973-74 Estimates for this purpose. This represents a further step in the implementation of the government's intention to sustain the defence programs at approximately the 1973-74 level of activity and, in particular, to double, by the end of the decade, the proportion of the Department of National Defence's budget allocated for capital procurement.

DEFENCE

	Forecast Expenditure for 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Department of National Defence	2,223.9	2,360.9
Other	4.3	3.8
TOTAL	2,228.2	2,364.7

Fiscal transfer payments to provinces

8 cents

Federal transfer payments to other levels of government have been made since Confederation. Under the British North America Act of 1867, the Parliament of Canada is given broad powers to raise revenue "by any mode or system of taxation," while the provincial legislatures and municipalities are limited to "direct taxation within the province" in order to raise revenue for provincial purposes. Over the years, various federal-provincial agreements have been entered into to provide federal revenue to the provinces, in order to help finance the costs of programs that fall within their responsibilities, but require greater expenditures than can be managed from the tax revenues available to them.

Three kinds of federal payments to provinces are made each year: income tax abatements, conditional grants, and fiscal transfer payments. Table III on page 25 shows the estimated cash transfer to provinces, made up of all conditional grants and fiscal transfer payments, to be \$6.1 billion; while the value of the federal income tax abatements made to allow room for direct provincial income tax revenue is estimated at an additional \$600 million in 1974-75.

Income tax abatements take the form of a partial federal withdrawal from the field of individual and corporate income taxation to allow for a re-entry of provinces into the vacated areas. As explained in the footnotes to Table III, such abatements have been agreed to for a variety of programs.

Conditional grants, whereby the federal government reimburses the provinces for an agreed-upon portion of the costs of specific programs, such as Hospital Insurance, Medicare, and Canada Assistance Plan, also result from agreements formally entered into by the federal government and a province or provinces. These payments appear in the Estimates for the departments responsible for making them—for example, federal payments under the Canada Assistance Plan appear in the Estimates for the Department of National Health and Welfare.

Fiscal transfer payments are also the result of federal-provincial agreements. They differ from conditional grants in that they have "no strings attached". That is, a federal fiscal transfer payment does not require the province receiving it to spend it on a specific service or program. Such payments include statutory subsidies set out by the British North America Act, which provide mainly for a

fixed grant for the operation of a Legislature, and an 80-cent-per-capita grant.

The largest portion of the fiscal transfer payments, accounting for about seven cents of your tax dollar, will go to the seven lower-income provinces. These equalization payments, expected to amount to some \$1.6 billion in 1974-75, are calculated on the basis of each province's ability to raise revenue. Their purpose is to bring the revenues of the lower-income provinces up to the national average, so that they can provide a quality of public services reasonably consistent across Canada.

Other fiscal transfer payments will take one cent of your tax dollar in 1974-75.

Utilities income tax transfers to each province represent the cash value of 95 per cent of the federal income tax paid by public utilities in the provinces on income from their sales of electricity and natural gas. The estimated \$148 million shown for payments to Quebec are based on a complex formula that allows for federal income tax abatements and transfer payments, instead of conditional grants, for certain established health and welfare programs. Instead of receiving conditional grants under the Canada Assistance Plan, the Hospital Insurance Plan, and the Vocational Rehabilitation of Handicapped Persons and Blind Assistance plans, the Province of Quebec has agreed to take a combination of 21 points of individual federal income tax abatements, and cash transfer payments equal to the difference between the value of the 21 tax points and the amount the province would receive under the conditional grants formula applied to other provinces for these programs. The value of an additional three income tax points associated with the former Federal-Provincial Youth Allowances Program is recovered by the federal government from the Province of Quebec by an equal reduction in the federal fiscal transfer payments made for the established programs mentioned above.

