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FEDERAL GOVERNMENT ENTERPRISE FINANCE

1962

(Fiscal Year Ended Nearest to December 31st)

Formerly Financial Statistics of Federal Government Enterprises

ASSETS, LIABILITIES AND NET WORTH
CURRENT REVENUE AND EXPENDITURE

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SYMBOLS

The following standard symbols are used in Dominion Bureau of Statistics publications:

- .. figures not available.
- ... figures not appropriate or not applicable.
- nil or zero.
- amount too small to be expressed.
- p preliminary figures.
- r revised figures.

Note: Figures appearing in footnotes to tables are in thousands of dollars.

FEDERAL GOVERNMENT ENTERPRISE FINANCE

1962

INTRODUCTION

This report covers the financial statistics of federal government enterprises in Canada in 1962. It is the third in a series of publications by the Bureau of Statistics, the first of which covered the years 1958 to 1960 and the second, the year 1961.

This series complements the publication "Federal Government Finance" (Catalogue No. 68-211), which is published annually by the Bureau of Statistics.

The first of a series of corresponding reports for provincial government enterprises covers the years 1958 to 1961 (Catalogue No. 61-204).

Reports dealing with government enterprises are part of the program to enlarge the scope of the public finance statistics by incorporating comparable data on government enterprises, institutions and social security and pension funds. The broadened framework will permit a more sophisticated evaluation of the impact of government on the economy with respect to its demands on the goods and services produced, its capital formation, its external financing, the redistributive effects on private incomes through its taxing powers and transfer payments, and the significance of its trading operations in industry.

THE CONCEPT OF A GOVERNMENT ENTERPRISE

Government enterprises are part of the government complex and render a portion of the services provided by government.

Government Services

Services provided by present day governments are diverse in their nature, and are carried out by various forms of organization: departments, boards, commissions, crown corporations or other agencies.

Those services of a general nature such as the protection of persons and property, health, education and highways, which are common to most governments, are usually financed out of ordinary revenues or funds repayable out of ordinary revenues. Nominal fees are charged for some general community services, but for the most part there is no necessary relationship between the taxes and levies paid by a person and the use or benefit he derives from the services.

Certain other activities of government, however, have quite different characteristics, in as much as they involve the production of economic goods and the provision of services for sale on the market at a price to the consumer which is intended to compensate wholly or largely for their costs, and, in some cases, to yield a profit. The form of organization of this type of undertaking is usually a crown corporation, or a special agency with specific powers, subject to varying degrees of financial control by government and public accountability. Capital funds are made available by direct loans and advances from government, share capital subscribed by government, or by outside borrowing usually guaranteed by government. In most cases, the activities of these enterprises are of an outright commercial or industrial nature, conducted in competition with private businesses or sometimes as monopolies. In terms of motivation and behavior, they are more comparable to private business corporations than to institutional or non-commercial organizations with which latter category general government data are ordinarily classified.

For purposes of uniformity and comparability in the recasting of public finance data within an economic and functional classification framework,

these two distinct categories of government activity have been segregated into "general government" and "government enterprises".

Government Enterprises

To isolate government enterprise activities, it is necessary to establish certain criteria.

A government enterprise is considered to be an instrumentality of a political, decision-making body which produces goods or services for sale on the open market at a price generally designed to cover costs. The essential feature of an enterprise as distinguished from a general government operation, is that it charges a price for its service according to use. It is thereby enabled to meet most of its costs from proceeds of sales without recourse to government funds.

An exception is made where a central agency has been set up to provide goods or services mainly to its own or other levels of government; such an agency is treated as a working capital fund of general government as it is subject only to a limited play of market forces due to arbitrary prices, for example, the Defence Production Revolving Fund.

One obvious criterion in identifying an enterprise is the maintenance of accounting records which permit the allocation of specific elements of costs against revenue. Two important cost items which are recorded by government enterprises, but which are not normally maintained in general government accounting are changes in inventories and capital consumption allowances.

Other characteristics of an enterprise, usually but not necessarily evident, are:

- (1) separate legal existence;
- (2) sustained activity;
- (3) commitment of an appreciable volume of capital;
- (4) payment of income tax;
- (5) personnel not subject to Civil Service Act.

No attempt has been made to isolate an enterprise activity that is incidental to a general government service.

STATUTORY AUTHORITIES RELATING TO GOVERNMENT ENTERPRISES

The most common practice in establishing a federal government business enterprise has been to set it up by special act of parliament, which defines its purposes, powers and responsibilities.

During World War II, when the corporate device was extensively employed, the Minister of Munitions and Supply was authorized to procure the incorporation of companies under the Federal Companies Act, 1934. In 1946, the Government Companies Operation Act was passed to regulate the operations of the few companies actually formed under the Companies Act. The financial provisions of the Government Companies Operations Act were repealed, with the enactment in October, 1952, of the Financial Administration Act, RSC 1952, c. 116, and amendments, (SC 1955, c. 3; 1958, c. 31; 1960-61, c. 48).

The Financial Administration Act provides for the financial administration of the Government of Canada, the audit of the public accounts and the

financial control of crown corporations. Financial control is exercised through requirements for parliamentary estimates, capital and operating budgets, financial statements and annual reports, supplemented by audits performed by the auditor general, or in a few cases, by independent public accountants.

Three classes of crown corporations are defined and identified in Part VIII of the Financial Administration Act: departmental, agency and proprietary. The enterprises included in this report fall into the latter two classes, except for the Bank of Canada, the Canadian Wheat Board, the Industrial Development Bank and Northern Ontario Pipe Line Crown Corporation, which because of their unique functions, are governed by their own acts of incorporation, and the Canadian Government Elevators operated by the Board of Grain Commissioners for Canada under the provisions of the Canada Grain Act.

FEDERAL GOVERNMENT ENTERPRISES INCLUDED IN THIS REPORT

A list of the enterprises included in this report, the statutory authority by which they were established, and their main functions follows:

Name of enterprise with Associated Companies indicated by corresponding letters (a) to (d)	Fiscal year end	Responsible Minister or Authority	Federal Statutory Authority	Year of incorporation	Main functions
Bank of Canada (a)	Dec. 31	Minister of Finance	Bank of Canada Act, RSC 1952, c. 13; amend. c. 315, s. 30; 1953-54, c. 33.	1934	To regulate credit, and currency, to control and protect the external value of the Canadian dollar and to stabilize the level of production, trade, prices and employment so far as may be possible within the scope of monetary action; to act as fiscal agent for the federal government and manage the public debt.
Canadian Arsenal Limited	March 31	Minister of Defence Production	Incorporated under the Companies Act, RSC 1952, c. 53.	1945	To manufacture and develop military equipment, ammunition and components to meet the requirements of the armed forces, to maintain the facilities placed in its custody and retain skills required to operate such facilities.
Canadian Broadcasting Corporation	March 31	Secretary of State	Broadcasting Act, SC 1958, c. 22.	1936	To broadcast, produce and distribute national program services in English and in French, in radio and television, domestically and internationally; to operate the International Service on behalf of the federal government, which bears operational and maintenance costs.
Canadian Commercial Corporation	March 31	Minister of Defence Production	Canadian Commercial Corporation Act, RSC 1952, c. 35.	1946	To purchase defence supplies from Canadian industry on behalf of other countries; to purchase goods and services which the federal government contributes under the Colombo Plan and under programmes covering aid rendered by Canada to other nations; to engage in importing and exporting transactions for Canadian Government departments and agencies, and commercial firms.
Canadian Government Elevators	March 31	Minister of Agriculture	Canada Grain Act, RSC 1952, cc.25 and 308; amend. 1955, c.9; 1962, c. 25.	1913	To operate terminal grain elevators under management of the Board of Grain Commissioners for Canada.
Canadian National Railway System (b)	Dec. 31	Minister of Transport	Canadian National Railways Act, SC 1955, c. 29; amend. 1960-61, c. 28.	1919	To operate land, water and air transportation, express, telecommunication and hotel services.

Federal Government Enterprises included in this Report - Continued

Name of enterprise with Associated Companies indicated by corresponding letters (a) to (d)	Fiscal year end	Responsible Minister or Authority	Federal Statutory Authority	Year of incorporation	Main functions
Canadian National (West Indies) Steamships Limited.	Dec. 31	Minister of Transport	Incorporated under the Companies Act, RSC 1952, c. 53.	1927	Before the sale of its fleet in August, 1958, the Company maintained direct steamship service to the West Indies under provisions of the West Indies Trade Agreement Act, 1926. (The outstanding financial transactions reflect earnings on investments and the unliquidated equity account.)
Canadian Overseas Telecommunication Corporation.	March 31	Minister of Transport	Canadian Overseas Telecommunication Corporation Act, RSC 1952, c. 42; amend. 1952-53, c. 13; 1953-54, c. 44, s. 2.	1949	To operate in Canada and elsewhere external telecommunication services for the conduct of public communication.
Canadian Patents and Development Limited.	March 31	Chairman of the Committee of the Privy Council on Scientific and Industrial Research	Incorporated under the Companies Act, RSC 1952, c. 53; Research Council Act, RSC 1952, c. 239; amend. 1953-54, c. 42; Public Servants Inventions Act, 1953-54, c. 40, s. 15.	1948	To make available to industry through licensing arrangements, new processes developed by scientific workers of the National Research Council.
Canadian Wheat Board	July 31	Minister of Agriculture	Canadian Wheat Board Act, RSC 1952, c. 44; amend. 1952-53, c. 26; 1957, c. 6; 1962, c. 21.	1935	To market in an orderly manner in the interprovincial and export trade, grain grown in Western Canada.
Central Mortgage and Housing Corporation.	Dec. 31	Minister of Public Works.	Central Mortgage and Housing Corporation Act, RSC 1952, c. 46 (also National Housing Acts, SC 1953-54, c. 23; amend. 1956, c. 9; 1957-58, c. 18; 1958, c. 3; 1959, c. 8; 1960, c. 10; 1960-61, cc. 1, 61; 1962-63, c. 17).	1945	To insure mortgage loans on new housing made by approved lenders; make direct loans to certain borrowers; buy and sell mortgages; assist other levels of government in urban redevelopment, land assembly and housing projects; own housing and administer housing projects for other government departments; make loans for municipal sewage treatment projects.
Cornwall International Bridge Company Limited (d) (Subsidiary).	Sept. 30	Minister of Transport	Incorporated under the Companies Act, RSC 1952, c. 53; St. Lawrence Seaway Authority Act, RSC 1952; amend. 1956, cc. 11 and 47.	1957	As a subsidiary of the St. Lawrence Seaway Authority of Canada and the St. Lawrence Seaway Development Authority (American), the company operated a toll bridge between Cornwall, Ontario, and Massena, New York, until July 1, 1962.
Crown Assets Disposal Corporation	March 31	Minister of Defence	Surplus Crown Assets Act, RSC 1952, c. 260.	1949	To dispose of surpluses originating with the various government departments and crown corporations; to act as agent of foreign governments in the disposal of their surpluses in Canada; to make agency arrangements with governments for the disposal of Canadian surpluses located in their countries (Formerly War Assets Corporation, established in 1944 to replace War Assets Corporation Limited which had been incorporated in 1943).
Eldorado Aviation Limited (c) (Subsidiary).	Dec. 31	Minister of Trade and Commerce	Incorporated under the Companies Act, RSC 1952, c. 53.	1953	To carry air traffic, both passenger and freight, for Eldorado Mining and Refining Limited and Northern Transportation Company Limited.
Eldorado Mining and Refining Limited (c).	Dec. 31	Minister of Trade and Commerce	Incorporated under the Companies Act, RSC 1952, c. 53.	1944	Mining and refining of uranium and the production of nuclear fuels in Canada; also acts as agent of the federal government in the procurement of uranium ore concentrates from private producers in Canada for ultimate buyers.
Export Credits Insurance Corporation ..	Dec. 31	Minister of Trade and Commerce	Export Credits Insurance Act, RSC 1952, c. 105; amend. 1953-54, c. 15; 1957, c. 8; 1957-58, c. 15; 1959, c. 24; 1960-61, c. 33; 1962, c. 14; 1962-63, c. 2.	1944	To insure Canadian exporters against non-payment by foreign buyers arising out of credit and political risks involved in foreign trade; to provide financing in respect of an export transaction involving extended credit terms.
Farm Credit Corporation	March 31	Minister of Agriculture	Farm Credit Act, SC 1959, c. 43; amend. 1960-61, c. 36; 1962-63, c. 7.	1959	As the successor to the Canadian Farm Loan Board, it provides long-term mortgage credit to Canadian farmers.
Industrial Development Bank (a) (Subsidiary).	Sept. 30	Minister of Finance	Industrial Development Bank Act, RSC 1952, c. 151 and amend. c. 326; 1956, c. 25; 1960-61, c. 50.	1944	To provide loans and equity financing and participate in underwriting agreements with small and medium-sized Canadian businesses where required financing is not available from other sources on reasonable terms and conditions.

