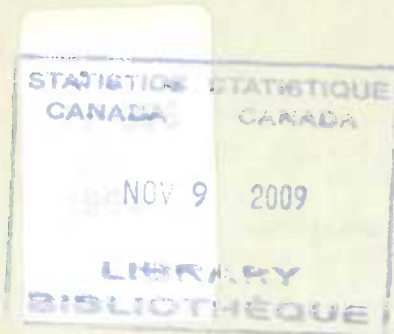


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FEDERAL GOVERNMENT ENTERPRISE FINANCE

1964

(Fiscal Years Ended Nearest to December 31st)

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.
- preliminary figures.
- ⋆ revised figures.

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

FEDERAL GOVERNMENT ENTERPRISE FINANCE 1964

INTRODUCTION

This report covers the financial statistics of federal government enterprises in Canada in 1964. It is the fifth in a series of publications by the Bureau of Statistics, the first of which covered the years 1958 to 1960.

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

There is a series of corresponding reports for provincial government enterprises (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.

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

There were 26 federal government enterprises in operation during 1964. This number does not include the Canadian National (West Indies) Steamships Limited, the Cornwall International Bridge Company Limited and the Northern Ontario Pipe Line Crown Corporation, the affairs of which were

in process of being wound up, nor Park Steamship Company Limited which was inactive.

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

List of Enterprises

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
Air Canada (Trans-Canada Air Lines to Jan. 1, 1965) (b) (subsidiary).	Dec. 31	Minister of Transport	Air Canada Act, RSC 1952, c. 268 and amendments.	1937	To provide scheduled domestic and international air services to North America, the British Isles, continental Europe and the Caribbean.
Bank of Canada (a) ¹	Dec. 31	Minister of Finance	Bank of Canada Act, RSC 1952, c. 13 and amendments.	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 Arsenals Limited ¹	March 31	Minister of Industry	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 Industry	Canadian Commercial Corporation Act, RSC 1952 c. 35.	1946	To assist in the development of trade between Canada and other nations by acting on behalf of the Canadian government as the contracting agency when other countries wish to purchase defence or other supplies and services from Canada on a government-to-government basis and to procure in Canada goods, equipment and facilities which the Government of Canada contributes to other nations under the Colombo Plan and other aid programs.

¹ For further detail see following commentary.

List of Enterprises - 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 Government Elevators	March 31	Minister of Agriculture	Canada Grain Act, RSC 1952, c. 25 and amendments.	1913	To operate terminal grain elevators under management of the Board of Grain Commissioners for Canada.
Canadian National Railway System (b) ¹	Dec. 31	Minister of Transport	Canadian National Railways Act, SC 1955, c. 29 and amendment.	1919	To operate land, water and air transportation, express, telecommunication and hotel services.
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 and amendments.	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 and amendment; Public Servants Inventions Act, 1953-54, c. 40, s. 15.	1948	To make available to industry and others through licensing arrangements inventions arising from the work of the National Research Council laboratories and to handle, by contract, inventions from a number of Crown agencies and universities.
The Canadian Wheat Board ¹	July 31	Minister of Trade and Commerce	Canadian Wheat Board Act, RSC 1952, c. 44 and amendments.	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	Hon. J.R. Nicholson	Central Mortgage and Housing Corporation Act, RSC 1952, c. 46 (also National Housing Acts, SC 1953-54, c. 23 and amendments.	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, c. 242 and amendments.	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. (Affairs still being wound up at year-end 1964).
Crown Assets Disposal Corporation	March 31	Minister of Industry	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 and amendments.	1944	To insure Canadian exporters against non-payment by foreign buyers arising from credit and political risks involved in foreign trade; to provide financing in respect of an export transaction involving extended credit terms.

¹ For further detail see following commentary.

List of Enterprises - 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
Farm Credit Corporation ¹	March 31	Minister of Agriculture	Farm Credit Act, SC 1959, c. 43 and amendments, and Farm Machinery Syndicates Credit Act, SC 1964-65, c. 29.	1959	To provide long-term mortgage credit to Canadian farmers and make loans for purchase of farm machinery for co-operative use.
Industrial Development Bank (a) (Subsidiary).	Sept. 30	Minister of Finance	Industrial Development Bank Act, RSC 1952, c. 151 and amendments.	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.
National Harbours Board	Dec. 31	Minister of Transport	National Harbours Board Act, RSC 1952, c. 187 and amendments.	1936	Administration of certain port facilities, grain elevators and bridges.
Newfoundland Car Ferry ²	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 and amendment.	1948	To provide power to areas in the Northwest Territories and Yukon Territory on a self-sustaining basis and, with the approval of the Governor in Council, in any other part of Canada; to act as agent for the Government of Canada in respect of loans made under the Atlantic Provinces Power Development Act.
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	The Northern Ontario Section of all Canadian natural gas pipeline was sold to Trans-Canada Pipe Lines Limited on May 29, 1963. (Affairs still being wound up at year-end 1964).
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 the 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 ¹	Dec. 31	Minister of Industry	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 ²	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.
The St. Lawrence Seaway Authority (d)	Dec. 31	Minister of Transport	St. Lawrence Seaway Authority Act, RSC 1952, c. 242 and amendments.	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.
The Seaway International Bridge Corporation Limited (d) (Subsidiary).	Dec. 31	Minister of Transport	St. Lawrence Seaway Authority Act, RSC 1952, c. 242 and amendments.	1963	To operate a toll bridge between Cornwall, Ontario and Massena, New York.
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 For further detail see following commentary.² Finances consolidated with those of C.N.R. except for fixed assets owned by federal government.

Explanatory Comment on Certain Enterprises

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 1963 and 1964 within the enterprise classification framework, with a breakdown of the items included under pertinent headings.

Canadian Arsenals Limited

During the year the Explosives Division at Valleyfield was sold and the Instrument and Electronic Division at Scarborough ceased production.

Canadian National Railways

The consolidated accounts of the Canadian National Railway System included thirty-three companies at the close of 1964. To simplify the corporate structure, three companies were eliminated during the year namely, Montalta Holdings Limited, Montreal and Southern Counties Railway Company and Wacos Holdings Limited. Scobie's Transport Limited was acquired during the year.

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. Air Canada, 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.

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.