FISCAL TRANSFER PAYMENTS

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Statutory Subsidies:		
Subsidies under the British North America Act	33.8	33.8
Fiscal Arrangements:		
Revenue Equalization and Estate Tax Sharing	1,523.5	1,623.3
Other:		
Utilities Income Tax Transfers	27.0	33.6
Payments to Quebec— Established Programs	185.7	148.4
TOTAL	1,770.0	1,839.1

TABLE III—ESTIMATED FEDERAL PAYMENTS TO PROVINCES AND MUNICIPALITIES¹ 1974-75

	(in millions of dollars)										
	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
Statutory Subsidies—BNA Act	9.7	0.7	2.2	1.8	4.5	5.5	2.1	2.1	3.1	2.1	33.8
Equalization	176.0	40.0	198.3	172.7	727.8	—	112.7	142.8	—	—	1,570.3
a. Adjustments for Prior Years ²	—	—	—	—	—	—	—	—	—	—	35.0
b. Part V Payment	0.2	0.1	0.7	0.3	3.2	8.2	0.6	0.4	1.2	3.1	18.0
Public Utilities Income Tax Transfer	1.7	0.5	—	—	4.4	13.1	0.4	—	11.9	1.2	33.2
Total Unconditional Payments	187.0	41.3	201.2	174.8	739.9	26.8	115.8	145.3	16.2	6.4	1,690.3
Hospital Insurance ³	38.8	7.2	58.5	49.9	483.6	600.7	76.1	68.2	142.3	158.4	1,683.7
Medicare	18.7	3.9	27.2	22.1	208.1	273.5	34.9	31.3	59.6	80.9	760.2
Professional Training	0.1	—	0.1	0.1	0.6	0.8	0.1	0.1	0.2	0.2	2.3
Health Resources Fund	9.5	—	—	0.6	11.0	7.5	1.4	2.3	3.0	0.7	36.0
Canada Assistance Plan, ³ etc.	34.3	5.9	28.5	31.3	385.9	260.7	48.0	37.2	81.3	100.2	1,013.3
Total Health and Welfare	101.4	17.0	114.3	104.0	1,089.2	1,143.2	160.5	139.1	286.4	340.4	3,495.5
Post-Secondary Education ⁴ —Cash Transfer	5.9	1.3	16.3	7.7	171.6	154.7	19.1	13.6	51.4	18.4	460.0
—Income Tax Offset ⁵	7.4	1.4	15.3	10.6	158.6	295.4	23.8	16.1	49.6	78.0	656.2
—Total	13.3	2.7	31.6	18.3	330.2	450.1	42.9	29.7	101.0	96.4	1,116.2
Municipal Grants in Lieu of Taxes	0.3	0.5	4.9	2.5	13.2	33.7	4.2	1.9	3.7	6.7	71.6
Economic Development ²	—	—	—	—	—	—	—	—	—	—	292.6
Bilingualism Development ²	—	—	—	—	—	—	—	—	—	—	89.6
Total Other—Excluding Income Tax Offset	6.2	1.8	21.2	10.2	184.8	188.4	23.3	15.5	55.1	25.1	913.8
—Including Income Tax Offset	13.6	3.2	36.5	20.8	343.4	483.8	47.1	31.6	104.7	103.1	1,570.0
Total Payments to Province (excluding income tax offset)	245.2	60.1	336.7	289.0	2,013.9	1,358.4	299.6	299.9	357.7	371.9	6,099.6
Equalization Payments—Dollars Per Capita	323	343	243	261	119	—	112	158	—	—	—

¹ Total may not agree with Main Estimates because of exclusions of transfers to the Yukon and Northwest Territories, because of inclusion where applicable of tax abatements to Quebec and because of rounding.

² The distribution of the prior year equalization adjustments, economic development grants and bilingualism development programs are not available by provinces.

³ Payments to Quebec for hospital insurance and Canada Assistance Plan include the value of individual income tax abatements of 16 points and 5 points valued at \$489 and \$151 million respectively.