Federal Government Enterprises included in this Report— Concluded

Name of enterprise with Associated Companies indicated by corresponding letters (a) to (d)	Fiscal year end	Responsible Minister or Authority	Federal Statutory Authority	Year of incorporation	Main functions
National Harbours Board	Dec. 31	Minister of Transport	National Harbours Board Act, RSC 1952, c. 187; amend. 1953-54, c. 60; 1955, c. 4.	1936	Administration of certain port facilities and grain elevators.
Newfoundland Car Ferry ¹	March 31	Minister of Transport	Ferries Act, RSC 1952, c. 114.	1952	Operation, on behalf of the federal government, of ferry service between Port-aux-Basques, Nfld., and North Sydney, N.S. by Canadian National Railway as part of its non-rail service.
Northern Canada Power Commission ..	March 31	Minister of Northern Affairs and National Resources	Northern Canada Power Commission Act, RSC 1952, c. 196; amend. 1956, c. 42.	1948	To provide power to areas in the Northwest Territories and Yukon Territory on a self-sustaining basis.
Northern Ontario Pipe Line Crown Corporation.	Dec. 31	Minister of Trade and Commerce	Northern Ontario Pipe Line Crown Corporation Act, SC 1956, c. 10.	1956	Construction of the Northern Ontario Section of all Canadian natural gas pipeline and of leasing the Section with an option to purchase, to Trans-Canada Pipe Lines Limited.
Northern Transportation Company Limited (c) (Subsidiary).	Dec. 31	Minister of Trade and Commerce	Incorporated under the Companies Act, RSC 1952, c. 53.	1947	To carry on water transportation in the Mackenzie River watershed for its parent corporation, and to handle D.E.W. line freight.
Park Steamship Company Limited (inactive).	Dec. 31	Minister of Transport	Incorporated under the Companies Act, RSC 1952, c. 53.	1942	Now inactive, during World War II, the company supervised the operation of crown-owned merchant vessels. The fleet was sold in 1946-47. Activities are confined to occasional claims for compensation to seamen for injuries sustained during previous service.
Polymer Corporation Limited	Dec. 31	Minister of Defence Production	Incorporated under the Companies Act, RSC 1952, c. 53.	1942	Production of synthetic rubber products and some chemicals; owns four subsidiaries, Polymer Corporation (SAF), Polysar Belgium, S.A., Polysar Nederland, N.V. and Polysar International S.A., all foreign-incorporated. The financial transactions of the Canadian parent company only are included in the following statistics.
Prince Edward Island Car Ferry ¹	Dec. 31	Minister of Transport	Ferries Act, RSC 1952, c. 114.	1933	Operation on behalf of the federal government of ferry service between Borden, P.E.I. and Cape Tormentine, N.B. by the Canadian National Railway as part of its rail service.
St. Lawrence Seaway Authority (d)	Dec. 31	Minister of Transport	St. Lawrence Seaway Authority Act, RSC 1952, c. 242; amend. 1953-54, c. 44, ss. 5, 6; 1955, c. 58; 1956, cc. 11, 47; 1959, c. 9; 1962, c. 18.	1951	Operation in conjunction with its American counterpart, from April 25, 1959, of the Seaway system between Montreal and Lake Erie constructed in the years 1954 to 1959; operation and administration of non-toll canals transferred from the Department of Transport to the Authority by Order-in-Council, P.C. 1959-204.
Trans-Canada Air Lines (Air Canada) (b) (Subsidiary).	Dec. 31	Minister of Transport	Trans-Canada Air Lines Act, RSC 1952, c. 268; amend. 1952-53, c. 50.	1937	To provide scheduled domestic and international air services to North America, the British Isles, continental Europe and the Caribbean.
Yarmouth-Bar Harbour Ferry	Dec. 31	Minister of Transport	Ferries Act, RSC 1952, c. 114.	1955	Operation of ferry service between Yarmouth, N.S. and Bar Harbour, Maine, by the Canadian National Railway Company on behalf of the federal government on a management fee basis.

¹ Finances consolidated with those of C.N.R. except for fixed assets owned by federal government.

Explanatory comments on the operations of certain of the enterprises follow.

Bank of Canada

Although the Bank of Canada is classified as a federal government enterprise, its financial data are not included in the overall totals of enterprise transactions published in Tables 1 to 5. The specialized terminology used by the Bank of Canada for some of its balance sheet items, by reason of its

unique functions, affords, at best, an awkward fit to the conventional nomenclature adopted for this statistical presentation. However, for the convenience of users of these financial statistics, who may wish to incorporate available Bank of Canada figures into the relevant totals, Tables 6, 7 and 8 present comparative income, surplus account and balance sheet for 1961 and 1962 within the enterprise classification framework, with a breakdown of the items included under pertinent headings.

Canadian National Railways

Thirty-eight companies were included in the consolidated accounts of the Canadian National Railway System. During the year, two road transport companies were acquired, namely, Husband Limited and Midland Superior Express Limited. In addition to those companies included in the System's corporate structure, there are several affiliated companies in which it holds fifty per cent or less claim of ownership. Only the amount of the investment in these affiliates is reflected in the statistics. Trans-Canada Air Lines, one of the System's wholly-owned subsidiaries, is treated as a separate federal government enterprise and its transactions with the parent company have been segregated.

Adjustments are made to the System accounts to show the revenues and expenditures of the Canadian National hotels on a gross basis and to transfer the contributions by the federal government for the operating deficits of the Newfoundland Car Ferry and the Prince Edward Island Car Ferry from current revenue to surplus account.

Canadian National (West Indies) Steamships Limited

Canadian National (West Indies) Steamships Limited sold its fleet in 1958. Transactions during 1962 related to the winding up of the company's affairs.

The Canadian Wheat Board

The Canadian Wheat Board was incorporated under the Canadian Wheat Board Act to market, in an orderly manner, in the interprovincial and export trade, grain grown in Canada. The net profits on the operations of the pool accounts accrue not to the federal government, but to the grain producers. In this respect, it differs from other government business enterprises. Notwithstanding the special nature of its functions, however, the Canadian Wheat Board is treated in this report as a federal government enterprise. Its financial data cover the fiscal years ended July 31st, and involve not only the interim transactions of the current crop year, but also the results of the operations of the previous year's wheat, oats and barley pool accounts during the same period.

Cornwall International Bridge Company Limited

This company ceased operation on July 3rd, 1962 when the new North Channel Bridge, built and owned by the St. Lawrence Seaway Authority was opened to traffic. The company's affairs were still in the process of being wound up on September 30th, 1962.

Polymer Corporation Limited

At December 31, 1962 Polymer Corporation Limited held a 95% equity in a subsidiary company, Polymer Corporation (SAF) and a 100% equity in three others: Polysar Belgium S.A., Polysar Nederland N.V. and Polysar International S.A. Polymer Corporation (SAF) was incorporated under the laws

of France in January 1961 and its special purpose rubber plant located near Strasbourg commenced operations in the fall of 1962. Polysar Belgium S.A. was formed under the laws of Belgium in December 1961 and construction of a butyl rubber plant near Antwerp began in 1962. Polysar Nederland N.V., which is a holding company was incorporated in accordance with the laws of Holland in May, 1962. Polysar International S.A. was incorporated under Swiss law, in June 1962 for the purpose of marketing all Polymer products outside of North America.

The financial statistics of the Canadian parent company only are included in this report for the year 1962. In 1961, consolidated figures were used as the amounts pertaining to the foreign-incorporated subsidiary companies were not considered significant.

The St. Lawrence Seaway Authority

From July 3rd to December 31st, 1962, the Bridge Division of the Authority was assigned the control of the bridge system between Cornwall, Ontario and Massena, New York, formerly operated by a subsidiary, the Cornwall International Bridge Company Limited. On January 1st, 1963, the management of this toll bridge system was assumed by the newly incorporated subsidiary, the Seaway International Bridge Corporation limited.

The amount of the Authority's investment in shares of the Cornwall International Bridge Company Limited was written off in 1962 and is recorded as part of the cost of the St. Lawrence River section of the deep waterway.

Comparison with Coverage in National Accounts

The amounts shown as net profit or loss before provision for income tax (Table 2, Expenditure, Item 6) and provision for depreciation (Table 2, Expenditure, Item 2) do not agree with those currently incorporated in the National Accounts as government investment income and capital consumption allowances, respectively, because of difference in coverage and the inclusion of imputed items in the National Accounts series.