Farm Credit Corporation

The Farm Machinery Syndicates Credit Act proclaimed on December 11, 1964 provided the Farm Credit Corporation with authority to make loans to qualified syndicates of three or more farmers to purchase farm machinery for their co-operative use. The Corporation began to accept applications under the Act in January 1965.

Polymer Corporation Limited

At December 31, 1964, Polymer Corporation Limited held a 95 per cent equity in a subsidiary company, Polymer Corporation (SAF) and a 100 per cent 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 production of butyl rubber at its plant near Antwerp started late in 1963. 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. Through its subsidiaries, Polymer Corporation Limited is participating in synthetic rubber projects in Mexico and South Africa.

The financial statistics of the Canadian parent company only are included in this report.

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 and Canadian Corporation for the 1967 World Exhibition;

- (b) Additions to "net profit" only of estimates for the 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, Canadian Corporation for the 1967 World Exhibition, the Canadian National Railways Securities Trust, Centennial Commission, Defence Construction (1951) Limited, The National Battlefields Commission and the National Capital Commission.

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 Unit, Governments 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 1964 were \$248 million. The comparable actual figure for 1963 was \$232 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 govern-

ment 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

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 claimed against debtors, usually money rights arising from the sale of goods or services.

Provisions 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 short-term expenses which are expected to yield their benefits in the near future and meanwhile are carried forward to be assigned to expense in the near future.

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

Item 7. Fixed assets. In this publication, fixed assets are deemed to be long-term assets, such as land, buildings or equipment held for use or sale.

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.

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 are long-term expense prepayments; expenditures, other than capital expenditures, the benefit of which will extend over a period of years from the time of incurrence and meanwhile are carried forward to be assigned to expense over a period of years. 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

Item 1. Accounts payable are amounts owing to creditors.

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

In this publication a reserve is deemed to be 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. This item comprises provisions for future income taxes, for estimated liabilities such as loss on foreign exchange and workmen's compensation awards and insurance against fire losses, accidents, etc.

Provisions for estimated decreases in the value of assets have been offset to the appropriate asset accounts.

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) is the excess of assets over liabilities.

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

If revenues and costs are reflected in the accounts in the period in which the related cash receipts or disbursements occur, the accounts are maintained on a cash basis. If, on the other hand, revenues and expenses are reflected in the accounts in the period in which they are considered to have been earned and incurred, respectively, whether or not such transactions have been finally settled by the receipt or payment of cash or its equivalent, 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 amounts received and receivable and available to meet expenditures that neither increase any 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 comprises proceeds from the sale of fixed assets and 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 reimbursements 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 for any purpose whether or not paid.

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 expenditure is any expenditure that results in the acquisition of, or addition to, fixed assets.

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 have 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. On January 1, 1952, federal proprietary crown corporations became liable for the payment of taxes on income earned as are privately owned corporations. The Export Credits Insurance Corporation, however, is exempted from payment of the tax for 1964 and subsequent years.

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, 1964, 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 1963 and 1964, 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

	1963	1964	Absolute change	Per cent change ²
			1964/63	1964/63
millions of dollars				
Assets				
Cash	86	111	25	22.6
Accounts receivable	228	225	- 3	- 1.4
Inventories	838	754	- 84	- 11.1
Fixed assets	4,637 ³	4,684	47	1.0
Investments, including loans and advances and restricted funds	3,163	3,510	347	9.9
Other assets	117	129	12	9.5
Totals	9,069³	9,413	344	3.7
Liabilities and net worth				
Accounts payable	539	517	- 22	- 4.4
Long-term loans and advances and debt	5,119	5,455	336	6.2
Liability reserves	251	273	22	7.8
Other liabilities	558	399	- 159	- 39.7
Proprietary equity (net worth)	2,602 ³	2,769	167	6.0
Totals	9,069³	9,413	344	3.7

¹ Excludes Bank of Canada.

² Based on unrounded data.

³ These figures differ from previously published amounts due to the deletion of government-owned property administered by a transportation utility.

Components of Assets, Liabilities and Net Worth as a Percentage of the Total as at Fiscal Year Ends Nearest to December 31¹

	1963	1964
Assets		
Cash	0.9	1.2
Accounts receivable	2.5	2.4
Inventories	9.2	8.0
Fixed assets	51.2 ²	49.7
Investments, including loans and advances and restricted funds	34.9 ²	37.3
Other assets	1.3	1.4
Totals	100.0	100.0
Liabilities and net worth		
Accounts payable	5.9	5.5
Long-term loans and advances and debt	56.4 ²	58.0
Liability reserves	2.8	2.9
Other liabilities	6.1	4.2
Proprietary equity (net worth)	28.8 ²	29.4
Totals	100.0	100.0

¹ Excludes Bank of Canada.

² These figures differ from previously published amounts due to the deletion of government-owned property administered by a transportation utility.

Assets

The assets of federal government business enterprises, excluding the Bank of Canada, were valued at \$9,413 million at the end of 1964. This is an increase of \$344 million or 4 per cent over the aggregate valuation in 1963. Of the total 56 per cent were held by transportation, communication and other utilities, 34 per cent by enterprises engaged in finance, insurance and real estate and 10 per cent by those in wholesale trade and manufacturing.

Investments including loans and advances and restricted funds encompassed 37 per cent of total asset holdings and account for \$347 million of the increase.

Asset item 10, mortgages receivable and agreements for sale in Table 1 includes mortgage loans for housing of \$1,717 million. In previous publications, corresponding loans were included in item 8 (vii) Loans and advances receivable. Mortgage loans under National Housing Acts increased by \$159 million during 1964 and those under the Farm Credit Act by \$102 million.

An additional \$53 million was provided in 1964 for long-term financing for export sales of capital goods and related engineering and technical services. Loans for university housing and municipal sewage treatment projects increased by \$21 million and \$22 million respectively and an additional \$19 million credit was extended to business by the Industrial Development Bank. These increases were partially offset by a \$47 million reduction in advances and progress payments to suppliers of goods procured for other countries by the Canadian Commercial Corporation.

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. Total security holdings at the end of 1964 were \$12 million less than at the end of 1963. Other assets held, which include a \$97 million obligation of the Government of Canada under Section 21 A of the Export Credits Insurance Act, increased by \$19 million.

