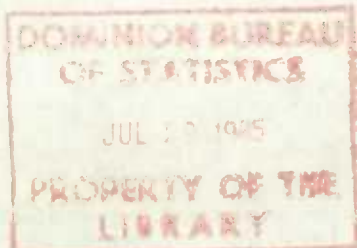


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ANNUAL

C. 3



# FEDERAL GOVERNMENT FINANCE

## Revenue and Expenditure

### Direct and Indirect Debt

1962

(Fiscal Year Ended March 31, 1963)

Formerly Financial Statistics of the Government of Canada  
Revenue and Expenditure - Direct and Indirect Debt (Actual)

*Published by Authority of*  
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#### NOTE

The symbol — indicates nil. It has also been used to indicate amounts under \$500. All figures appearing in footnotes to tables are in thousands of dollars.

# FEDERAL GOVERNMENT FINANCE

## Revenue and Expenditure Direct and Indirect Debt

1962

(Fiscal Year Ended March 31, 1963)

### INTRODUCTION

This publication presents financial statistics of the Government of Canada for the fiscal year ended March 31, 1963. It was prepared chiefly from information contained in the Public Accounts of Canada, supplemented by additional information received from treasury officials.

The tables published herein differ somewhat from the statements of Revenue and Expenditure contained in both the Public Accounts and the National Accounts, because of the different concepts that underlie each presentation.

Traditionally, the Public Accounts serve two main purposes:

1. To provide the legislature with a record of:
  - (a) how money was obtained.
  - (b) the way in which funds voted have been spent, and
  - (c) the Government's financial condition at the end of the year.
2. To provide the administration with information needed for the decision-making process.

Accordingly, the Public Accounts of Canada are maintained basically on a cash system of accounting.

The statement of government revenues and expenditures contained in the National Accounts is an attempt to measure the effects of government taxation and spending on the other sectors of the economy as it occurs. Consequently, an accrual basis of accounting is followed as consistently as possible; e.g. the Government sector of the National Accounts show as revenue, an estimate of accrued corporation taxes whereas the Public Accounts show the amount of corporation taxes that is actually collected.

The concepts of government revenues and expenditures for the National Accounts purposes embrace a wider area of government activities than the Public Accounts. The total operations of such funds as the Old Age Security Fund and the Unemployment Insurance Fund are included in the National Accounts statement of income and expenditure of

the government sector, and transfers to these funds, which are shown in the Public Accounts, are excluded.

The Financial Statistics relative to "general" revenues and expenditures in this publication are presented according to the "source" of government revenue and the "function" or "purpose" of the expenditure. Such a classification has been developed to provide general information to the public on the nature and amount of public expenditures devoted to a particular service together with the revenues available. As revenues and expenditures of provincial and municipal governments in Canada are similarly classified, the revenues and expenditure of the federal government by "source" and "function" may be compared with that made by the provincial and municipal governments with a greater degree of consistency than is possible through the use of Public Accounts. A consolidation of federal, provincial and municipal revenues and expenditure is published in the DBS annual report "Consolidated Public Finance—Federal, Provincial and Municipal Governments", Catalogue No. 68-202.

To arrive at "general revenue" and "general expenditure" the transactions of certain funds, which are excluded from the main expenditure statement of the Public Accounts are included in this publication, e.g. the Old Age Security Fund. The departmental classification of expenditure in the Public Accounts may include several functions e.g. the Minister of Agriculture is charged with the responsibility for the supervision of recetrack betting. In the Public Accounts any expenditure in this respect is reported as "Agriculture", but in this publication, such an expenditure is classified as "protection to persons and property". Reconciliation tables are included (Tables 3 and 4) to summarize the various adjustments that have been made to the Public Accounts to arrive at gross and net general revenue and expenditure.

Because "general" revenue and expenditure include all the operations of government which are "general" in nature regardless of the accounting methods employed by the government. It follows that the difference between "general" revenue and

expenditure as used in this report does not constitute a surplus or deficit of the federal government for the year.