To convert to "National Accounts", the following adjustments to these items are necessary:

- (a) Additions to both items of amounts for Bank of Canada;
- (b) Additions to "net profit" only of estimates for Exchange Fund Account, Post Office, Veterans' Land Act, imputations for banking services provided to the federal government without specific charge (revenue), and a portion of the net imputed rent on government-owned buildings (revenue);
- (c) Deductions from both items of amounts for Canadian Broadcasting Corporation, The Canadian Wheat Board and Crown Assets Disposal Corporation.

Comparison with Coverage in Volume III in Public Accounts

The financial statements of all Crown Corporations as listed in the Financial Administration Act are included in Volume III of the Public Accounts of Canada. The following are not classified as federal government enterprises for purposes of this report: Atomic Energy of Canada Limited, Defence Construction (1951) Limited, The National Battlefields Commission, National Centennial Administration and the Canadian Railways Securities Trust.

The accounts of Newfoundland Car Ferry, Prince Edward Island Car Ferry and Yarmouth-Bar Harbour Ferry, which are operated by the Canadian National Railways on behalf of the federal government, are not separately shown in the Public Accounts. The Canadian Government Elevators, which for purposes of accounting and financial control functions in the same manner as a branch of a department of the Government of Canada, is not a Crown Corporation. Its financial statements are printed as an appendix to the section of the Public Accounts dealing with the Department of Agriculture.

FINANCIAL STATISTICS OF FEDERAL GOVERNMENT ENTERPRISES

Source of Data

The sources of the financial data are the published annual reports of the crown corporations, supplemented by additional information obtained from company or departmental officials. The assistance of these officers is gratefully acknowledged.

The series on wages and salaries paid to employees of federal enterprises is, for the most part, based on data obtained from the Government Employment and Payrolls Section, Public Finance and Transportation Division.

Capital Revenue and Expenditure

Comprehensive statistics on capital revenue, capital expenditure and the source and application of funds of federal enterprises are not available at this time, except in so far as changes in the balance sheet accounts reflect these transactions on a net basis.

Estimates of expenditures of a capital nature by government enterprises are published in the publication, "Private and Public Investment" (Table 7), prepared jointly by the Business Finance Division of the Dominion Bureau of Statistics, and the Economics Branch of the Department of Trade and Commerce. According to this source, capital expenditures of federal enterprises for the year 1962 were \$196 million.

Classification of Enterprises by Industry Group

The financial statistics presented in this report have been classified according to the broad industry groups in which the enterprises participate, as set out in the Standard Industrial Classification Manual (1960) of the Dominion Bureau of Statistics. The groups pertaining to federal government enterprises are: transportation, communication and other utilities with sub-groups of transportation, storage, communication and electric power; wholesale trade, manufacturing and finance, insurance and real estate. Statistics for enterprises classified under wholesale trade and manufacturing have been combined in this report.

Although the "establishment" is the Bureau's Standard unit for obtaining basic statistical data by industry on output, cost of materials, supplies, fuel

and electricity and employment and payrolls, some establishments are unable to report overhead costs charged to them and therefore cannot show their net trading profits. Thus the appropriate unit for reporting financial data is the "firm". Sometimes even the firm cannot report all financial data and it is necessary to resort to "enterprise" data: an enterprise in this sense, being a firm or an aggregation of firms (in some cases in widely different industries) which are associated with one another through common management and financial control.

The standard industrial classification of federal government enterprises, applied in these statistics at the "enterprise" rather than at the "firm" or "establishment" level has resulted in a few aberrations. For example, Eldorado Mining and Refining Limited has been included in the manufacturing industry, although some of its operations are more properly classed under mining. The Canadian National Railway System accounts, as presently consolidated, cut across the transportation, financial and personal service industries. All of these activities are grouped with the transportation function.

Financial Classification and Terminology

To fit the particular needs of an economic and/or functional classification of public finance data, and to stress the interrelatedness of government enterprise transactions with general government departments and agencies, the nomenclature of the items used in both schemes has been retained in so far as possible.

In an economic classification scheme, the current revenue and expenditure account takes the form of a trading and profit and loss statement as in a private corporation. The classifications used in the balance sheet accounts have been adopted after due consideration of the varied nature of the government businesses involved.

No attempt has been made in this report to segregate current assets or liabilities from those of a long-term existence, except in so far as they may fall into these categories by reason of the use of the conventional commercial presentation of the balance sheet accounts, which lists the items, more or less, in order of their liquidity.

Transactions of the enterprises with their own or other levels of government have been isolated in this report, whenever appropriate, by use of the following sub-items:

- (i) Federal government
- (ii) Federal government enterprises
- (iii) Provincial governments
- (iv) Provincial government enterprises
- (v) Municipal governments
- (vi) Municipal government enterprises

Transactions with non-governmental bodies are classified under sub-item, (vii) Other.

Transactions with subsidiary and affiliated enterprises are indicated by footnotes. A subsidiary is defined as a corporation (government or non-government) in which the parent government enterprise holds more than fifty per cent ownership; an affiliate is a corporation in which its ownership claim is fifty per cent or less.

While some of the definitions and terminology have been taken from reference manuals on financial statistics of provincial and municipal governments, particularly the latter, in many instances it has been necessary to prepare an explanation of a term in accordance with its application to government enterprise statistics.

For purposes of interpreting this report, the following definitions (or explanations) of certain assets, liabilities, revenues and expenditures are presented.

ASSETS

Assets are defined as the property of all kinds of an enterprise.

Item 1. Cash on hand and on deposit comprises money, including currency and other forms of exchange, on hand, or on deposit, in a bank or other depository, which is unrestricted as to use by the management for disbursements of any nature. Short-term deposits, and deposits with the Receiver General of Canada and Provincial Treasurers are included.

Cash held in funds created for special purposes is shown under restricted funds, item 11.

Item 2. Accounts receivable are amounts due or owing on open account for goods and services, whether by governmental bodies, individuals, firms or corporations.

Reserves for bad debts, where shown separately, have been offset against accounts receivable.

Item 3. Inventories are recorded at book value for finished goods, goods in process and raw materials held in stock, on consignment and in

transit. Operating supplies and small tools and equipment, which are in some cases, set up as prepaid expenses, are included.

Item 4. Interest, dividends and rents receivable constitute financial income due but not received, as distinct from income of this kind owing but not due, which is included in accrued revenue.

Transactions of the enterprises with their own or other levels of government have been isolated under the pertinent sub-items, including interest on bonds and debentures of own or other government enterprises which are not identified, in these statistics, by type of holder for the reason that the holder is not usually known. The same breakdown is used for asset item 5.1.

Item 5. Accrued revenue is income that has been earned but is not yet due.

This type of revenue is mostly in the form of interest, which has been set up as sub-item 1 under this classification.

Item 6. Prepaid expenses are current expenditures that have been entered in the accounts for benefits not yet expired, such as prepaid rent, prepaid interest and insurance premiums.

Long-term expense prepayments, such as tooling and development costs, are classified as deferred charges.

Item 7. Fixed assets are defined as property of a permanent character, having continuing value, such as land, buildings, machinery and equipment.

Property held for sale by financial enterprises has been included under fixed assets rather than investments. For some studies, it may be desirable to exclude properties intended for sale, and for this reason, the amounts involved are shown in a footnote.

Fixed assets are recorded at the values carried on the balance sheet, less accumulated depreciation. The amount of accumulated depreciation is indicated by a footnote.

Progress payments on new construction or on the purchase of equipment are included.

Item 8. Loans and advances receivable. Loans receivable are amounts owing by other governmental bodies, individuals, firms or corporations, as a result of monies loaned out of borrowed or other available funds, as distinguished from accounts receivable which imply the supplying of goods or rendering of services for which a charge is made without the transfer of funds, and advances receivable which imply liability at a future date in respect of which payment is made in advance. Examples of advances receivable are advances on salaries or travelling expenses and payments on account of contracts prior to their completion.

Item 9. Securities held as investments are in the form of negotiable bonds and stocks, purchased with the object of employing idle funds, often set aside for a specific future use.

Also included are investments in other government enterprises which are not actually negotiable, but hold the expectation of earning a return in the form of dividends.

Negotiable papers provided by a borrower as security for a loan have been excluded, the asset having already been classified as a loan receivable.

Securities held in restricted funds appear under item 11 below.

Securities held as investments are classified under eight sub-groups, viz:

1. Federal government treasury bills.
2. Federal government direct and guaranteed bonds.
3. Provincial government treasury bills.
4. Provincial and municipal government direct and guaranteed bonds.
5. Notes of companies incorporated in Canada and of institutions.
6. Bonds of companies incorporated in Canada and of institutions.
7. Preferred and common stocks, Canadian, with sub-item for subsidiary government enterprises.
8. Foreign investments, with affiliated corporations indicated by a footnote.

Item 10. Mortgages and agreements for sale. A mortgage is the creation of an interest in real property in favour of a mortgagee as security for the repayment of a debt by the mortgagor.

An agreement for sale is a contract between the owner of property and the purchaser pursuant to which the owner agrees to convey his interest to the purchaser upon payment of the balance of the purchase price.

Item 11. Restricted funds. These are assets held either by the enterprise or by a trustee for such purposes as the future payment for an asset or a service, the payment of an existing, real or contingent liability, or the retirement of debt. These funds may be created voluntarily or by reason of obligatory commitments, and are usually held in the form of cash or investments. Details of the composition of the funds are recorded in Table 5 and are set out under this item rather than under cash on hand and on deposit (item 1) and securities held as investments (item 9) to emphasize the restrictions as to their use in the operations of the enterprise.

Three types of restricted funds have been identified, namely: (1) depreciation funds; (2) trust and deposit accounts; and (3) other funds.

Only the funds belonging to the enterprises, held on own account or by a trustee, are included in this statistical series. Trust and deposit accounts such as contractors' security deposits and staff savings funds have been offset against the contra liability item.

Item 12. Deferred charges involve expenditures that are not chargeable to the period in which they were made, but are set up as assets that are to be amortized, although they have no market value or tangible existence. Bond discount and redemption expenses, and tooling and development costs are typical examples of deferred charges.

Item 13. Other assets. This classification embraces all asset items not elsewhere classified. Amounts due on deficit account, mainly from the parent government, are classified as a sub-item. Other types of assets contained herein are insurance claims recoverable and debit balances in suspense.

LIABILITIES

Liabilities are debts or other legal obligations which must be liquidated in cash or renewed or refunded upon some future date.