Fixed assets, net of accumulated depreciation were valued at \$4,684 million at the end of 1964 and constituted approximately half the assets of federal government enterprises. In addition government-owned assets valued at \$127 million were operated or administered by enterprises. Most of the \$47 million increase in the value of fixed assets held by enterprises relates to the transportation and communication utilities and includes increases of \$15, \$14 and \$9 million for the Canadian National Railways, National Harbours Board and Canadian Broadcasting Corporation, respectively.

At the end of 1964, 8 per cent of the total assets of enterprises were in the form of inventories. This compares with 9 per cent at the end of 1963.

The difference was mostly due to the decrease in the value of stocks of grain held in store by the Canadian Wheat Board.

The residual 5 per cent of assets includes cash and accounts receivable.

Liabilities

Long-term loans and advances and debt amounted to \$5,455 million at the end of the current year, an increase of \$336 million during 1964.

Additional loans and advances of \$368 million were made by the Government of Canada to its enterprises in 1964, including \$202 million for credit under the Housing Acts and to construct and acquire real estate, \$99 million for farm credit, \$33 million for export credit and \$15 million for harbour and seaway facilities. The Canadian Broadcasting Corporation which in previous years derived its funds for both capital and operating requirements from grants provided by parliamentary appropriations borrowed \$14 million for capital requirements.

Loans and advances to subsidiary government enterprises include bonds and debentures due to the parent enterprise as these are deemed non-marketable. The contra-asset holdings of the parent enterprises are classed as loans. During 1964, the Industrial Development Bank borrowed a further \$21 million from the Bank of Canada.

Outstanding advances by other governments, agencies, etc., for the purchase of defence or other Canadian supplies and services on a government-to-government basis were \$45 million less at year-end 1964 than at year-end 1963.

The bulk of the \$1,370 million long-term debt is bonds and debentures of the Canadian National Railways due to the public and guaranteed by the federal government.¹

The liability of the Canadian Wheat Board for grain purchased but not yet delivered decreased by \$38 million since year-end 1963. This was partly offset by an increase in trade accounts payable of transportation, communication and other utilities of \$23 million.

There was no significant change in the amounts provided by enterprises for estimated liabilities. Other liabilities decreased from \$588 million to \$399 million during the year due mainly to decreases in temporary loans and advances in connection with wheat sales.

¹ For a statement of contingent liabilities of the federal government, including railways' securities and other guarantees of federal government enterprises' transactions, see "Federal Public Accounts, 1964-65", Vol. 1, p. 7.83.

Net Worth

The net worth of federal government enterprises at the end of the current year was \$2,769 million, \$167 million more than at the end of 1963. Most of the equity is held by the federal government directly or through its enterprises.

The principal exceptions are: accumulated Canadian Wheat Board profits of \$179 million distributable to grain producers; equity of the Export Finance Corporation of Canada Limited amounting to \$47 million in notes receivable under

administration and \$4 million railway capital stock held by the public.

Capital stock to the value of \$26 million was issued by federal enterprises in 1964 including \$25 million preferred stock of the Canadian National Railways purchased by the federal government. The \$29 million increase in other equity (Item 11.4) related mostly to export financing.

The increase in unappropriated surplus is commented on under "Net Surplus Transactions" below.

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

	1963	1964	Absolute Change	Per cent Change ²
			1964/63	1964/63
	millions of dollars			%
Revenue				
Revenue from sales and services on current operations	2,162	2,705	543	20.1
Financial income	157	177	20	11.1
Other income	132	151	19	13.0
Totals	2,451	3,033	582	19.2
Expenditure				
Cost of goods sold from current operations	1,957	2,324	367	15.8
Depreciation	152	157	5	3.0
Interest	228	240	12	5.1
Other	4	6	2	33.6
Totals	2,341	2,727	386	14.2
Net profit before income taxes.....	110	306	196	64.0

¹ Excludes Bank of Canada.

² Based on unrounded data.

Current Revenue and Expenditure

Details of revenue and expenditure in 1964 and the resultant net profit or loss are provided in Table 2. The net profit before income tax of federal government enterprises was \$306 million a \$196 million increase from the net profit figure of \$110 million in 1963.

There were only minor variations in the profits earned by federal government enterprises during the years 1963 and 1964 with the exception of greatly increased profits on grain sales. Grain sales handled by the Canadian Wheat Board during the year included final transactions on 1962-63 crops and interim transactions on 1963-64 crops.

Revenue of transportation, communications and other public utilities rose from \$1,177 million to \$1,264 million and expenditures from \$1,246 million to \$1,333 million between 1963 and 1964 leaving a net loss of nearly \$70 million in both years.

The Canadian National Railways reduced its annual deficit by nearly \$2 million in 1964. Total revenue, which included \$55 million subsidies paid by the federal government rose by \$61 million mainly due to expanding railway operating revenues.

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.

Most of the \$543 million increase in revenue from sales and services was attributable to sales of grain. The production of uranium and of the arsenals continued to decline in 1964 but, with a minor exception, all other enterprises supplied additional goods and services particularly the major transportation systems. Canadian National Railways revenue from this source increased by \$57 million during the year.

Financial income rose by \$20 million during the year. The largest increases occurred in the finance, insurance and real estate industries including \$10 million in interest on loans made under the Housing Acts and \$5 million on loans for farm credit.

Other income includes rental income, \$13 million; contributions from the federal government towards the net operating requirements of the Canadian Broadcasting Corporation, \$86 million (\$7 million more than in 1963) and \$52 million in other current income. The latter amount includes \$45 million carrying charges on wheat paid by the federal government under the Temporary Wheat Reserve Act. The corresponding payment in 1963 was \$29 million.

Total current revenue was \$3,033 million, an increase of 19 per cent.

The cost of goods and services sold from current operations, in 1964, amounted to \$2,324 million compared to \$1,957 million in 1963. The wages and salaries component was \$39 million higher, again largely because of the higher payroll costs of the transportation and communication utilities. Stocks of grain held by the Canadian Wheat Board decreased in value by \$79 million.

Provision of \$157 million was made for depreciation and replacement, an increase of \$5 million mostly incurred by transportation and communication utilities.