⁵ Value of Income Tax Offset Associated with Post-Secondary Education Program

(a) Individual 4.357 points	6.2	1.2	13.3	9.2	132.0	245.3	20.0	13.8	39.9	66.9	547.8
(b) Corporation 1 point	1.2	0.2	2.0	1.4	26.6	50.1	3.8	2.3	9.7	11.1	108.4
Total Income Tax Offset	7.4	1.4	15.3	10.6	158.6	295.4	23.8	16.1	49.6	78.0	656.2

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 contributions took the form of (a) a federal reduction in favour of each province of the federal income tax of 4 points and federal corporation income tax of 1 point and (b) cash transfers, equivalent to the difference between 50% of costs and the value of the tax points. Under the new tax system which became effective on January 1, 1972, 4.357 points of individual income tax is equivalent to the former 4 points. The initial undertaking was accompanied by a provision that no province was to receive less than \$15 per capita (1967 population) escalated thereafter by the national rate of increase in eligible post-secondary education expenditures; three provinces, Newfoundland, Prince Edward Island, and New Brunswick, are paid under this provision. Commencing with the 1972-73 fiscal year, the federal contribution for a fiscal year may not exceed 115% of the immediately preceding year.

Transportation and communications

7 cents

Over seven cents of your tax dollar, \$1.6 billion, will be devoted to transportation and communication services. This does not include loans that will be made for marine and aviation facilities operated by the Ministry of Transport, nor loans to Crown Corporations such as Air Canada and Canadian National Railways.

The role of transportation in a country as vast as Canada is again given special attention in the 1974-75 Estimates. Some \$15.7 million is provided for the initiation of a five-year \$160 million program with Manitoba, Saskatchewan and Alberta. The program will strengthen major highways in these provinces in order to reduce springtime weight restrictions and to increase maximum gross vehicle weights to a uniform amount. In addition, \$10 million is provided for the first year of a 10-year program to develop roads and highways in the northern sections of the four western provinces. These will interconnect the provinces, and provide improved access to the Territories north of them. The role of railways, especially in northern British Columbia and ultimately the Yukon, is recognized in a \$17.2 million allocation for the first year of a five-year \$330 million rail development program to be undertaken by the Canadian National and British Columbia Railways. The new rail lines will open vast mineral and forestry areas in northern British Columbia, and connect them with the port of Prince Rupert.

Traffic safety is another subject of increasing concern, and \$2 million is provided to start construction of a \$9.5 million motor vehicle performance test centre, the first facility of this type in Canada. Canada's Air Traffic Control System will be improved by the construction of new quarters for the Air Traffic Control Centers at Toronto and Moncton, designed to accommodate the new computerized Joint Enroute Terminal System to be introduced in the mid-70s. This is a highly sophisticated automated system that will enable an aircraft to be continuously tracked along air routes and in terminal areas. Development work will also begin on the Integrated Communication Control System, a computer-controlled switching system for all air traffic control voice communications.

The East Coast ferry services will be further upgraded by the acquisition of a new \$14 million rail-car ferry for the North Sydney-Port aux Basques service, by terminal and wharf improvements for

the Prince Edward Island Services, and by modifications to ferries presently in use to increase their passenger and cargo capabilities. These will be operated through a new, streamlined Canadian National Ferry Services Administration.

The Main Estimates provide \$690 million for postal services in 1974-75. However, the Post Office Department generates very large revenues which are credited directly to the government's Consolidated Revenue Fund, and leave the net cost of postal services at \$241 million.

The Canada Post Office is extending the mechanized letter-sorting system for its operations across Canada. In addition to the mechanized letter-sorting system now in operation at the Post Office in Ottawa, major new mechanized systems are planned for installation in 1974-75 in Toronto, Winnipeg, Regina, Saskatoon, Edmonton, Calgary and Vancouver. The mechanized systems will be extended to other major urban centres during the next few years.