Item 1. Accounts payable represent amounts due and owing on open account for goods and services to persons, firms, corporations or other governmental bodies. They include accounts covering expenditures during the current or previous fiscal periods which have not been paid at the close of the current fiscal period.

Item 2. Temporary loans, advances and notes payable comprise amounts owing to banks or other sources as a result of direct borrowings by the enterprise for the purpose of temporary financing, and advances and prepayments on short-term contracts.

Item 3. Interest payable represents amounts due and unpaid in the form of interest, as distinct from interest owing but not due which is included in accrued expenditure.

Item 4. Accrued expenditure consists of expenses that have been incurred up to a given date, but have not been paid and are not payable until a future date.

Item 5. Long-term loans and advances constitute amounts owing to the parent government, banks or other sources as a result of borrowings by the enterprise for purposes of other than temporary financing, and advances on long-term contracts. Non-negotiable bonds and notes held by the parent government or enterprise are included here.

Item 6. Long-term debt. The long-term debt of an enterprise is usually in the form of bonds and debentures, issued and unmatured (including debentures assumed) undifferentiated as to holder. It is noted that while the holder of negotiable bonds

and debentures issued by government enterprises is not usually identifiable, interest earned on long-term debt of own or other governments, or their enterprises, held as investments (asset items 9 and 11) are classified by sub-items (i) to (vi), under the appropriate asset or revenue items. Mortgages and agreements for sale are other types of long-term indebtedness.

Item 7. Deferred credits are credits for income not yet earned.

Revenue that has been received, but is applicable to a future period, and unamortized premium on bonds are examples of deferred credits.

Item 8. Trust and deposit accounts represent liabilities for contractors' security deposits and staff savings funds for which contra asset accounts are not separately identifiable. All balances in asset item 11.2 (Restricted funds: Trust and deposit accounts) have been offset against this liability.

Reserves

A reserve is an amount which has been appropriated or provided for undetermined future losses on assets, future expenditures, working capital, or contingencies. The appropriation or provision for a reserve appears in the current expenditure or surplus statement as required or permitted by statute.

Item 9. Liability reserves. Reserves against assets and reserves for liabilities have been classified as liability reserves. Liability reserves such as those set up for bad debts and depreciation, which represent estimated decreases in the value of the related assets have been offset to the appropriate asset accounts. Another type of liability reserve is a provision for future income taxes.

Reserves for contingencies which may or may not arise, and other types of reserves which theoretically represent a part of net worth, such as sinking fund reserves, reserves for plant expansion and reserves for unrealized profit in appraisal, have been classified as **Equity reserves (item 11.5)**.

Item 10. Other liabilities. This item includes all liabilities not elsewhere specified.

Item 11. Proprietary equity (net worth) represents the ownership of the enterprise, the excess of assets over liabilities and liability reserves, or net worth, which is subordinate to liabilities with respect to the security of capital and earnings.

Six types of equity have been distinguished: (1) capital stock, issued and fully paid; (2) interest-free working capital; (3) fixed assets, constructed or acquired by the parent government and transferred to the enterprise for use in business; (4) other equity, such as paid-in capital, goods transferred, equity in replacement of loans outstanding, etc.; (5) equity reserves, which are appropriations of surplus; and (6) unappropriated

surplus, the residual or balancing item in the balance sheet. Surpluses arise from earnings on operations, extraneous profits such as those derived from sales of fixed assets and investment securities, changes in appraisal values of fixed assets and contributions from governments or others.

The net transactions of surplus accounts during the accounting period are set out in separate tables in this report.

REVENUE AND EXPENDITURE

Cash vs. Accrual Basis of Accounting

Revenues and expenditures are frequently accounted for on an accrual basis. If only actual receipts and actual payments within the accounting period are recorded, the accounts are maintained on a cash basis. If revenues are accounted for when due or earned, even though not collected, and expenditures are accounted for as soon as liabilities are incurred, whether paid or not, the system of accounting is said to be on an accrual basis.

Practically all government enterprises maintain their records on an accrual basis.

Revenue

Revenue consists of additions to cash or other current assets that do not increase a liability or reserve, nor represent the recovery of an expenditure.

Current revenue is derived from the sale of goods and services in the normal course of business, financial or non-operating income in the form of interest and foreign exchange on investments, rents, and contributions from government.

Capital revenue includes contributions towards expenditures of a capital nature.

Current Revenue

Item 1. Revenue from sales and services on current operations. Sales of goods bought for resale and sales of goods and services produced as part of the current operations of government enterprises are included here. Sales are deemed to be valued at actual prices charged, net of any rebates or discounts.

Sales to governments are not differentiated.

Item 2. Financial income is in the form of interest on bank deposits, investments and loans, and of foreign exchange and dividends.

Interest received from government and other government enterprises on these accounts is separately indicated.

Item 3. Rental income is derived from the hiring out of such fixed assets as buildings and machinery and equipment, primarily to non-government bodies. Government agencies hiring out mainly to government bodies are treated as working capital funds in public finance statistics.

Item 4. Contributions from own or other levels of government represent grants and payments from government bodies in respect to current expenditure by enterprises, other than subsidies or re-imbursing payments for deficits incurred. Amounts received from governments on account of deficits, incurred by enterprises in current or prior years, are excluded from current revenue and shown in surplus account transactions.

Item 5. Other current revenue is income of a current nature not elsewhere specified.

Expenditure

An expenditure is a charge incurred in connection with the acquisition of a good or a service of value to the enterprise.

Current expenditure includes purchases of both tangible and intangible items whose values expire or are used up within the fiscal period, and are properly chargeable to expense accounts. Labour and material costs, interest on debt, and depreciation allowances are examples of expenditures charged to current expense accounts.

Capital expenditures in the form of purchases of new capital goods, purchases of land, and of existing capital goods other than land, are almost always charged to fixed asset accounts.

Current Expenditure

Item 1. Costs of goods and services sold from current operations

(1) **Wages and salaries.** This item represents the gross salaries, wages, living allowances, bonuses and commissions paid by government enterprises, in cash and in kind, to hired employees in Canada and abroad, in return for labour services. Retroactive wage increases, commissions and bonuses are included in the periods in which they are paid rather than the periods in which they are earned.

Except for a few isolated cases, it has not been possible to delete the labour costs on capital works constructed by the enterprises' own labour force or on development expenses. To this extent, the cost of salaries and wages on current account is overstated.

Supplementary labour costs such as contributions to pension funds, employee welfare funds, unemployment insurance, and workmen's compensation have not been separated from other costs of goods sold.

(2) **Net drawings on (+) or net additions to (-) inventories** represent the value of the net change over the accounting period in the volume of stock purchased or manufactured.

The valuations shown for this item are those reported for the opening and closing inventories in the trading accounts of the enterprises, wherever it has been possible to isolate them; otherwise the changes in the inventory asset item has been used.

(3) **Other purchases of goods and services for current operations.** This item embraces all current purchases of goods and services, net of rebates and discounts, other than for compensation of employees (sub-item 1.1), interest on debt (item 3), and the fixed charge of provision for depreciation (item 2). In addition to purchases of materials, it includes supplementary labour costs such as employers' contributions to social insurance and pension funds, and also fuel and electricity, office expenses, repairs and maintenance and some expenditures of a capital nature charged to current account.

The adjustment for current purchases or production added to inventories or for prior years' stores drawn therefrom, is made in sub-item 1.2.

Item 2. Provisions for depreciation and replacement. The provision for depreciation and replacement of fixed assets is recorded at the amount charged by the enterprise, regardless of method of computation.

Item 3. Interest on debt. Interest on debt is mainly on bonds and debentures, undifferentiated as to payee, or on loans and advances by the parent government or affiliated enterprises. These inter-governmental agency transactions are shown separately.

Interest on debt due to non-government entities also includes interest on commercial debt in the form of bank overdrafts and other business credit.

Item 4. Other current expenditure comprises allowances for doubtful accounts, foreign exchange and non-operating expenses charged against the current year's revenue such as amortization of bond discount and bond redemption expenses, charges for depletion, amortization of preproduction and development expenses, lay-up expenses and any contributions of enterprises to own or other levels of government.

Item 7. Estimated income tax. Since January 1, 1952, federal proprietary crown corporations are liable for the payment of taxes on income earned as are privately owned corporations.

This item records the provision for income tax for the year under review.

ANALYSIS OF DATA

Table 1 shows the assets, liabilities and net worth of federal government enterprises as at the fiscal year end nearest to December 31, 1962, classified by the categories described in the preceding section entitled "Financial Classifications and Terminology".

The absolute and per cent change in the group components between 1961 and 1962, and their proportion to the total, are pointed up in the following tables:

Changes in Assets, Liabilities and Net Worth as at Fiscal Year Ends Nearest to December 31¹

	1961	1962	Absolute change	Per cent change ²
			1962/1961	1962/1961
	millions of dollars			%
Assets				
Cash	79	109	30	38.2
Accounts receivable	162	251	89	54.4
Inventories	862	732	- 130	- 15.0
Fixed assets	4,717 ³	4,775	58	1.2
Investments, including loans and advances and restricted funds	2,554	2,840	286	11.2
Other assets	145	137	- 8	- 5.4
Totals	8,519	8,844	325	3.8
Liabilities and net worth				
Accounts payable	541	412	- 129	- 23.7
Long-term loans and advances and debt	4,769	5,070	301	6.3
Liability reserves	170	149	- 21	- 12.4
Other liabilities	487	595	108	22.3
Proprietary equity (net worth)	2,552 ³	2,618	66	2.6
Totals	8,519	8,844	325	3.8

¹ Excludes Bank of Canada.² Based on unrounded data.³ These figures differ from previously published amounts due to the reclassification of reserves for the replacement of fixed assets as equity reserves. In previous years they were treated as accumulated depreciation and deducted from the value of fixed assets.Components of Assets, Liabilities and Net Worth as a percentage of the Total as at Fiscal Year Ends Nearest to December 31¹

	1961	1962
Assets		
Cash	0.9	1.2
Accounts receivable	1.9	2.8
Inventories	10.1	8.3
Fixed assets	55.4	54.0
Investments, including loans and advances and restricted funds	30.0	32.1
Other assets	1.7	1.6
Totals	100.0	100.0
Liabilities and net worth		
Accounts payable	6.3	4.7
Long-term loans and advances and debt	56.0	57.3
Liability reserves	2.0	1.7
Other liabilities	5.7	6.7
Proprietary equity (net worth)	30.0	29.6
Totals	100.0	100.0

¹ Excludes Bank of Canada.

Assets

The assets of federal government business enterprises excluding the Bank of Canada, were valued at \$8,844 million at the end of 1962. This is an increase of \$325 million or 4 per cent over the aggregate valuation in 1961. Of the total, 60 per cent were held by transportation communication and other utilities, 28 per cent by enterprises engaged in finance insurance and real estate and 12 per cent by those in wholesale trade and manufacturing.