Interest on debt amounted to \$240 million. Of this amount \$149 million was paid to the federal government, while parent enterprises received \$21 million from their subsidiaries. Payments to the federal government increased by \$13 million during the year. The largest increases were in connection with borrowings to finance loans under the National

Housing and Farm Credit Acts and were more than offset by increased revenues. Other interest undifferentiated as to payee, amounted to \$70 million, \$2 million less than in the previous year. The above amounts do not include interest capitalized during the construction of the fixed assets of transportation and communication utilities.

Other miscellaneous expenditure, including the amortization of bond discount increased by \$2 million from the previous year.

The income tax payable was estimated at \$15 million, \$2 million less than in 1963.

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 \$110 million in 1964.

In addition to the credit of \$291 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 \$61 million are given in Table 5.

All contributions in 1964 were towards operating deficits as funds for the Canadian Broadcasting Corporation's capital requirements were provided by loans from the federal government rather than by grants as in previous years.

Remittances of surplus in the amount of \$15 million were made to the federal government and of \$224 million to grain producers from earnings of the Canadian Wheat Board. Amounts of \$6 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, 1964

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	64,822	—	4,815	1,731	71,368	20,509	18,846	110,723
2	Accounts receivable	111,850	155	7,698	1,508	121,211	99,522	4,222	224,955
3	Inventories	81,483	192	7,270	1,374	90,319	663,775	—	754,094
4	Interest, dividends and rents receivable from								
	(ii) Federal government enterprises ²	2,431	—	—	—	2,431	—	—	2,431
	(vii) Other	1,579	—	—	—	1,579	—	11,512	13,091
	Sub-total, item 4	4,010	—	—	—	4,010	—	11,512	15,522
5	Accrued revenue:								
	1. Interest owing from								
	(i) Federal government	—	—	—	15	15	—	110	125
	(iii) Provincial governments	—	—	—	—	—	—	48	48
	(v) Municipal governments	—	—	—	—	—	—	52	52
	(vii) Other	—	—	—	—	—	425	15,305	15,730
	Sub-total	—	—	—	15	15	425	15,515	15,955
	2. Other revenue	1,115	225	—	—	1,340	4	—	1,344
	Sub-total, item 5	1,115	225	—	15	1,355	429	15,515	17,299
6	Prepaid expenses	3,272	—	207	—	3,479	274	347	4,100
7	Fixed assets	4,313,775	10,543	109,069	34,633	4,468,020	43,651	172,218	4,683,889 ³
8	Loans and advances receivable from								
	(ii) Federal government enterprises ²	235,841 ⁴	—	—	—	235,841	—	—	235,841
	(v) Municipal governments	—	—	—	—	—	—	5,544	5,544
	(vii) Other	7,532 ⁵	—	—	—	7,532	111,048	468,834	587,414
	Sub-total, item 8	243,373	—	—	—	243,373	111,048	474,378	828,799
9	Securities held as investments ⁶	55,881	—	3,439	1,000	60,320	27,040	11,630	98,990
10	Mortgages receivable and agreements for sale	470	—	—	—	470	5,080	2,253,132	2,258,682
11	Restricted funds:								
	1. Depreciation funds	59,110	—	—	—	59,110	—	—	59,110
	2. Trust and deposit accounts	—	—	—	—	—	—	—	—
	3. Other funds	30,000	—	—	—	30,000	—	234,236	264,236 ⁷
	Sub-total, item 11 ⁸	89,110	—	—	—	89,110	—	234,236	323,346
12	Deferred charges:								
	1. Amortization of bond discount	17,655	—	—	—	17,655	—	3,393	21,048
	2. Other charges	19,867	—	—	—	19,867	535	—	20,402
	Sub-total, item 12	37,522	—	—	—	37,522	535	3,393	41,450
13	Other assets:								
	1. Due on account of deficits from								
	(i) Federal government	27,254	—	—	—	27,254	433	1,839	29,526
	(iii) Provincial governments	745	—	—	—	745	—	—	745
	Sub-total	27,999	—	—	—	27,999	433	1,839	30,271
	2. Unspecified	18,467	—	1,945	—	20,312	260	488	21,060
	Sub-total, item 13	46,466	—	1,945	—	48,311	693	2,327	51,331
14	Total assets	5,053,149	11,115	134,343	40,261	5,238,868	972,556	3,201,756	9,413,180

¹ Excludes Bank of Canada. See Table 8 for special presentation.² Involves transactions between subsidiary and parent government enterprises.³ Net of accumulated depreciation: transportation, 988,884; communication, 51,099; electric power, 6,336; wholesale trade and manufacturing, 142,812; finance, insurance and real estate, 24,363; total, 1,213,494. Fixed assets do not include government-owned plants, broadcasting facilities and canal and other properties operated or administered by government enterprises valued at 126,563 nor do they include physical property held for sale by financial enterprises valued at 190,511 and an undetermined amount of interest capitalized during construction of fixed assets of transportation and communication facilities.⁴ Consists of non-negotiable notes and debentures of subsidiary federal government enterprises which are classified under contra loan liabilities.⁵ Receivable from non-government affiliates.⁶ See Table 4 for analysis of investments held.⁷ Offset against contra liability item 8.⁸ Consists mostly of insurance funds and funds related to obligation on the Government of Canada under the Export Credits Insurance Act.

TABLE 1. Assets, Liabilities and Net Worth, by Industry¹ as at Fiscal Year End Nearest to December 31, 1964