### General Revenue and Expenditure<sup>1</sup>

Comparative tables showing net general revenue and expenditure between the years 1959 and 1963 are given on pages 8 and 9 of this publication. As shown therein, net general revenue, amounting to \$6,427 million for the fiscal year ended March 31, 1963, rose by 2.8% over the previous year's total. Tax revenue of \$5,928 million accounted for 92% of total revenue, with the remaining \$499 million being derived from non-tax revenue sources.

Total taxes increased by \$174 million or 3.2% between 1962 and 1963, but there were diverging movements within this total. Income tax receipts (including Old Age Security Tax) from corporations and individuals declined by \$4 million and \$34 million respectively, while revenue from all other taxes (except the excise tax on automobiles) increased and more than made up for the decline in the income tax receipts. This decline in income tax receipts is associated with the lapse of the Federal-Provincial Tax-Sharing Agreement on March 31, 1962.

Under the Federal-Provincial Fiscal Arrangements Act which became operative for a period of five years from April 1, 1962, the federal government partially withdrew from the field of direct taxation and all the provinces re-entered this field. In the case of personal income tax, the effective date was January 1, 1962, and under the terms of the new Act, the federal government was to collect in 1962, only 84% of the full federal rates of this tax, the 16% balance being collected by, or on behalf of, the provinces under provisions of provincial tax legislation. This apportionment will be increased by one per cent each year in favour of the provinces for the life of the current arrangements and will result in a total abatement of 20% in the final year in which the act is in force. The federal government also withdrew from the corporation income tax field to the extent of 9% of taxable profits earned in any province except Quebec where the abatement is 10%. This extra one per cent abatement in the Province of Quebec is to compensate for the additional tax levied by that province to provide funds for grants to universities (to replace federal grants payable to universities in other provinces through the Canadian Universities Foundation). In addition, the federal government was to abate its collection of the estate tax otherwise payable, by 50% in respect of properties situated in a province levying its own estate tax. Only Ontario and Quebec signified their intentions of levying their own taxes in the form of

succession duties during the 1962-63 fiscal year. However, the provinces are not restricted to the rates of federal withdrawal from these tax fields.

Collections on behalf of the provinces under these new agreements totalled \$252 million from personal income tax and \$65 million from corporation income tax during the fiscal year ended March 31, 1963.

Revenue received from the general sales tax (including Old Age Security Tax) rose by \$63 million or 6% between 1962 and 1963 and receipts from customs import duties rose \$111 million or 20% reflecting the greater value of imports and a higher level of expenditure throughout the economy as a whole. Total non-tax revenue of \$499 million increased by \$4 million between the two years. The largest advance was in "All other revenue" which rose by \$12 million or 12% while there was a drop of \$15 million or 12.3% in receipts from government enterprises. The revenue from postal services increased by \$8 million.

Total net general expenditure amounted to \$7,168 million in the year ended March 31, 1963 being \$145 million or 2% higher than that of the previous fiscal year.

Expenditure on defence services and mutual aid at \$1,596 million declined by \$53 million from that in the year ended March 31, 1962 but was still the largest category in expenditure. As a per cent of total net general expenditure it amounted to 22.3% as compared to 23.5% for the previous year.

Social welfare, which accounted for an outlay of \$1,565 million or 21.8% of total net general expenditure, was the next largest sphere of general expenditure and was \$141 million more than in the previous fiscal year. This was primarily due to the increase in Old Age Security Pension payments from \$55 to \$65 per month effective February 1, 1962 (\$117 million), and the increase in Family Allowance payments of \$11 million. Other forms of social security, e.g., aid to the unemployed, accounted for the balance of the increase.

Due to the new provisions of the above-noted Federal-Provincial Fiscal Arrangements Act, federal government payments to provincial and territorial governments of \$202 million declined from those that were paid in the previous year under the Federal-Provincial Tax-Sharing Arrangements Act by \$277 million; but there were increases in the payments that arose from the sharing of income tax on power utilities, and subsidies, of \$4 million and \$10 million respectively. Total payments to the provinces and territories including grants for specific purposes amounted to \$1,127 millions, a reduction of 2%, in the fiscal year ended March 31, 1963; payments to municipalities for the same year increased by 31.9% to \$47.6 million as increased payments were made for road expenditure and for the construction of sewers. (For details see Table 5 of this report.)