Investments including loans and advances and restricted funds encompass 32 per cent of total assets holdings and account for \$286 million of the increase. Additional loans of \$110 million were made under National Housing Acts and additional mortgage loans of \$58 million under the Farm Credit Act during the year. Amendments to the Industrial Development Bank Act in 1961 enabled the Bank to extend financial assistance to almost all types of business. The number of loans made by the Bank increased by 53 per cent in 1962 and the amount by \$42 million. An additional \$22 million was advanced by Export Credits Insurance Corporation in respect of export transactions. Additional advances by the Canadian Commercial Corporation to suppliers on customers' projects and by Eldorado Mining and Refining Limited in respect of concentrates were approximately balanced by advance payments received.

An analysis of securities held as investments including those in restricted funds, and other assets held in restricted funds, by industry, is given in Table 4. The greatest variation from previous years occurred in finance insurance and real estate and is largely due to the omission from the accounts of the Export Credit Insurance Corporation of the amount of obligations under agreements to finance export sales under Section 21A of the Export Credits Insurance Act. In 1961 this was included on the Corporation's balance sheet with a contra liability reserve of \$41 million. An increase of \$24 million in asset holdings of the Central Mortgage and Housing Corporation offsets this as does the investment of Polymer Corporation Limited in its foreign-incorporated subsidiaries which is shown as foreign investment in these statistics for the first time.

Fixed assets, net of accumulated depreciation, were valued at \$4,775 million at the end of 1962 and constituted 54 per cent of total assets. Of the \$58 million increase during the year, \$24 million was for additional facilities installed by the National Harbours Board largely in connection with the Montreal Harbour. The Champlain Bridge (Montreal) was opened to traffic on June 29th, 1962. Improvements to overseas communication facilities cost \$15 million and the Central Mortgage and Housing Corporation acquired an additional \$9 million of property held for sale.

At the end of 1962, 8 per cent of the total assets of enterprises was in the form of inventories. This compares to 10 per cent at the end of 1961. The difference is mostly due to the decrease in the value of stocks of grain held in store by the Canadian Wheat Board from \$706 million to \$588 million.

The residual 6 per cent of assets includes cash and accounts receivable which increased by \$30 million and \$89 million respectively during the year, the latter being mainly in connection with sales of wheat. The only other significant change was an increase of \$9 million in the amount due by the federal government for Canadian National Railways deficits.

Liabilities and Net Worth

Long-term loans and advances and debt totalled \$5,070 million at the end of 1962 and constituted 57 per cent of total liabilities and net worth. Of the total increase of \$301 million since 1961, \$278 million was in loans payable to the federal government and \$46 million was lent by parent government enterprises to their subsidiaries. The total of other loans and of bonds and debentures outstanding decreased by \$23 million.

During the year the Government of Canada advanced further amounts to the enterprises: to provide credit under the Housing Acts and to construct and acquire real estate, \$139 million; for farm credit, \$57 million; and for advances for export credit, \$22 million. Transportation utilities borrowed a further \$56 million mostly utilized for railway and harbour facilities, while communication utilities received a further \$11 million.

Loans and advances to subsidiary government enterprises include bonds and debentures due to the parent enterprise as these are deemed to be non-marketable. The contra asset holdings of the parent enterprises are classed as loans. Trans-Canada Airlines (Air Canada) borrowed an extra \$10 million from the Canadian National Railways and the Industrial Development Bank borrowed \$36 million from the Bank of Canada in 1962.

Other additional long-term advances of \$17 million are mainly advance payments by customers served by the Canadian Commercial Corporation. The bulk of the \$1,633 million of long term debt is bonds and debentures of the Canadian National Railways due to the public and guaranteed by the federal government.¹

Reduced liability of the Canadian Wheat Board for grain purchased but not yet delivered accounted for most of the \$129 million drop in trade accounts payable. The omission of contra items referred to above from the balance sheet of the Export Credits Insurance Corporation in 1962 was offset by an increase in the reserves of the Central Mortgage and Housing Corporation to result in a net decrease of \$21 million in liability reserves. Other liabilities increased by 22 per cent to \$595 million. Additional temporary loans and advances of \$89 million were accounted for by credit required in connection with grain sales and advance payments received for ore concentrates. Interest owing to the federal government was \$22 million more at the end of 1962 than at the end of 1961.

¹ For a statement of contingent liabilities of the federal government, including railway securities and other guarantees of federal government enterprise transactions, see "Federal public accounts, 1962-1963, Vol. 1", page 180.

The equity of the federal government in its enterprises is shown as \$2,342 at the end of 1962. In addition, parent enterprises hold \$35 million worth of their subsidiaries capital stock and over \$4 million capital stock is held by the public. Equity reserves and unappropriated surplus of the enterprises were \$118 million and \$119 million respectively. The latter figure includes accumulated profits of \$55 million of the Canadian Wheat Board distributable to grain producers. The overall increase in net worth during the year was \$66 million or nearly 3 per cent.

Under the provisions of the Canadian National Railways Capital Revision Act, the Federal government purchased 4% preferred stock to the value of \$22 million in 1962. The Bank of Canada acquired additional stock valued at \$4 million of its subsidiary, the Industrial Development Bank. Canadian Arsenals Limited refunded nearly \$3 million of the working capital with which it was provided. The increase of \$16 million in other equity held by the federal government was due to increases in the amounts shown as non-active loans by the National Harbours Board and a reclassification of the value of public utilities at Inuvik, N.W.T., from active loans to this category.

Reserves for the replacement of capital assets showed a net increase of \$3 million in 1962 and an additional \$7 million was appropriated to the reserve for the prospective interest of the lessee under the terms of a purchase option lease agreement on the Northern Ontario pipe line.

Unappropriated surplus showed a closing balance of \$119 million—see "Net Surplus Transactions" below.

Current Revenue and Expenditure

Details of revenue and expenditure in 1962 and the resultant net profit or loss are provided in Table 2. The net profit before income tax of federal government enterprises was \$156 million, an 85 per cent increase over the 1961 net profit figure of \$85 million.

Of this increase, \$59 million related to enterprises engaged in the wholesale trade and manufacturing industries and was largely attributable to increased profits of the Canadian Wheat Board distributable to grain producers. Grain sales handled by the Board covered final transactions on all 1960-61 crops and 1961-62 oats and barley crops and interim transactions on the 1961-62 wheat crop.

Revenue of transportation, communication and other public utilities rose from \$1,078 million to \$1,130 million during the year and expenditures from \$1,168 to \$1,206. The net deficit of \$76 million was \$14 million less than in 1961.

The Canadian National Railways reduced its annual deficit by \$17 million in 1962. Total revenue which included \$54 million in subsidies paid by the federal government was up \$34 million. Freight revenue increased by \$15 million and telecommunications and express revenue by \$4 million each. Revenue from passenger service also increased to reverse a downward trend which had persisted since late 1957. On the expenditure side the \$17 million increase was mostly due to operating expenses. The effect of a \$5 million decrease in interest-bearing debt was offset by a slightly higher interest rate.

Changes in Revenue, Expenditure and Net Profit for Fiscal Years Ended Nearest to December 31¹

	1961	1962	Absolute change	Per cent change ²
			1962/1961	1962/1961
	millions of dollars			%
Revenue				
Revenue from sales and services on current operations	2,087	2,157	70	3.4
Financial income	124	143	19	15.2
Other income	145	152	7	5.0
Totals	2,356	2,452	96	4.1
Expenditure				
Cost of goods sold from current operations	1,929	1,930	1	--
Depreciation	139	148	9	6.7
Interest	198	213	15	7.5
Other	5	5	—	—
Totals	2,271	2,296	25	1.1
Net profit before income taxes	85	156	71	85.2

¹ Excludes Bank of Canada.

² Based on Unrounded data.

The annual deficit of Trans-Canada Air Lines (Air Canada) was \$3 million less than in 1961. Both North American and international fares were revised upward during the year.

The excess of expenditures over revenue for the National Harbours Board and the St. Lawrence Seaway Authority were each over \$3 million more in 1962 than in 1961.

The 1962 net profits of enterprises engaged in finance, insurance and real estate were about \$1 million less than in 1961.

Absolute and percentage changes in the major components of current revenue, current expenditure and net profit before income tax are illustrated in the preceding table.

The \$70 million increase in revenue from sales and services is largely accounted for by the increased grain sales mentioned above and increased revenue of the two major transportation systems offset by decreased sales of uranium and products of the arsenals. The production of uranium in Canada in 1962 dropped to the lowest levels since 1957 in both quantity and value.

Financial income rose by \$19 million during the year. The largest item was an increase of \$11 million in interest on loans made under the Housing Acts.

Other income includes rental income, \$24 million; contributions from the federal government towards the net operating requirements of the Canadian Broadcasting Corporation, \$73 million (\$2 million more than in 1961) and carrying charges on wheat paid by the federal government under the Temporary Wheat Reserve Act, \$48 million (\$2 million less than in 1961).

Total current revenue was \$2,452 million, a gain of 4 per cent over 1962.

The cost of goods and services sold from current operations in 1962 amounted to \$1,930 million, only \$1 million more than in 1961. The wages and salaries component was \$6 million higher largely due to increased payroll costs of the transportation and communication utilities. There was a \$118 million decrease in stocks of grain held by the Canadian Wheat Board. This was partly offset by increased inventories in the manufacturing industry. Other purchases of goods and services were \$131 million less than in 1961. This was due mainly to operations of the grain pool accounts and to a lesser

extent to decreased purchases by enterprises engaged in manufacturing and increased purchases by transportation and communication utilities.

Provision of \$148 million was made for depreciation and replacement, an increase of \$9 million mostly incurred by transportation utilities.

Interest on debt amounted to \$213 million. Of this amount \$118 million was paid to the federal government and \$16 million from subsidiary to parent federal government enterprises. Payments to the federal government increased \$16 million during the year. The largest increases were in connection with borrowings to finance loans under the Housing Acts and Farm Credit Act and were more than offset by increased interest earned on these loans. Other interest, undifferentiated as to payee, amounted to \$78 million, \$4 million less than in the previous year. Most of this change was in bank interest paid by the Canadian Wheat Board. The above amounts do not include interest capitalized during construction of fixed assets of transportation and communication utilities.

Other miscellaneous expenditure, including the amortization of bond discount did not vary appreciably since the previous year.

The income tax payable was estimated at \$21 million, approximately the same figure as in 1961.