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	103,553	—	9,159	1,207	113,919	399,764	2,852	516,535
2	Temporary loans, advances and notes payable:								
	1. Bank loans and overdrafts	—	—	—	—	—	43,241	—	43,241
	2. Other loans and advances	—	—	—	—	—	84,811	—	84,811
	Sub-total, item 2	—	—	—	—	—	128,052	—	128,052
3	Interest payable to:								
	(i) Federal government	19,757	—	—	—	19,757	—	—	19,757
	(ii) Federal government enterprises ²	2,431	—	—	—	2,431	—	—	2,431
	(vii) Other	754	—	—	—	754	—	—	754
	Sub-total, item 3	22,942	—	—	—	22,942	—	—	22,942
4	Accrued expenditure:								
	1. Interest owing to:								
	(i) Federal government	83,910	—	—	345	84,255	—	29,823	114,078
	(ii) Federal government enterprises ²	—	—	—	—	—	—	3,787	3,787
	(vii) Other	13,469 ⁹	—	—	—	13,469	1,604	17	15,090
	Sub-total	97,379	—	—	345	97,724	1,604	33,627	132,955
	2. Provision for income tax	212	—	776	—	988	2,252	2,113	5,353
	3. Other expenditure	5,067	—	—	—	5,067	13,065	1,213	19,345
	Sub-total, item 4	102,658	—	776	345	103,779	16,921	36,953	157,653
5	Long-term loans and advances owing to:								
	(i) Federal government	965,130	—	69,304	27,796	1,062,230	—	2,534,453	3,596,683
	(ii) Federal government enterprises ²	235,841	—	—	—	235,841	—	168,100	403,941
	(vii) Other	720	—	—	—	720	82,506	1,742	84,968
	Sub-total, item 5	1,201,691	—	69,304	27,796	1,298,791	82,506	2,704,295	4,085,592
6	Long-term debt:								
	1. Bonds and debentures	1,369,853	—	—	—	1,369,853	—	—	1,369,853
	2. Other debt	17	—	—	—	17	—	—	17
	Sub-total, item 6	1,369,870 ¹⁰	—	—	—	1,369,870	—	—	1,369,870
7	Deferred credits:								
	1. Deferred revenue	8,206	—	—	—	8,206	—	40,250	48,456
	2. Other credits	17,638	—	—	—	17,638	—	—	17,638
	Sub-total, item 7	25,844	—	—	—	25,844	—	40,250	66,094
8	Trust and deposit accounts	—	—	—	12	12	160	4,049	4,221
9	Liability reserves:								
	1. Provision for future income taxes	—	—	1,595	—	1,595	3,870	—	5,465
	2. Other liability reserves	31,228	—	—	—	31,228	1,878	234,236	287,342
	Sub-total, item 9	31,228	—	1,595	—	32,823	5,748	234,236	272,807
10	Other liabilities	18,601	—	31	288	18,920	421	1,021	20,362 ¹¹
11	Proprietary equity (net worth):								
	1. Capital stock held by:								
	(i) Federal government	1,376,071	—	—	—	1,376,071	36,586	30,296	1,442,953
	(ii) Federal government enterprises ²	5,234	—	—	—	5,234	—	35,000	40,234
	(vii) Other	4,349 ¹²	—	—	—	4,349	—	—	4,349
	Sub-total	1,385,654	—	—	—	1,385,654	36,586	65,296	1,487,536
	2. Interest-free working capital provided by:								
	(i) Federal government	—	93	3,000	—	3,093	11,000	—	14,093
	3. Fixed assets transferred by:								
	(i) Federal government	639,436	10,543	1,020	—	650,999	—	—	650,999
	4. Other equity held by:								
	(i) Federal government	187,311	—	22,799	7,003	217,113	5,538	22,000	244,651
	(vii) Other	—	—	—	—	—	17	47,423	47,440
	Sub-total	187,311	—	22,799	7,003	217,113	5,555	69,423	292,091
	5. Equity reserves:								
	(1) Contingencies	—	—	—	2,020	2,020	225	—	2,245
	(2) Plant expansion	—	—	—	315	315	—	—	315
	(3) Other equity reserves	106,146	—	—	—	106,146	—	—	106,146
	Sub-total	106,146	—	—	2,335	108,481	225	—	108,706
	6. Unappropriated surplus	—	141,785	479	26,659	—	113,372	285,618	43,381
	Sub-total, item 11	2,176,762	11,115	53,478	10,613	2,251,968	338,984	178,100	2,769,052
12	Total liabilities and net worth	5,053,149	11,115	134,343	40,261	5,238,868	972,556	3,201,756	9,413,180

⁹ All but 42 of this amount is accrued on securities guaranteed by federal government.

¹⁰ 1,367,811 of this amount is guaranteed by federal government.

¹¹ Includes holdbacks on construction, 1,766.

¹² Capital stock of non-government subsidiaries held by the public.

CHART - I

ASSETS AND LIABILITIES, BY TYPE AND BY INDUSTRY 1963-1964

(MILLIONS OF DOLLARS)