TRANSPORTATION AND COMMUNICATIONS

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Air Transport:		
Aviation Services—airports, air traffic control and aids to navigation, etc.	218.3	250.3
Water Transport:		
Marine Services— aids to navigation, ice breaking, pilotage, search and rescue, etc.	151.5	155.0
National Harbours Board	1.7	1.3
Steamship Subsidies	8.8	8.8
Marine Program— construction and operation of harbours, wharves, etc.	30.3	21.3
St. Lawrence Seaway Authority	27.0	34.6
Rail Transport:		
Railway Subsidies	158.5	140.0
Maritime Freight Rate Subsidies	13.5	13.5
Atlantic Region Freight Assistance	11.3	15.4
Road Transport:		
Railway Grade Crossing Fund	35.0	25.0
Other Road Transportation	18.9	19.4
Post Office:		
Cost of Operations Before Deducting Revenues	591.6	689.7
Telecommunications:		
Department of Communications Research, Planning, Administration	43.9	47.5

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Other:		
Weather Forecasting Services	42.9	48.7
Surface Transportation	75.9	124.6
Transportation Development Agency	16.1	7.2
Ministry of Transport Headquarters	11.1	17.8
Canadian Transport Commission Operations	14.2	16.3
TOTAL	1,470.5	1,636.4

General government services 5 cents

It will cost five cents in 1974-75 to provide general government services. Some of these are long-established responsibilities such as the provision of a system of justice. Others are as modern as protection of consumers against hazardous products or misleading labelling.

Just over two cents will be provided for the protection of people and property, through federal police services, administration of the courts, salaries and pensions of judges, and correctional services.

An increase of some \$38 million over the 1973-74 estimates is provided for Correctional Services, which covers the administration of court sentences and the rehabilitation of criminal offenders. Rehabilitation services continue to be a priority, and include the counselling and vocational training of inmates, as well as counselling and supervision of inmates paroled either from federal or from provincial institutions. As a result of the Federal-Provincial Conference on Corrections held last December, joint committees will be working in the coming years on a number of correctional improvements, such as the development of a more flexible decision process for paroles, of programs to deal with young people in conflict with the law, and of programs to prevent people from entering the criminal justice system.

The proposed expenditures of the Royal Canadian Mounted Police include significant on-going expenditures for the operation of the Canadian Police Information Centre computer, whose coverage will be expanded in 1974-75. As well, about \$2 million is budgeted for the expansion of the Canadian Police College in Ottawa. This facility offers advanced courses in police investigation, organization and administration to all police forces in Canada, free of charge.

More than a cent of your 1974-75 tax dollar will be allocated to preventing smuggling, collecting customs duties, and collecting taxes. The Taxation Branch of the Department of National Revenue is continuing a program to expand and improve its computer facilities for processing tax returns, to enable it to provide better service in the face of an increasing volume. As well, its Special Investigations Unit will be expanded to improve its ability to detect cases of tax evasion and to permit greater co-operation with other agencies in combatting fraudulent practices. The Customs and Excise Branch, responsible for assessing and collecting duties and taxes on imported and domestically produced goods, and for exercising control over international movements of persons and goods, is focusing its attention on the growing problem of illicit drug traffic and other violations of Canadian customs laws, and will continue in 1974-75 to improve its enforcement capability.

GENERAL GOVERNMENT SERVICES

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Legislation and Administration:		
Legislative—salaries, operating costs of Parliament, election expenses, Representation Commission and Auditor General	49.6	60.0
Executive—Governor-General and Lieutenant-Governors, Privy Council, Canadian Inter-governmental Conference Secretariat, Commissioner of Official Languages, Department of Finance and Treasury Board Administration	42.5	49.9
National Revenue—costs of collecting taxes, tariffs and duties	275.0	308.5
National Capital Commission	37.8	37.7
Information Canada	10.9	8.0
Yukon and Northwest Territories	98.9	100.8
Protection of Persons and Property:		
Justice—administration, courts, Judges' salaries	29.6	43.6
Law Reform Commission, Canadian Judicial Council and Tax Review Board	2.6	2.9
Correctional Services	141.1	177.3
Royal Canadian Mounted Police	231.6	251.5
Consumer Protection Services including Food and Drug Administration	54.0	57.9

	Forecast Expenditure for 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Combines Investigation, Department of Insurance, Food Prices Review Board	5.6	7.2
TOTAL	979.2	1,105.3

Internal overhead expenses 4 cents

This category covers items ranging from administrative housekeeping, such as office space throughout Canada, to grants to municipalities in lieu of taxes on federal government properties, to medical plans for federal employees. In 1974-75 these expenditures will total \$969 million—about four cents of your tax dollar.