<sup>1</sup> Percentage changes mentioned in the text are based on data rounded to the nearest thousand.

Expenditure on natural resources and primary industries were reduced by \$46 million in this fiscal year to \$357 million. The main cause of this reduction was a decline of \$54 million in payments made to the agriculture industry which is accounted for as follows:

- (1) A decline of \$40 million in payments to Western grain producers who had been paid on the basis of \$1 per cultivated acre;
- (2) a decline of \$40 million in payments made from the Prairie Farm Emergency Fund, and
- (3) a decline of \$12 million in the cost of carrying wheat reserves, the total of which is partially offset by an increase of \$50 million in the loss of the Agricultural Stabilization Board.

The increase of \$59 million between 1962 and 1963, or 16.1%, in health expenditures brought the total expenditure to \$425 million. Total payments for health purposes by the federal government to the provinces and territories increased by \$54.6 million (Table 5). This was primarily due to an increase of \$50 million in federal contributions to the provinces under the Hospital Insurance and Diagnostic Services Act.

Transportation expenses, at \$404 millions, increased by \$10 millions or approximately 3%. Comparison of the year ended in 1963 with the previous year shows that expenditure on air and roads declined while expenditure on rail and water increased. The largest increase took place in water transportation and is accounted for by an increase of \$20 million in subsidies paid for the construction of vessels. In spite of the decline in the amount of the government contribution towards the deficit of Canadian National Railways (from \$67 million to \$49 million), government expenditures on railways increased by \$14 million. This is accounted for in part by a subsidy for the construction of a railway to Great Slave Lake. Payments to the provinces for "transportation" continued to decline. Expenditure on the Trans-Canada Highway declined by \$7 million and on "roads to resources" by nearly \$2 million.

Payments to the provinces under the Technical and Vocational Training Assistance Act during the fiscal year ended March 31, 1963 rose to \$208 millions from \$36 million in the previous year. This increase was largely accounted for by an increase in capital assistance to trade schools, vocational high schools and technical institutes (from \$17.9 million to \$179.6 million). Expenditure on education by the federal government was also increased by \$7 million because of higher grants to the Canadian Universities Foundation which distributes the funds to recognized universities in Canada outside the Province of Quebec (see previous explanation re special corporation tax abatement in the Province of Quebec in lieu of these payments). The basis of these payments was raised from \$1.50 to \$2 per capita based on the population of each province except Quebec.

Public debt charges, after deducting interest receipts and excluding debt retirement, totalled \$755 million in 1962-63, which was \$65 million or 9.5% higher than in the previous fiscal year and made up 10.5% of net general expenditure. Interest on unmatured debentures and treasury bills payable increased by \$66.5 million due to:

- (a) increases in the average rate of interest payable (Table 11),
- (b) the amount of outstanding bonds and treasury bills payable, and
- (c) an increase in the amount of interest payments on bonds that were payable in London or New York (attributable to both the decrease in the exchange rate of the Canadian dollar, and the amount of new issues during the year of bonds payable in New York). Interest on other liabilities increased by \$12 million, mainly accounted for by an increased payment of \$5 million to each of the public service and Canadian forces superannuation accounts and of \$1 million to government annuities. Other public debt charges increased slightly because of certain miscellaneous payments. Interest receipts, which are deducted in the "net" presentation of revenue and expenditure, increased from \$150 million in 1961-62 to \$165.5 million in 1962-63 due to larger receipts from Central Housing and Mortgage Corporation loans, and other sources.

Details in respect of payments to federal government enterprises amounting to \$155 million (down 10% from last year) are shown on page 10.

#### Debt Transactions

As at March 31, 1963, Canada's unmatured debenture debt of \$15,797 million had increased by \$736 million or 4.9% over the total at the end of the previous fiscal year; new issues, including renewals and conversions, of \$4,104 million exceeded retirements and cancellations of debentures which amounted to \$3,379 million. Included in the amount of new issues of government securities shown in Tables 10 and 11 is an issue of \$270 million of 5% debentures. This represents an issue of \$250 million in U.S. dollars but is shown here in its Canadian dollar equivalent, based on the then current rate of exchange. As at March 31, 1963, all issues of Canadian debentures payable in either London or New York were revalued to the new official rates of exchange. This procedure accounts for the increase of \$2.6 million in the unmatured debt that is shown as being payable in London and for the increase of \$7.9 million in the amount payable in New York.