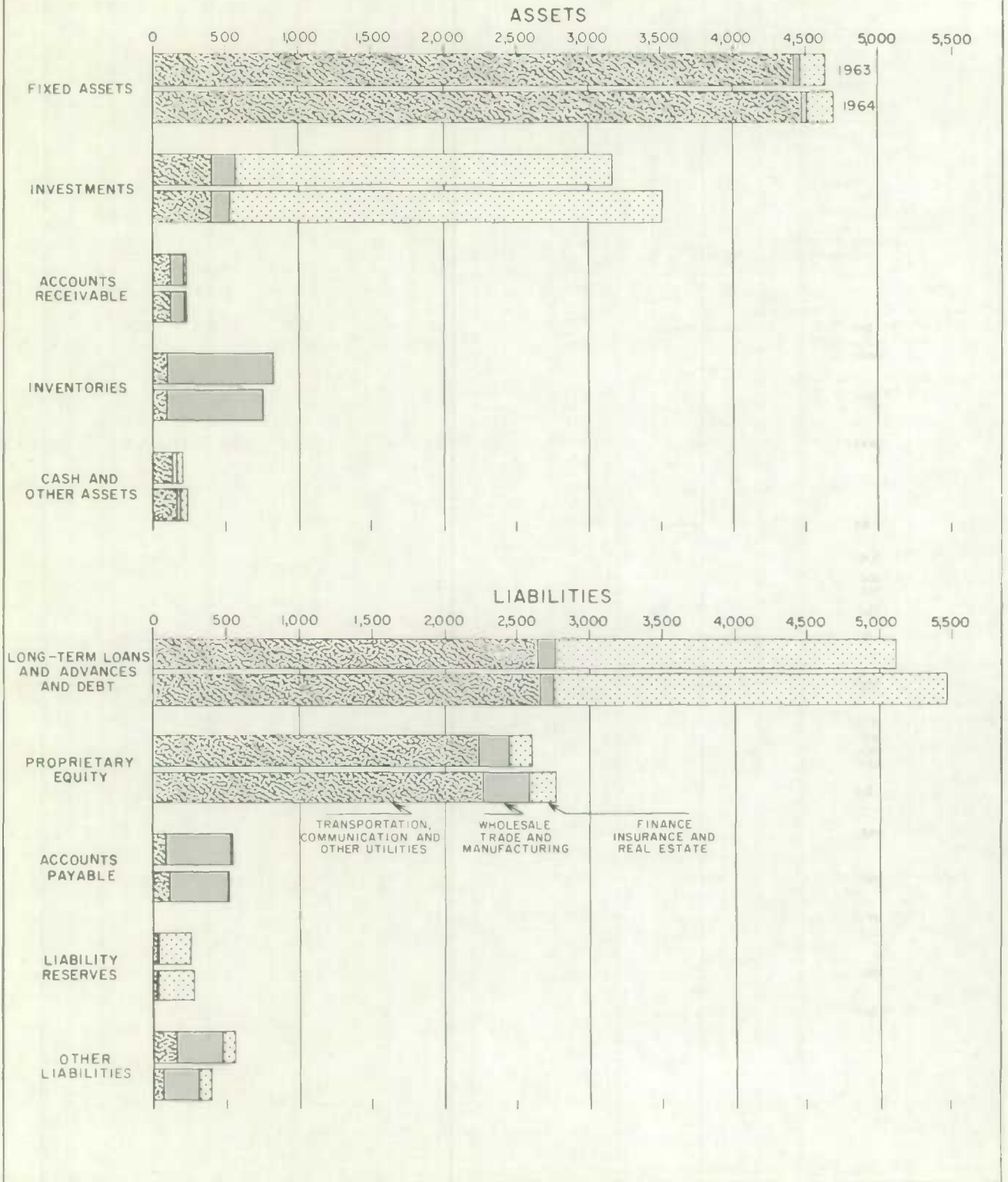
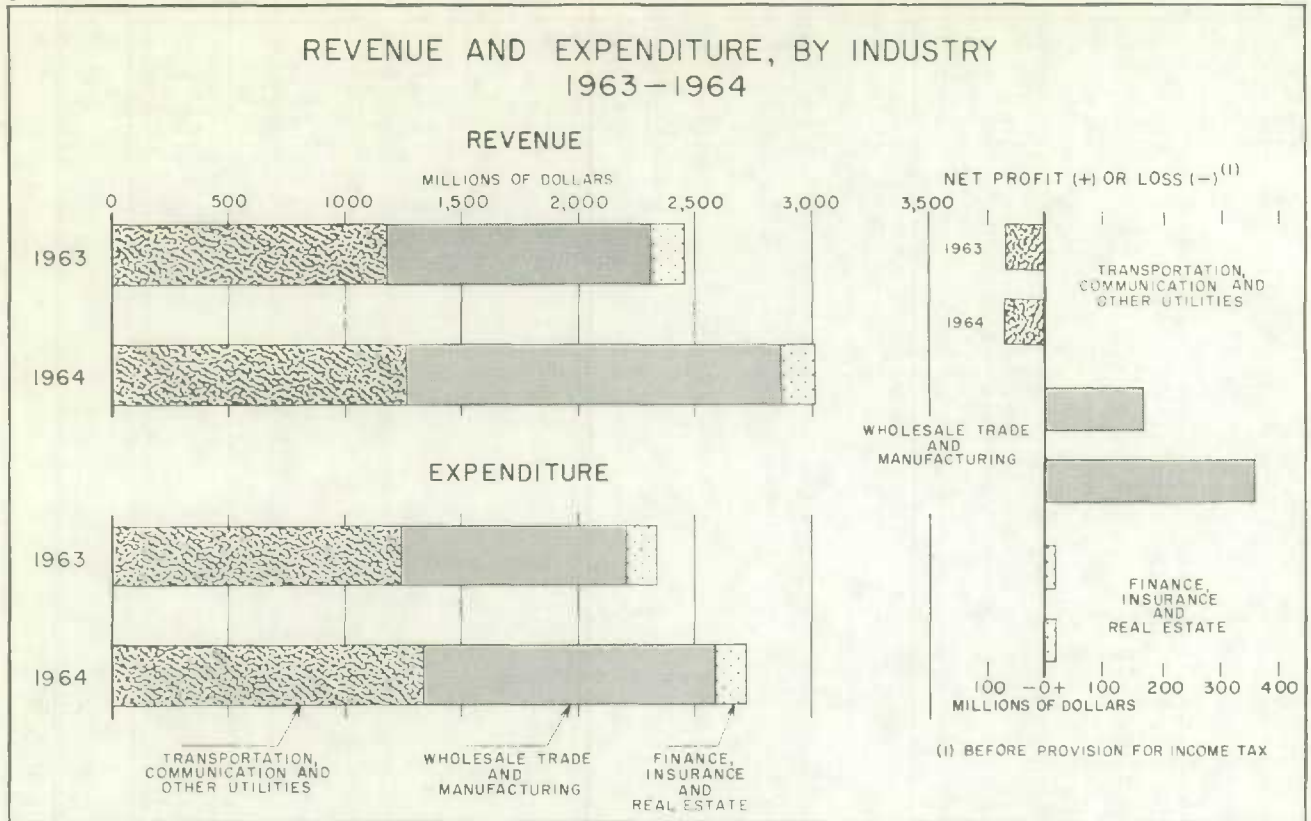


TABLE 2. Current Revenue and Expenditure, by Industry¹ for the Fiscal Year Ended Nearest to December 31, 1964