Approximately \$436 million will be spent on facilities for federal departments and agencies, an increase of about \$41 million over 1973-74.

This category also covers costs of the government's program to promote bilingualism in the Public Service. The objective of this spending, on language training and translation, is to ensure that Canadians may work in the federal Public Service, and that taxpayers may be served by government, in the official language of their choice. The Public Service Commission will increase its efforts in 1974-75 to provide language training to all public servants who require it.

An increase of more than \$6 million in "grants to municipalities in lieu of taxes on federal property" results from higher mill rates in municipalities where federal facilities are located, as well as an increase in the value of federal real property holdings. Similarly, the \$31 million increase in the federal government's contributions to its employee's pension and medical plans reflects higher premiums as well as an increase in the number of public servants.

INTERNAL OVERHEAD EXPENSES

	Forecast Expenditure for 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Government Support Services:		
Accommodation—rent, maintenance, new buildings	394.8	436.0
Grants to Municipalities in Lieu of Taxes on Federal Property	65.7	72.1

	Forecast Expenditure for 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Translation services	18.6	23.6
Language Training	15.8*	13.4
Public Service Bilingualism	-	*50.0
Other Administrative Costs, including contingencies	145.6	246.4
Pension and Medical Plans:		
Government Contributions to Public Servants' Pension and Medical Plans	96.1	127.4
TOTAL	736.6	968.9

* Main Estimates 1973-74 provided \$30 million in Treasury Board Vote 15 for Public Service Bilingualism, to supplement other votes for the purpose of language training, etc. The \$30 million does not appear in the 1973-74 column because it was expended through other votes, such as the language training vote of the Public Service Commission. The latter vote will be supplemented from Treasury Board Vote 15 in 1974-75.

Education assistance 3 cents

Direct cash payments to provinces under the arrangements for financing of post-secondary education are forecast at \$460 million in 1974-75, representing a \$20 million reduction from the 1973-74 forecast expenditure. The decrease reflects a levelling off of university enrolment across Canada, as well as the increased value of tax point transfers to the provinces.

Under the arrangements for the financing of post-secondary education, the provinces receive two kinds of financial contributions. One is in the form of tax transfers. Their value in 1974-75 is estimated to be \$656 million, about \$175 million more than in 1973-74. This element does not appear in the Main Estimates, but is indicated in Table III on page 25. The other contribution consists of direct cash payments, representing the difference between 50 per cent of the eligible operating costs of post-secondary education and the value of the tax points transferred to the provinces.

It is expected that federal government financing of student loan support will cost \$43.9 million, largely in interest charges related to the Canada Student Loans Plan.

The bilingualism development program provides payments to provinces to assist them in providing minority language education and for the teaching of the second official language. Payments are made to provinces according to a formula related to the

number of students and hours of instruction in either of the official languages at the elementary, secondary and university levels.

EDUCATIONAL ASSISTANCE

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Post-Secondary Education:		
Education Support Administration	.8	.9
Post-Secondary Education payments to provinces for costs of universities, community colleges, etc.	480.0	460.0
Other Education:		
Student Loans Program, interest and other charges	38.8	43.9
Bilingualism Development— Including payments to provinces	98.6	94.1
TOTAL	618.2	598.9

Culture and recreation

3 cents

Culture and recreation occupy an ever-increasing place in the life of Canadians. National parks have increased from 18 to 28, and historic sites from 41 to 82 in the last six years and the allocations for these programs have almost tripled during that period—from \$36.5 million in 1968-69 to \$94.8 million in 1974-75. Several important and exciting restoration projects are also under way at such sites as the fortress of Louisbourg, N.S., Artillery Park in Quebec, and Dawson City in the Yukon. Also of interest are programs of lock restoration to some of Canada's most scenic and historic waterways such as the Chambly, Trent and Rideau canals.