Securities payable in Canada in the amount of \$3,379 million were retired during the fiscal year; of these, \$1,007 million matured and were paid off, \$1,299 million, mainly Canada Savings Bonds, were redeemed prior to maturity, \$959 million were converted into other issues and \$113 million were acquired by the purchase fund and cancelled.

The total debentures issued during the year amounted to \$4,104.7 million and comprised for the most part \$1,634 million of Canada Savings Bonds, series 17, and \$78 million of Canada Savings Bonds, series 16. The balance is made up of other sundry issues and included \$201 million of 5½% debentures (due October 1, 1962) and \$435 million of 5½% debentures (due April 1, 1963), which were converted to a longer maturity because of the conversion privilege granted at the time of issue. Because of the higher rate of interest payable on series 17, Canada Savings Bonds, redemption of previous issues (\$1,161.8 millions) more than doubled the previous year. The net increase of Canada Savings Bonds outstanding as of March 31, 1963, was only \$527 million.

Of the total unmatured debentures outstanding, \$15,386 million or 97.4% were payable in Canada, \$376 million or 2.4% were payable in New York and the balance of \$34 million or less than 1% was payable in London, England.

The average rate of interest payable on the unmatured debentures increased during the year from 4.01% to 4.13% and the average yield on the \$2,165 million of outstanding Treasury Bills was 3.9%.

The following tables provide summaries of net general revenue and expenditure for the latest fiscal years; first in millions of dollars, and secondly, a percentage distribution of totals for each year.

**Net General Revenue by Source**  
Fiscal Years Ended March 31

	1959	1960	1961	1962	1963
	millions of dollars				
<b>Taxes:</b>					
<b>Income:</b>					
Corporations (including old age security tax) .....	1,076	1,234	1,380	1,302	1,298
Individuals (including old age security tax) .....	1,500	1,752	1,940	2,052	2,018
Interest, dividends and other income going abroad .....	61	73	88	112	129
General sales (including old age security tax) .....	868	1,003	991	1,045	1,108
<b>Excise duties and special excise taxes:</b>					
Alcoholic beverages .....	179	193	199	206	220
Tobacco .....	289	331	343	367	384
Automobiles .....	59	64	60	25	—
Other commodities and services .....	30	33	32	25	38
Customs import duties .....	486	526	499	534	645
Succession duties and estate taxes .....	73	89	85	85	87
Other .....	1	1	1	1	1
<b>Total taxes</b> .....	<b>4,622</b>	<b>5,299</b>	<b>5,618</b>	<b>5,754</b>	<b>5,928</b>
Sales and services .....	57	47	57	64	63
Receipts from government enterprises .....	100	87	107	122	107
Postal services .....	183	194	202	214	222
All other revenue .....	104	109	119	95	107
<b>Total net general revenue</b> .....	<b>5,066</b>	<b>5,736</b>	<b>6,103</b>	<b>6,249</b>	<b>6,427</b>
<b>Total net general revenue per capita<sup>1</sup></b> .....	<b>\$ 297</b>	<b>328</b>	<b>342</b>	<b>343</b>	<b>346</b>

<sup>1</sup> Based on population as at June 1 within each fiscal year, as estimated by the Census Division.