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	1,092,000 ²	1,245	48,227	4,923	1,146,395	1,552,689	5,920	2,705,004
2	Financial income:								
	1. Interest from:								
	(i) Federal government	2,952	—	211	57	3,220	733	5,145	9,098
	(ii) Federal government enterprises ..	11,491	—	—	—	11,491	—	—	11,491
	(iii) Provincial governments	184	—	—	—	184	—	—	184
	(v) Municipal governments	—	—	—	—	—	43	1,287	1,330
	(vii) Other	3,581	—	—	—	3,581	1,722	143,756	149,059
	Sub-total	18,208	—	211	57	18,476	2,498	150,188	171,162
	2. Other financial income	2,464	—	—	—	2,464	2,981	- 8	5,437
	Sub-total, item 2	20,672	—	211	57	20,940	5,479	150,180	176,599
3	Rental income	4,270	—	—	—	4,270	—	8,702	12,972
4	Contributions from own or other levels of government:								
	(i) Federal ³	—	58	85,869	—	85,927	—	50	85,977
5	Other current income	5,502	51	366	36	5,955	46,013	661	52,629
6	Total current revenue	1,122,444	1,354	134,673	5,016	1,263,487	1,604,181	165,513	3,033,181
Expenditure									
1	Cost of goods and services sold from current operations:								
	1. Wages and salaries	553,669	780	55,711	1,471	611,631	35,335	17,184	664,150
	2. Net drawings on (+) or net additions to (-) inventories	4,378	11	- 762	- 251	3,376	80,233	—	83,609
	3. Other purchases of goods and services	381,474	617	68,307	1,969	452,367	1,109,236	14,319	1,575,922
	Sub-total, item 1	939,521	1,408	123,256	3,189	1,067,374	1,224,804	31,503	2,323,681
2	Provision for depreciation and replacement	134,299	—	8,538	548	143,385	11,178	2,381	156,944
3	Interest on debt to:								
	(i) Federal government	40,638	—	2,979	751	44,368 ⁴	—	105,125	149,493
	(ii) Federal government enterprises	11,491	—	—	—	11,491	—	9,070	20,561
	(vii) Other	60,928	—	—	—	60,928	9,185	131	70,244
	Sub-total, item 3	113,057	—	2,979	751	116,787	9,185	114,326	240,298
4	Other current expenditure	5,587	—	—	—	5,587	411	- 10	5,988
5	Total current expenditure	1,192,464	1,408	134,773	4,488	1,333,133	1,245,578	148,200	2,726,911
6	Net profit (+) or loss (-) before provision for income tax	- 70,020	- 54	- 100	528	- 69,646	358,603 ⁵	17,313	306,270
7	Estimated income tax	472	—	2,201	—	2,673	6,416	5,645	14,734
8	Net profit (+) or loss (-) after provision for income tax	- 70,492	- 54	- 2,301	528	- 72,319	352,187	11,668	291,536
9	Total current expenditure plus net profit or minus loss	1,122,444	1,354	134,673	5,016	1,263,487	1,604,181	165,513	3,033,181

¹ Excludes Bank of Canada, see Table 6.² Includes subsidies paid by the federal government to Canadian National Railway Company: Maritime Freight Rates Act, 12,500; East-West Bridge Subsidy (maintenance of trackage), 3,300; Freight Rates Reduction Act, 10,200; interim payments related to recommendations of Royal Commission on Transportation, 29,000; total, 55,000.³ See Table 5 for contributions from federal government taken into current revenue and surplus accounts.⁴ Excludes interest capitalized during construction of fixed assets, 130.⁵ Includes profits of The Canadian Wheat Board which are distributed to grain producers.

CHART - 2

TABLE 3. Net Surplus Account Transactions, by Industry¹ for the Fiscal Year Ended Nearest to December 31, 1964

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	- 125,848	399	29,111	988	- 95,350	159,133	42,324	106,107
2	Net profit or loss for the year after provision for income tax ²	- 70,492	- 54	- 2,301	528	- 72,319	352,187	11,668	291,536
3	Net profit or loss on sale or retirement of fixed assets	303	-	-	-	303	4	5,305	5,612
4	Net transfers from (+) or to (-) reserves	- 528	-	-	- 241	- 769	- 225	- 4,967	- 5,961
5	Other adjustments (net)	- 773	-	- 151	-	- 924	676	- 2,834	- 3,082
6	Contributions from own or other levels of government:								
	(i) Federal ³	55,902	134	-	-	56,036	4,477	530	61,043
7	Remittances of surplus:								
	1. Dividends paid to								
	(i) Federal government	-	-	-	-	-	5,500	-	5,500
	(ii) Federal government enterprises	- 349	-	-	-	- 349	-	-	- 349
	2. Other remittances to								
	(i) Federal government	-	-	-	-	-	633	- 8,645	- 9,278
	(vii) Other	-	-	-	-	-	- 224,501	-	- 224,501
	Sub-total, item 7	- 349	-	-	-	- 349	- 230,634	- 8,645	- 239,628
8	Net additions (+) or deductions (-)	- 15,937	80	- 2,452	287	- 18,022	126,485	1,057	109,520
9	Balance at end of year	- 141,785	479	26,659	1,275	- 113,372	285,618	43,381	215,627

¹ Excludes Bank of Canada, see Table 7.² Item 8, Expenditure, Table 2.³ See Table 5 for contributions from federal government taken into current revenue 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, 1964 (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	5,483	-	2,476	-	7,959	2,595	891	11,445
2	Federal government direct and guaranteed bonds:								
	Asset item 9	446	-	963	1,000	2,409	569	10,739	13,717
	Asset item 11	69,065	-	-	-	69,065	-	91,141	160,206
	Sub-total	69,511	-	963	1,000	71,474	569	101,880	173,923
3	Provincial and municipal government direct and guaranteed bonds:								
	Asset item 9	-	-	-	-	-	827	-	827
	Asset item 11	13,406	-	-	-	13,406	-	-	13,406
	Sub-total	13,406	-	-	-	13,406	827	-	14,233
4	Bonds of companies incorporated in Canada and of institutions:								
	Asset item 9	31,780 ³	-	-	-	31,780	-	-	31,780
	Asset item 11	1,185	-	-	-	1,185	-	-	1,185
	Sub-total	32,965	-	-	-	32,965	-	-	32,965
5	Preferred and common stock, Canadian:								
	(ii) Federal government enterprises ⁴								
	Asset item 9	5,004	-	-	-	5,004	187	-	5,191
	(vii) Other								
	Asset item 9	9,428 ⁵	-	-	-	9,428	-	-	9,428
	Sub-total	14,432	-	-	-	14,432	187	-	14,619
6	Foreign investments:								
	Asset item 9	3,740 ⁶	-	-	-	3,740	22,862	-	26,602
	Asset item 11	1	-	-	-	1	-	-	1
	Sub-total	3,741	-	-	-	3,741	22,862	-	26,603
7	Total securities:								
	Asset item 9	55,881	-	3,439	1,000	60,320	27,040	11,630	98,990
	Asset item 11	83,657	-	-	-	83,657	-	91,141	174,798
	Grand totals	139,538	-	3,439	1,000	143,977	27,040	102,771	273,788

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	11,788	303	12,091
Accrued interest (i) Federal government	-	1,344	1,344
(vii) Other	-	109	109
Real estate	-	22,986	22,986
Mortgages	-	21,389	21,389
Other assets	- 6,335	96,964 ⁶	90,629
Totals	5,453	143,095	148,548

³ Of this amount, 27,315 represents the value of bonds of non-government affiliates.