Net Surplus Transactions

The transactions which are reflected in Net Worth Item 11.6 Unappropriated Surplus are given in Table 3. The balance in this account increased by \$19 million in 1962.

In addition to the credit of \$135 million arising from net profits after provision for income tax, surplus was credited with contributions from government, net profit on the sale or retirement of fixed assets and miscellaneous adjustments. The details of government contributions amounting to \$77 million are given in Table 5. The \$70 million contributed towards operating deficits of the enterprises is \$18 million less than the government contribution in 1961 due to the reduced deficits of the Canadian National Railway System.

Remittances of surplus in the amount of \$17 million were made to the federal government and of \$177 million to grain producers from earnings of the Canadian Wheat Board. Amounts of \$12 million were transferred to reserves.

STATISTICAL TABLES

TABLE 1. Assets, Liabilities and Net Worth, by Industry¹ as at Fiscal Year End Nearest to December 31, 1962

No.	Assets	Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance and real estate	Total
		Transportation	Storage	Communication	Electric power				
thousands of dollars									
1	Cash on hand and on deposit	58,759	—	4,574	9	63,342	31,973	13,855	109,170
2	Accounts receivable	98,879	56	6,853	1,201	106,989	138,468	5,304	250,761
3	Inventories	96,937	195	5,393	700	103,225	629,002	—	732,227
4	Interest dividends and rents receivable from								
	(ii) Federal government enterprises ²	2,544	—	—	—	2,544	—	—	2,544
	(vii) Other	2,241	—	—	—	2,241	—	8,573	10,814
	Sub-total, item 4	4,785	—	—	—	4,785	—	8,573	13,358
5	Accrued revenue:								
	1. Interest owing from								
	(i) Federal government	—	—	—	12	12	—	191	203
	(v) Municipal governments	—	—	—	—	—	—	47	47
	(vii) Other	—	—	—	—	—	1,599	8,546	10,145
	Sub-total	—	—	—	12	12	1,599	8,784	10,395
	2. Other revenue	558	280	—	—	838	4	—	842
	Sub-total, item 5	558	280	—	12	850	1,603	8,784	11,237
6	Prepaid expenses	2,920	—	150	8	3,078	424	331	3,833
7	Fixed assets	4,428,460	10,366	91,791	25,563	4,556,180	49,665 ³	169,363	4,775,208 ⁴
8	Loans and advances receivable from								
	(ii) Federal government enterprises ²	237,471 ⁵	—	—	—	237,471	—	—	237,471
	(v) Municipal governments	—	—	—	—	—	—	5,471	5,471
	(vii) Other	7,534 ⁶	—	—	—	7,534	125,607	1,769,312	1,902,463
	Sub-total, item 8	245,005	—	—	—	245,005	125,607	1,774,783	2,145,396
9	Securities held as investments ⁷	56,312	—	1,445	1,002	58,759	33,866	27,165	119,790
10	Mortgages receivable and agreements for sale	456	750	—	—	1,206	6,135	369,933	377,274
11	Restricted funds:								
	1. Depreciation funds	56,969	—	—	—	56,969	—	—	56,969
	2. Trust and deposit accounts	—	—	—	—	—	—	—	—
	3. Other funds	32,583	—	—	—	32,583	—	108,370	140,953 ⁸
	Sub-total, item 11 ⁹	89,552	—	—	—	89,552	—	108,370	197,922
12	Deferred charges:								
	1. Amortization of bond discount	22,084	—	—	—	22,084	—	1,064	23,148
	2. Other charges	44,955	—	—	—	44,955	9,177	—	54,132
	Sub-total, item 12	67,039	—	—	—	67,039	9,177	1,064	77,280
13	Other assets:								
	1. Due on account of deficits from								
	(i) Federal government	9,405	—	—	—	9,405	—	1,119	10,524
	(ii) Provincial governments	745	—	—	—	745	—	—	745
	Sub-total	10,150	—	—	—	10,150	—	1,119	11,269
	2. Unspecified	15,765	—	1,877	—	17,642	1,807	319	19,768
	Sub-total, item 13	25,915	—	1,877	—	27,792	1,807	1,438	31,037
14	Total assets	5,175,577	11,647	112,083	28,495	5,327,802	1,027,727	2,488,963	8,844,492

¹ Excludes Bank of Canada. See Table 6 for special presentation.² Involves transactions between subsidiary and parent government enterprises.³ Does not include government-owned plants, valued at 99,611.⁴ Net of accumulated depreciation: transportation, 824,818; communication, 36,010; electric power, 5,785; wholesale trade and manufacturing, 122,145; finance, insurance and real estate, 22,244; total, 1,011,002; includes physical property held for sale by financial enterprises, valued at 166,373, and an undetermined amount of interest capitalized during construction of fixed assets of two transportation and communication utilities.⁵ Consists of non-negotiable notes and debentures of subsidiary federal government enterprises which are classified under contra loan liabilities.⁶ Receivable from non-government affiliates.⁷ See Table 4 for analysis of investments held.⁸ Offset against contra liability item 8.⁹ Consists mostly of insurance funds.

TABLE 1. Assets, Liabilities and Net Worth, by Industry¹ as at Fiscal Year End Nearest to December 31, 1962

No.	Liabilities and net worth	Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance and real estate	Total
		Transportation	Storage	Communication	Electric power				
thousands of dollars									
1	Accounts payable	88,805	38	9,388	248	98,479	311,744	2,328	412,551
2	Temporary loans, advances and notes payable:								
	1. Bank loans and overdrafts	—	—	—	—	—	220,726	—	220,726
	2. Other loans and advances	—	—	—	—	—	139,487	—	139,487
	Sub-total, item 2	—	—	—	—	—	360,213	—	360,213
3	Interest payable to:								
	(i) Federal government	12,034	—	—	—	12,034	—	—	12,034
	(ii) Federal government enterprises ²	2,544	—	—	—	2,544	—	—	2,544
	(vii) Other	754	—	—	—	754	—	—	754
	Sub-total, item 3	15,332	—	—	—	15,332	—	—	15,332
4	Accrued expenditure:								
	1. Interest owing to:								
	(i) Federal government	51,149	—	—	7	51,156	—	21,536	72,694
	(ii) Federal government enterprises ²	—	—	—	—	—	—	2,548	2,548
	(vii) Other	16,407 ¹⁰	—	—	—	16,407	2,724	815	19,946
	Sub-total	67,556	—	—	7	67,563	2,724	24,901	95,188
	2. Provision for income tax	150	—	1,177	—	1,327	5,938	4,202	11,467
	3. Other expenditure	6,647	—	—	—	6,647	13,734	—	20,381
	Sub-total, item 4	74,353	—	1,177	7	75,537	22,396	29,103	127,036
5	Long-term loans and advances owing to:								
	(i) Federal government	848,122	—	49,321	19,003	916,446	—	2,057,663	2,974,109
	(ii) Federal government enterprises ²	237,471	—	—	—	237,471	—	115,300	352,771
	(vii) Other	953	—	—	—	953	108,704	422	110,079
	Sub-total, item 5	1,086,546	—	49,321	19,003	1,154,870	108,704	2,173,385	3,436,959
6	Long-term debt:								
	1. Bonds and debentures	1,633,319 ¹¹	—	—	—	1,633,319	—	—	1,633,319
	Sub-total, item 6	1,633,319	—	—	—	1,633,319	—	—	1,633,319
7	Deferred credits:								
	1. Deferred revenue	6,947	—	—	—	6,947	—	47,559	54,506
	2. Other credits	16,088	—	—	—	16,088	—	—	16,088
	Sub-total, item 7	23,035	—	—	—	23,035	—	47,559	70,594
8	Trust and deposit accounts	—	—	—	9	9	54	4,266	4,329
9	Liability reserves:								
	1. Provision for future income taxes	—	—	974	—	974	3,460	—	4,434
	2. Other liability reserves	33,851	—	—	—	33,851	1,818	108,460	144,129
	Sub-total, item 9	33,851	—	974	—	34,825	5,278	108,460	148,563
10	Other liabilities	14,847	751	799	16	16,413	52	1,242	17,707
11	Proprietary equity (net worth):								
	1. Capital stock held by:								
	(i) Federal government	1,328,711	—	—	—	1,328,711	36,586	30,296	1,395,593
	(ii) Federal government enterprises ²	5,230	—	—	—	5,230	—	30,000	35,230
	(vii) Other	4,499 ¹²	—	—	—	4,499	—	—	4,499
	Sub-total	1,338,440	—	—	—	1,338,440	36,586	60,296	1,435,322
	2. Interest-free working capital provided by:								
	(i) Federal government	—	25	3,000	—	3,025	19,250	—	22,275
	3. Fixed assets transferred by:								
	(i) Federal government	684,461	10,366	1,020	—	695,847	—	—	695,847
	4. Other equity held by:								
	(i) Federal government	177,783	—	22,799	6,513	207,095	5,884	15,350	228,329
	(vii) Other	—	—	—	—	—	40	—	40
	Sub-total	177,783	—	22,799	6,513	207,095	5,924	15,350	228,369
	5. Equity reserves:								
	(1) Contingencies	—	—	—	1,801	1,801	—	3,109	4,701
	(2) Plant expansion	—	—	—	243	243	—	—	243
	(3) Other equity reserves	112,570	—	—	—	112,570	—	—	112,570
	Sub-total	112,570	—	—	1,844	114,414	—	3,109	117,514
	6. Unappropriated surplus	107,765	467	23,605	855	82,838	157,526	43,874	116,562
	Sub-total, item 11	2,205,489	10,858	50,424	9,212	2,275,983	219,286	122,620	2,617,889
12	Total liabilities and net worth	5,175,577	11,647	112,083	28,495	5,327,802	1,027,727	2,488,963	8,844,492

¹⁰ All but 41 of this amount is accrued on securities guaranteed by federal government.¹¹ 1,630,895 of this amount is guaranteed by federal government.¹² Capital stock of non-government subsidiaries held by the public.