The most important cultural agency of the government, in terms of the size of its budget and of its impact on the every-day life of Canadians, is the Canadian Broadcasting Corporation, which accounts for more than half of the over-all expenditure of the government on Culture and Recreation. Among the CBC priorities for 1974-75 are program improvements, increase in Canadian content, more local and regional production, and better nationwide coverage in each of the official languages. The Corporation will also be getting ready to assume its responsibilities as host broadcaster for the 1976 Olympics.

Under its expanded multi-culturalism program, the government will increase its support to projects

proposed by ethnic groups that will assist their continued development, and provide opportunities for them to contribute to Canadian cultural life. Increased funds have been provided in the estimates of the Secretary of State Department for grants to voluntary groups, to assist them in undertaking projects that enable minority groups to imprint their distinctive stamp on Canadian cultural life. Projects funded in the past include festivals and research, television programs and Saturday schools, summer camps, literary clubs, and collections of archives and art exhibitions. As well, a major new project, the Canadian Identities program, spans most areas of cultural expression in efforts to bring to the larger population an awareness of the cultural activity that smaller groups with distinctive traditions are generating.

The government policy of increasing Canadian content in as many aspects of our cultural life as possible will be further pursued by the National Film Board, through a new series of films for use by educational institutions. As well, new legislation is envisaged to provide certain controls on the export of Canadian art objects of historic and cultural value. Funds will also be provided to assist Canadian institutions to acquire such artifacts.

CULTURE AND RECREATION

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
Cultural Institutions:		
Costs of National Museums, National Library, National Arts Centre, Public Archives	43.4	51.2
Recreation:		
National Parks, Historic Sites and Conservation	88.8	94.8
Film, Radio and Television:		
Canadian Broadcasting Corporation	238.8	*298.8
Canadian Radio-Television Commission	6.8	7.8
National Film Board	17.6	18.6
Other:		
Fitness and Amateur Sport	14.0	17.2
Arts and Cultural Support	7.0	6.1
Citizenship Development	36.1	32.0
Canada Council Support of the Arts	16.4	18.0
Secretary of State, Administra- tion	6.3	5.7
TOTAL	475.2	550.2

* Includes \$57 million for capital financing provided in other years through loans, not included in budgetary estimates.

Two cents of your dollar is allocated for Canada's foreign relations and aid program. Most of it is slated for the Canadian International Development Agency, through which the government channels its assistance to developing countries where people still subsist on incomes that are a fraction of those of the average Canadian.

In addition to \$332 million in grants for international development, CIDA will lend a further \$217 million on generous terms. The government is also advancing \$276 million to the International Development Association, an affiliate of the World Bank, to be used for aid purposes over the next four years.

Canada will also contribute \$31 million as its share of the operating costs of international organizations, notably the United Nations and its many specialized agencies. Some \$4 million will be spent on a number of new missions in Korea, Barbados, Morocco, and other countries. A \$2.5 million new public information program in support of our foreign objectives will also be implemented at various posts abroad. Finally, approximately \$126 million will be spent by the Department of External Affairs to operate our embassies and consulates throughout the world, and the department's headquarters in Ottawa.

FOREIGN AFFAIRS

	Forecast Expenditure 1973-74 (\$ millions)	Proposed for 1974-75 (\$ millions)
External Relations:		
Department of External Affairs	110.8	126.0
Canada's Contributions to International Organizations— United Nations, etc.	25.9	30.6
Assistance to Developing Countries:		
Aid to Developing Countries— grants, technical assistance, etc.	292.2	*332.0
Administration Costs, Canadian International Development Agency	17.1	18.8
TOTAL	446.0	507.4

* Total aid in 1974-75 will be \$638.1 million which includes special loan assistance of \$217.3 million and investments and advances of \$88.8 million not shown in the above table.