⁴ Involves transactions between subsidiary and parent government enterprises.

⁵ Investments in non-government affiliates.

⁶ Of this amount, 96,927 represents obligation of the Government of Canada under Section 21 A of the Export Credits Insurance Act.

TABLE 5. Contributions from Federal Government taken into Current Revenue and Surplus Accounts¹ for Fiscal Year Ended Nearest to December 31, 1964

	Thousands of dollars
Current revenue:	
Canadian Broadcasting Corporation:	
Grant in respect of net operating requirements	85,869
Canadian Government Elevators:	
Services provided without charge by government departments	58
Farm Credit Corporation:	
Payment for carrying out the purposes of the Farm Machinery Syndicates Credit Act	50
Sub-total, current revenue	85,977
Surplus account:	
Contributions towards operating deficits:	
Canadian Arsenals Limited	4,477
Canadian Government Elevators	134
Canadian National Railway System:	
Canadian National Railways	38,726
Newfoundland Car Ferry	11,087
Prince Edward Island Car Ferry	3,979
Farm Credit Corporation	530
The St. Lawrence Seaway Authority	1,987
Yarmouth-Bar Harbour Ferry	123 ²
Sub-total, surplus account	61,043
Total contributions from federal government taken into current revenue and surplus accounts	147,020

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.

TABLE 6. Comparative Current Revenue and Expenditure of the Bank of Canada for Fiscal Years Ended Nearest to December 31, 1963 and 1964

No. ¹		1963	1964	Change
		thousands of dollars		
	Revenue			
2	Financial income:			
	(i) Federal government	127,851	140,480	12,629
	(ii) Federal government enterprises			
	(vii) Other			
6	Total current revenue	127,851	140,480	12,629
	Expenditure			
1	Cost of goods and services sold from current operations:			
	1. Wages and salaries	4,831	4,949	118
	3. Other purchases of goods and services	6,576	7,231	655
	Sub-total, item 1	11,407	12,180	773
3	Interest on debt to			
	(vii) Other - Interest paid on unclaimed balances	58	63	5
5	Total current expenditure	11,465	12,243	778
6	Net profit (+) or loss (-) before provision for income tax	116,386	128,237	11,851
9	Total current expenditure plus net profit or minus loss	127,851	140,480	12,629

¹ Item numbers correspond with those in Table 2.

TABLE 7. Comparative Net Surplus Account Transactions of the Bank of Canada for the Fiscal Years Ended Nearest to December 31, 1963 and 1964

No. ¹		1963	1964	Change
		thousands of dollars		
1	Balance at beginning of year	-	-	-
2	Net profit or loss for the year	116,386	128,237	11,851
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	116,386	128,237	11,851
8	Net additions (+) or deductions (-)	-	-	-
9	Balance at end of year	-	-	-

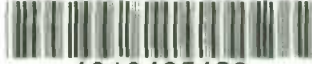
¹ Item numbers correspond with those in Table 3.

TABLE 8. Comparative Assets and Liabilities of the Bank of Canada as at Fiscal Years Ended Nearest to December 31, 1963 and 1964

No. ¹		1963	1964	Change
		thousands of dollars		
	Assets			
1	Cash on hand and on deposit:			
	Foreign exchange—Pounds sterling and U.S.A. dollars	42,163	97,346	55,183
	Other currencies	193	237	44
	Sub-total, item 1	42,356	97,583	55,227
5	Accrued revenue:			
	1. Interest—accrued interest on investments from			
	(i) Federal government	34,256	37,136	2,880
	(ii) Federal government enterprises			
	(vii) Other			
7	Fixed assets:			
	Bank premises—land, buildings and equipment—at cost less depreciation	11,804	13,223	1,419
8	Loans and advances receivable from			
	(ii) Federal government enterprises: Debentures issued by Industrial Development Bank	150,630	176,500	25,870
9	Securities held as investments:			
	1. Federal government treasury bills	465,570	478,687	13,117
	2. Federal government direct and guaranteed bonds	2,569,656	2,585,651	15,995
	4a. Bills bought on open market not including treasury bills	—	—	—
	7. Preferred and common stock, Canadian:			
	(ii) Federal government enterprises: Industrial Development Bank, total share capital at cost	33,000	36,000	3,000
	8. Foreign investments: Other securities, U.S.A. Government	21,513	13,448	- 8,065
	Sub-total, item 9	3,089,739	3,113,786	24,047
13	Other assets:			
	Cheques on other banks	114,983	190,553	75,570
	Net balance of Government of Canada collections and payments in process of settlement	—	10,866	10,866
	Other	1,153	2,203	1,050
	Sub-total, item 13	116,136	203,622	87,486
14	Total assets	3,444,921	3,641,850	196,929
	Liabilities			
2	Temporary loans, advances and notes payable:			
	2. Other loans and advances:			
	(i) Federal government:			
	Deposits, Government of Canada	49,398	68,912	19,514
	Liabilities payable in pounds sterling, U.S.A. dollars and other foreign currencies	43,271	38,447	- 4,824
	Sub-total	92,669	107,359	14,690
	(vii) Other:			
	Deposits of chartered banks and others	811,410	882,106	70,696
	Liabilities payable in pounds sterling, U.S.A. dollars and other foreign currencies	9,549	6,420	- 3,129
	Others	38,926	35,632	- 3,294
	Sub-total	859,885	924,158	64,273
	Sub-total, item 2.2	952,554	1,031,517	78,963
	3. Notes: Notes in circulation	2,304,644	2,380,559	75,915
	Sub-total, item 2	3,257,198	3,412,076	154,878
10	Other liabilities:			
	Bank of Canada cheques outstanding	132,291	197,914	65,623
	Net balance of Government of Canada collections and payments in process of settlement	23,764	—	- 23,764
	Other liabilities	1,668	1,860	192
	Sub-total, item 10	157,723	199,774	42,051
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	3,444,921	3,641,850	196,929

¹ Item numbers correspond with those in Table 1.

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