### Net General Expenditure by Function

Fiscal Years Ended March 31

	1959	1960	1961	1962	1963
	millions of dollars				
Defence services and mutual aid .....	1,666	1,545	1,536	1,649	1,596
Veterans' pensions and other benefits .....	295	293	296	337	338
General government .....	262	252	266	287	289
Transportation .....	304	338	348	394	404
Health .....	130	227	267	366	425
Social welfare:					
Aid to aged persons (including payments from Old Age Security Fund) ..	590	605	623	656	773
Family allowances .....	478	494	509	524	535
Other .....	134	163	196	244	257
<b>Total social welfare</b> .....	<b>1,202</b>	<b>1,262</b>	<b>1,328</b>	<b>1,424</b>	<b>1,565</b>
Natural resources and primary industries .....	303	329	366	403	357
Debt charges (excluding debt retirement) .....	546	657	654	690	755
Payments to government enterprises .....	129	119	148	171	155
Payments to provincial and municipal governments <sup>1</sup> .....	490	542	564	567	309
International co-operation and assistance .....	63	80	82	67	57
Postal service .....	184	192	207	215	219
All other expenditure .....	318	353	374	453	699
<b>Total net general expenditure</b> .....	<b>5,892</b>	<b>6,189</b>	<b>6,436</b>	<b>7,023</b>	<b>7,168</b>
<b>Total net general expenditure per capita<sup>2</sup></b> .....	<b>\$ 345</b>	<b>354</b>	<b>360</b>	<b>385</b>	<b>386</b>

<sup>1</sup> Does not include grants in aid of specific provincial or municipal expenditures. These are classified by function. For example, Trans-Canada Highway grants are included under Transportation.

<sup>2</sup> Based on population as at June 1 within each fiscal year, as estimated by the Census Division.

### Net General Revenue by Source

Fiscal Years Ended March 31

	1959	1960	1961	1962	1963
	percentage distribution				
Taxes:					
Income:					
Corporations .....	21.2	21.5	22.6	20.8	20.2
Individuals .....	29.6	30.5	31.8	32.8	31.4
Interest, etc. going abroad .....	1.2	1.3	1.5	1.8	2.0
General sales .....	17.1	17.5	16.2	16.7	17.2
Excise duties and special excise taxes .....	11.0	10.8	10.4	10.0	10.0
Customs import duties .....	9.6	9.2	8.2	8.6	10.0
Other .....	1.5	1.6	1.4	1.4	1.4
<b>Total taxes</b> .....	<b>91.2</b>	<b>92.4</b>	<b>92.1</b>	<b>92.1</b>	<b>92.2</b>
All other revenue .....	8.8	7.6	7.9	7.9	7.8
<b>Total net general revenue</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Net General Expenditure by Function**  
Fiscal Years Ended March 31

	1959	1960	1961	1962	1963
	percentage distribution				
Defence services and mutual aid .....	28.3	25.0	23.9	23.5	22.3
Veterans' pensions and other benefits .....	5.0	4.7	4.6	4.8	4.7
General government .....	4.4	4.1	4.1	4.1	4.0
Transportation .....	5.2	5.5	5.4	5.6	5.6
Health .....	2.2	3.7	4.1	5.2	5.9
Social welfare:					
Aid to aged persons .....	10.0	9.8	9.7	9.3	10.8
Family allowances .....	8.1	8.0	7.9	7.5	7.5
Other .....	2.3	2.6	3.0	3.5	3.6
Natural resources and primary industries .....	5.1	5.3	5.7	5.7	5.0
Debt charges .....	9.3	10.6	10.2	9.8	10.5
Payments to provincial and municipal governments <sup>1</sup> .....	8.3	8.7	8.8	8.1	4.3
All other expenditures .....	11.8	12.0	12.6	12.9	15.8
<b>Total net general expenditure .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Does not include grants in aid of specific provincial or municipal expenditures. These are classified by function. For example, Trans-Canada Highway grants are included under Transportation.

**EXPLANATORY COMMENT TO TABLES**

**Tables 1 and 2 — General Revenue and Expenditure**

These tables provide analyses of "budgetary" revenues and expenditures in terms of standard source and function categories. They also include revenues and expenditures of "special funds" (such as the Old Age Security Fund), whose transactions are recorded separately in the Public Accounts but which embrace government financial activities that for statistical purposes are consolidated with "budgetary" transactions to arrive at "general" revenue and expenditure.

**Sales and services—Institutional**, revenue item 14, consists largely of revenue of federal experimental farms, penitentiaries and hospitals. This revenue is offset against the related expenditure in the "net" revenue and expenditure presentation.

**Receipts from government enterprises**, revenue item 21, consists of profits of government enterprises and dividends on capital stock of government

enterprises held by Canada which were credited to departmental revenue in the Public Accounts. It excludes interest received on loans to government enterprises. All interest revenue is included in item 17.