ASSETS AND LIABILITIES, BY TYPE AND BY INDUSTRY
1961 - 1962
(MILLIONS OF DOLLARS)

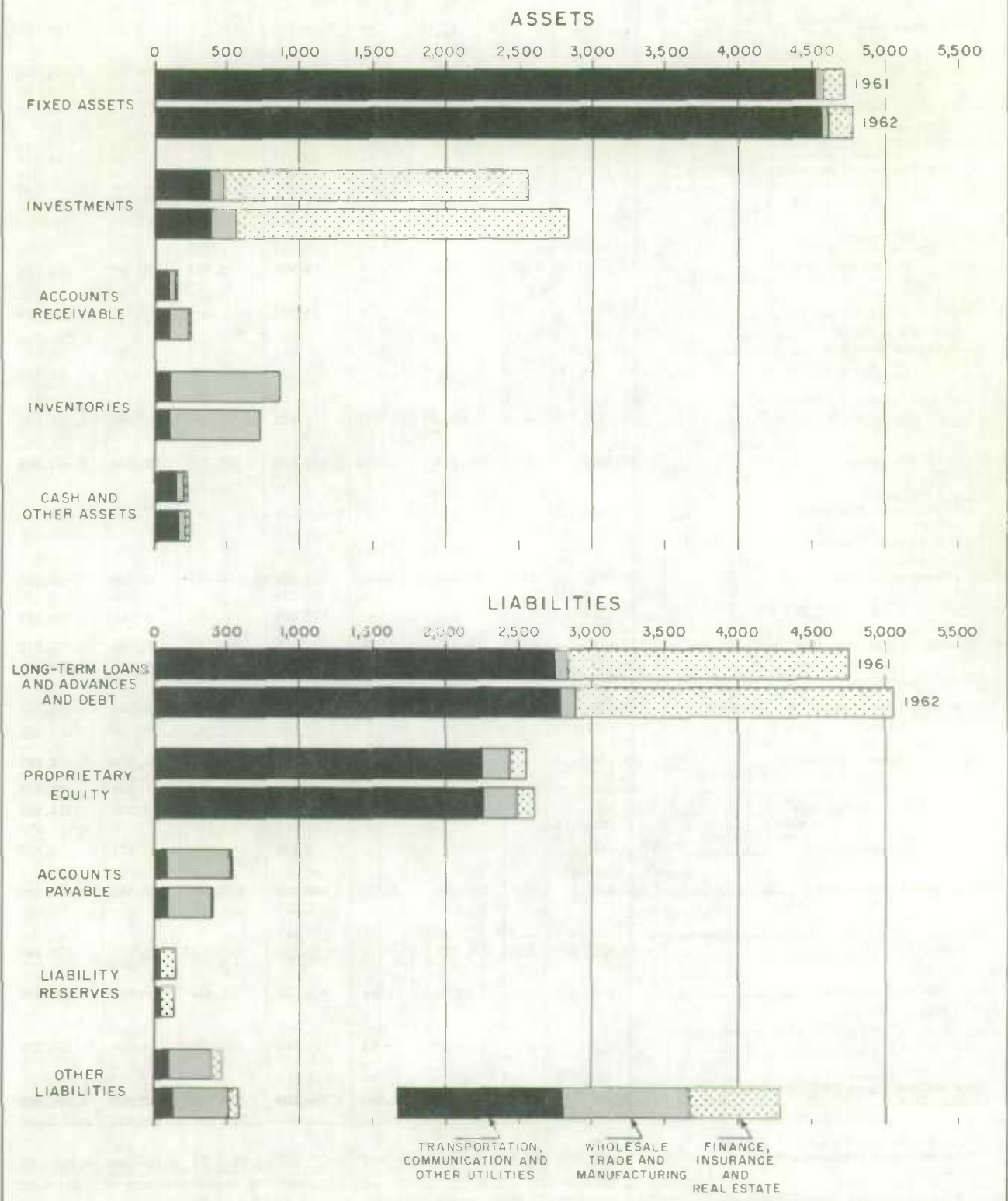
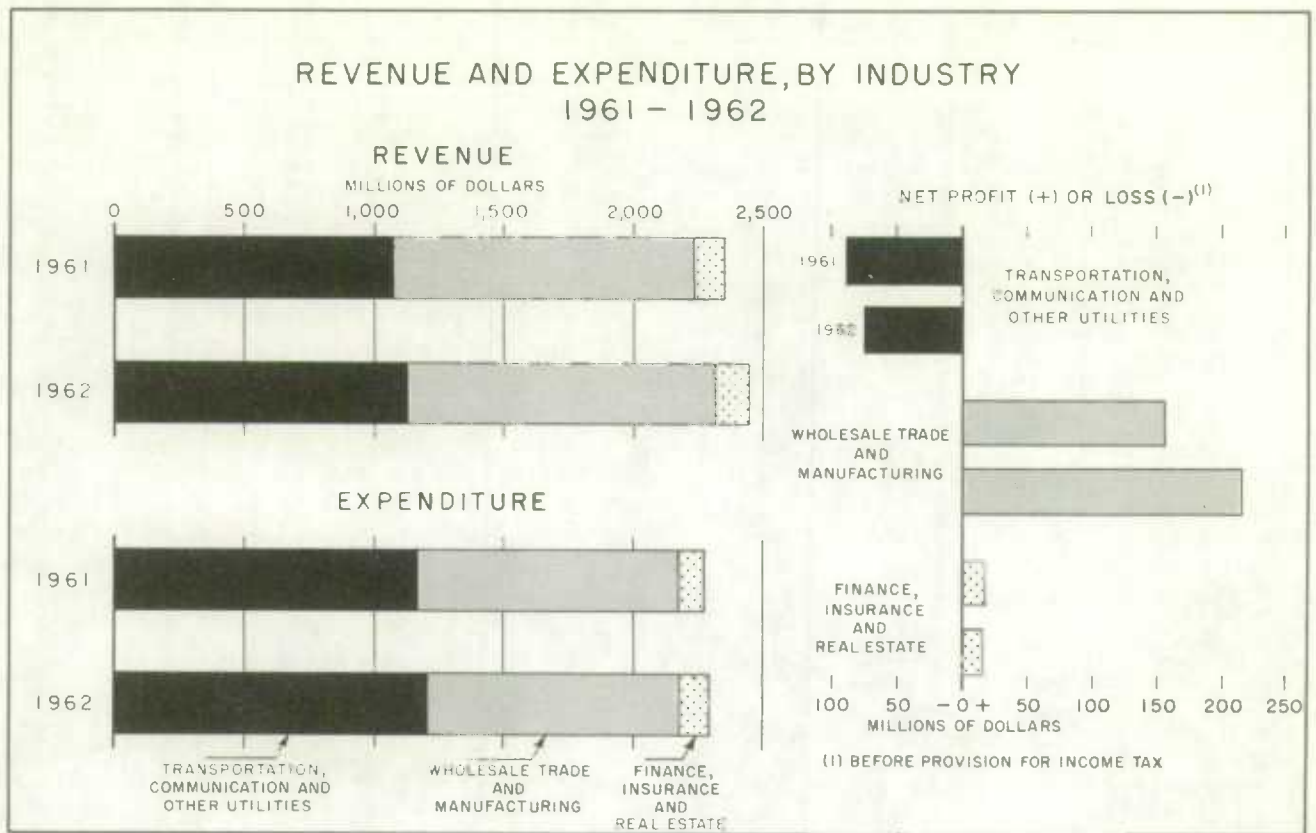


TABLE 2. Current Revenue and Expenditure, by Industry¹ for the Fiscal Year Ended Nearest to December 31, 1962²

No.		Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance and real estate	Total
		Transportation	Storage	Communication	Electric power				
		thousands of dollars							
	Revenue								
1	Revenue from sales and services on current operations	970,480 ³	1,039	43,167	3,731	1,018,417	1,134,022	4,826	2,157,265
2	Financial income:								
	1. Interest from:								
	(i) Federal government	2,997	—	254	..	3,251	932	4,793	8,976
	(ii) Federal government enterprises	11,519	—	—	—	11,519	—	—	11,519
	(iii) Provincial government	120	—	—	—	120	—	—	120
	(v) Municipal governments	—	—	—	—	—	47	—	47
	(vii) Other	2,387	—	—	—	2,387	1,247	116,298	119,932
	Sub-total	17,023	—	254	—	17,277	2,226	121,091	140,594
	2. Other financial income	1,375	—	—	—	1,375	290	296	1,961
	Sub-total, item 2	18,398	—	254	—	18,652	2,516	121,387	142,555
3	Rental income	14,626	25	—	—	14,651	—	8,959	23,610
4	Contributions from own or other levels of government:								
	(i) Federal ^{3,4}	—	—	72,655	—	72,655	—	—	72,655
5	Other current income	5,499	- 1	302	123	5,923	49,186	776	55,885
6	Total current revenue	1,009,003	1,063	116,378	3,854	1,130,298	1,185,724	135,948	2,451,970
	Expenditure								
1	Cost of goods and services sold from current operations:								
	1. Wages and salaries	508,094	847	47,512	1,125	557,578	35,565	15,112	608,255
	2. Net drawings on (+) or net additions to (-) inventories	4,397	- 3	- 319	- 183	3,892	125,070	—	128,962
	3. Other purchases of goods and services	326,835	470	61,491	1,429	390,225	789,990	12,595	1,192,810
	Sub-total, item 1	839,326	1,314	108,684	2,371	951,695	950,625	27,707	1,930,027
2	Provision for depreciation and replacement	128,462	—	6,685	744	135,911	9,375	2,456	147,742
3	Interest on debt to:								
	(i) Federal government	32,726	—	1,339	757	34,822 ⁵	—	83,575	118,397
	(ii) Federal government enterprises	11,519	—	—	—	11,519	—	4,849	16,368
	(vii) Other	68,257	—	—	—	68,257	9,854	106	78,217
	Sub-total, item 3	112,502	—	1,339	757	114,598	9,854	88,530	212,982
4	Other current expenditure	3,615	—	—	—	3,615	836	472	4,923
5	Total current expenditure	1,083,825	1,314	116,708	3,872	1,205,819	970,690	119,165	2,295,674
6	Net profit (+) or loss (-) before provision for income tax	- 74,922	- 251	- 330	- 18	- 75,521	215,034 ⁶	16,783	156,296
7	Estimated income tax	250	—	1,971	—	2,221	12,312	6,443	20,976
8	Net profit (+) or loss (-) after provision for income tax	- 75,172	- 251	- 2,301	- 16	- 77,742	202,722	10,340	135,320
9	Total current expenditure plus net profit or minus loss	1,009,003	1,063	116,378	3,854	1,130,298	1,185,724	135,948	2,451,970

¹ Excludes Bank of Canada.² Includes transactions of Cornwall International Bridge Limited for nine month period to July 2.³ Includes subsidies paid by the federal government to Canadian National Railway Company, viz.: Maritime Freight Rates Act, 10,874; East-West bridge subsidy (maintenance of trackage), 3,181; Freight Rates Reduction Act, 9,528; interim payments related to recommendations of Royal Commission on Transportation, 30,202; total, 53,785.⁴ See Table 5 for contributions from federal government taken into current and surplus accounts.⁵ Excludes interest capitalized during construction of fixed assets, 907.⁶ Includes profits of The Canadian Wheat Board which are distributed to grain producers.

**TABLE 3. Net Surplus Account Transactions, by Industry¹ for the Fiscal Year Ended Nearest to December 31, 1962**

No.		Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance and real estate	Total
		Transportation	Storage	Communication	Electric power				
		thousands of dollars							
1	Balance at beginning of year	- 87,881	838	19,825	913	- 66,305	122,285	43,721	99,701
2	Net profit or loss for the year after provision for income tax ²	- 75,172	- 251	- 2,301	- 18	- 77,742	202,722	10,340	135,320
3	Net profit or loss on sale or retirement of fixed assets	- 347	-	49	-	- 396	116	4,857	4,577
4	Net transfers from (+) or to (-) reserves	- 8,288	-	-	- 35	- 8,323	-	- 4,156	- 12,479
5	Other adjustments (net)	- 2,369	-	261	- 5	- 2,635	10,991	- 357	7,999
6	Contributions from own or other levels of government								
	(i) Federal ³	66,292	-	6,391	-	72,683	4,201	-	76,884
7	Remittances of surplus:								
	1. Dividends paid to								
	(i) Federal government	-	-	-	-	-	6,000	-	6,000
	2. Other remittances to								
	(i) Federal government	-	- 120	-	-	- 120	- 135	- 10,531	- 10,786
	(vii) Other	-	-	-	-	-	- 176,654	-	- 176,654
	Sub-total, item 7	-	- 120	-	-	- 120	- 182,789	- 10,531	- 193,440
8	Net additions (+) or deductions (-)	- 19,884	- 371	3,780	- 58	- 16,533	35,241	153	18,861
9	Balance at end of year	- 107,765	467	23,605	855	- 82,838	157,526	43,874	118,562

¹ Excludes Bank of Canada.² Item 8, Expenditure, Table 2.³ See Table 5 for contributions from federal government taken into current and surplus accounts.

TABLE 4. Analysis of Securities Held as Investments¹ including those in Restricted Funds, by Industry, as at Fiscal Year End Nearest to December 31, 1962 (Asset items 9 and 11)²

No.		Transportation, communication and other utilities				Sub-total, transportation, communication and other utilities	Wholesale trade and manufacturing	Finance, insurance and real estate	Total
		Transportation	Storage	Communication	Electric power				
thousands of dollars									
1	Federal government treasury bills:								
	Asset item 9	6,105	-	-	-	6,105	12,970	8,127	27,202
	Asset item 11	1,289	-	-	-	1,289	-	-	1,289
	Sub-total	7,394	-	-	-	7,394	12,970	8,127	28,491
2	Federal government direct and guaranteed bonds:								
	Asset item 9	445	-	1,445	1,002	2,892	563	19,038	22,493
	Asset item 11	69,040	-	-	-	69,040	-	86,947	155,987
	Sub-total	69,485	-	1,445	1,002	71,932	563	105,985	178,480
4	Provincial and municipal government direct and guaranteed bonds:								
	Asset item 9	-	-	-	-	-	915	-	915
	Asset item 11	12,233	-	-	-	12,233	-	-	12,233
	Sub-total	12,233	-	-	-	12,233	915	-	13,148
6	Bonds of companies incorporated in Canada and of institutions:								
	Asset item 9	31,519	-	-	-	31,519	-	-	31,519
	Asset item 11	533	-	-	-	533	-	-	533
	Sub-total	32,052 ³	-	-	-	32,052	-	-	32,052
7	Preferred and common stock, Canadian:								
	(ii) Federal government enterprises ⁴								
	Asset item 9	5,000	-	-	-	5,000	187	-	5,187
	(vii) Other								
	Asset item 9	9,503 ⁵	-	-	-	9,503	-	-	9,503
	Sub-total	14,503	-	-	-	14,503	187	-	14,690
8	Foreign investments:								
	Asset item 9	3,740 ⁵	-	-	-	3,740	19,231	-	22,971
	Asset item 11	400	-	-	-	400	-	-	400
	Sub-total	4,140	-	-	-	4,140	19,231	-	23,371
	Total securities:								
	Asset item 9	56,312	-	1,445	1,002	58,759	33,866	27,185	119,790
	Asset item 11	83,495	-	-	-	83,495	-	86,947	170,442
	Grand totals.....	139,807	-	1,445	1,002	142,254	33,866	114,112	290,232

¹ Excludes Bank of Canada.

² In addition, other assets held in Restricted Funds are as follows:

	Transportation, communication and other utilities	Finance, insurance and real estate	Total
Cash.....	5,930	651	6,581
Accrued interest (i) Federal government.....	-	1,310	1,310
(vii) Other.....	-	27	27
Real estate.....	-	15,756	15,756
Mortgages.....	-	4,945	4,945
Other assets.....	127	- 1,266	- 1,139
Totals	6,057	21,423	27,480

³ Of this amount, 28,448 represents the value of bonds of non-government affiliates.

⁴ Involves transactions between subsidiary and parent government enterprises.

⁵ Investments in non-government affiliates.

TABLE 5. Contributions from Federal Government taken into Current Revenue and Surplus Accounts¹ for Fiscal Year Ended Nearest to December 31, 1962

	Thousands of dollars
Current revenue:	
Canadian Broadcasting Corporation:	
Grant in respect of net operating requirements	72,655
Surplus account:	
Contributions towards operating deficits:	
Canadian Arsenals Limited	4,201
Canadian National Railway System:	
Canadian National Railways	48,919
Newfoundland Car Ferry	8,180
Prince Edward Island Car Ferry	3,275
The St. Lawrence Seaway Authority	2,260
Trans-Canada Air Lines	3,541
Yarmouth-Bar Harbour Ferry	117 ²
Sub-total	70,493
Contributions for capital requirements:	
Canadian Broadcasting Corporation ³	6,391
Sub-total, surplus account	76,884
Total contributions from federal government taken into current revenue and surplus accounts	149,539

¹ In addition, two of the enterprises received production cost subsidies.

² Paid to Canadian National Railways which operates the ferry on a management fee basis.

³ Unexpended portion of grant is included in other liabilities.

TABLE 6. Comparative Current Revenue and Expenditure of the Bank of Canada for Fiscal Years Ended Nearest to December 31, 1961 and 1962

No.		1961	1962	Change
		thousands of dollars		
	Revenue			
2	Financial income:			
	(i) Federal government	} 117,349	106,907	- 10,442
	(ii) Federal government enterprises			
	(vii) Other			
6	Total current revenue	117,349	106,907	- 10,442
	Expenditure			
1	Cost of goods and services sold from current operations:			
	1. Wages and salaries	4,230	4,487	257
	3. Other purchases of goods and services	5,377	5,687	310
	Sub-total, item 1	9,607	10,174	567
3	Interest on debt to			
	(vii) Other—Interest paid on unclaimed balances	49	53	4
5	Total current expenditure	9,656	10,227	571
6	Net profit (+) or loss (-) before provision for income tax	107,693	96,680	- 11,013
9	Total current expenditure plus net profit or minus loss	117,349	106,907	- 10,442

TABLE 7. Comparative Net Surplus Account Transactions of the Bank of Canada for the Fiscal Years Ended Nearest to December 31, 1961 and 1962

No.		1961	1962	Change
		thousands of dollars		
1	Balance at beginning of year	—	—	—
2	Net profit or loss for the year	107,693	96,680	- 11,013
7	Remittances of surplus:			
	2. Other remittances to			
	(i) Federal government: Paid to the Receiver General of Canada for credit of the consolidated revenue fund	- 107,693	- 96,680	11,013
8	Net additions (+) or deductions (-)	—	—	—
9	Balance at end of year	—	—	—

TABLE 8. Comparative Assets and Liabilities of the Bank of Canada as at Fiscal Year Ends Nearest to December 31, 1961 and 1962

No.		1961	1962	Change
		thousands of dollars		
	Assets			
1	Cash on hand and on deposit:			
	Foreign exchange — Pounds sterling and U.S.A. dollars	44,633	47,226	2,593
	Other currencies	213	179	- 34
	Sub-total, item 1	44,846	47,405	2,559
5	Accrued revenue:			
	1. Interest — accrued interest on investments from			
	(i) Federal government	26,604	28,445	1,841
	(ii) Federal government enterprises			
	(vii) Other			
7	Fixed assets:			
	Bank premises — land, buildings and equipment — at cost less depreciation	10,583	10,682	99
8	Loans and advances receivable from			
	(ii) Federal government enterprises: Debentures issued by Industrial Development Bank	88,007	127,145	39,138
9	Securities held as investments:			
	1. Federal government treasury bills	312,159	455,221	143,062
	2. Federal government direct and guaranteed bonds	2,513,494	2,427,322	- 86,172
	4a. Bills bought on open market not including treasury bills	—	3,295	3,295
	5. Preferred and common stock, Canadian:			
	(ii) Federal government enterprises: Industrial Development Bank, total share capital at cost	27,000	31,000	4,000
	6. Foreign investments: Other securities, U.S.A. Government	24,957	25,745	788
	Sub-total, item 9	2,877,610	2,942,583	64,973
13	Other assets:			
	Cheques on other banks	194,683	39,009	- 155,674
	Net balance of Government of Canada collections and payments in process of settlement	—	35,225	35,225
	Other	567	601	34
	Sub-total, item 13	195,250	74,835	- 120,415
14	Total assets	3,242,900	3,231,095	- 11,805
	Liabilities			
2	Temporary loans, advances and notes payable:			
	2. Other loans and advances:			
	(i) Federal government:			
	Deposits, Government of Canada	41,443	42,890	1,447
	Liabilities payable in pounds sterling, U.S.A. dollars and other foreign currencies	45,087	48,431	3,344
	Sub-total	86,530	91,321	4,791
	(vii) Other:			
	Deposits of chartered banks and others	782,815	783,646	831
	Liabilities payable in pounds sterling, U.S.A. dollars and other foreign currencies	13,943	12,704	- 1,239
	Sub-total,	796,758	796,350	- 408
	Sub-total, item 2.2	883,288	887,671	4,383
	3. Notes: Notes in circulation	2,146,820	2,233,822	87,002
	Sub-total, item 2	3,030,108	3,121,493	91,385
9	Other liabilities:			
	Bank of Canada cheques outstanding	177,700	78,637	- 99,063
	Other liabilities	5,092	965	- 4,127
	Sub-total, item 9	182,792	79,602	- 103,190
11	Proprietary equity (net worth):			
	1. Capital stock held by			
	(i) Federal government: Capital paid up	5,000	5,000	—
	5. Equity reserves: Rest fund	25,000	25,000	—
	Sub-total, item 11	30,000	30,000	—
12	Total liabilities	3,242,900	3,231,095	- 11,805

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