**Payments to government enterprises**, expenditure item 55, consist mainly of reimbursement of deficits.

The statistics shown here only reflect transactions between the federal government and its enterprises as reported in the Public Accounts. For statistics on revenue and expenditure, assets and liabilities and net worth of all federal government enterprises, see the Dominion Bureau of Statistics report, "Financial Statistics of Federal Government Enterprises", the latest edition of which, covering the year 1961, was published in March 1964.

The following tables give breakdowns of revenue item 21 and expenditure item 55:

Specified Transactions with Federal Government Enterprises

Receipts from government enterprises	Thousands of dollars
Bank of Canada:	
Government share of profits .....	96,680
Canadian Government Elevators:	
Revenue included in departmental revenue .....	1,485
Expenditure included in departmental expenditure .....	1,367
Net profit on Canadian Government Elevators .....	118
Central Mortgage and Housing Corporation:	
Net profit under Sec. 30, Central Mortgage and Housing Corporation Act .....	5,588
Net profits under the Housing Act .....	774
Losses sustained under Sec. 36, National Housing Act .....	1,205
Reimbursement under Sec. 31, National Housing Act .....	1,006
Net profit, Central Mortgage and Housing Corporation .....	4,151
Crown Assets Disposal Corporation:	
Surplus .....	135
Eldorado Mining and Refining Limited:	
Dividends .....	3,000
Polymer Corporation Limited:	
Dividends .....	3,000
<b>Total receipts from government enterprises, revenue item 21 .....</b>	<b>107,084</b>

Payments to government enterprises	Thousands of dollars
Canadian Arsenals Limited:	
Operating deficit, fiscal year ended March 31, 1963 .....	4,201
Canadian Broadcasting Corporation:	
Grant in respect of net operating requirements .....	72,655
Grant for capital requirements .....	6,390
Total payments to Canadian Broadcasting Corporation .....	79,045
Canadian National Railway System:	
Canadian National Railways deficit, calendar year 1962 .....	49,179
Newfoundland ferry and terminals deficit, calendar year 1962 .....	8,180
P.E.I. car ferry and terminals deficit, calendar year 1962 .....	3,275
Total payments to Canadian National Railway System .....	60,634
National Harbours Board:	
Advances to meet construction costs, etc., calendar year 1962 <sup>1</sup> .....	5,194
St. Lawrence Seaway Authority:	
Operating deficit .....	2,686
Trans-Canada Air Lines:	
Deficit, calendar year 1962 .....	3,541
<b>Total payments to government enterprises, expenditure item 55 .....</b>	<b>155,301</b>

<sup>1</sup> This item is treated as "proprietary equity" in the report "Financial Statistics of Federal Government Enterprises".

**Bullion and coinage**, revenue item 22, is the revenue obtained from the operations of the Royal Canadian Mint. This includes gain on coinage and refining and handling charges of gold.

**Postal service**, revenue item 23, represents gross postal receipts before the following authorized deductions from revenue are made in the Public Accounts: salaries and rent allowances at semi-staff and revenue offices, commission at sub-offices, transit charges on Canadian mail forwarded through or delivered in foreign countries, etc.

**Postal service**, expenditure item 64, consists of the expenditures of the Post Office Department as shown in the Public Accounts plus the authorized deductions from revenue referred to above. No attempt has been made to include expenditures made by the Public Works Department for the construction and maintenance of post offices, since in a great many instances these buildings serve several other departments as well. Expenditure on these buildings is therefore included in item 3, General Government—Executive and Administrative.

Following is a summary of Post Office transactions reflected in these statistics:

Post Office transactions	Thousands of dollars
Revenue of Post Office Department per Public Accounts .....	192, 831
Disbursements deducted from postal revenue in the Public Accounts .....	29, 528
<b>Revenue item 23</b> .....	<b>222, 359</b>
Expenditure of Post Office Department per Public Accounts <sup>1</sup> .....	189, 300
Disbursements deducted from postal revenue in the Public Accounts (as above) .....	29, 528
<b>Expenditure item 64</b> .....	<b>218, 828</b>

<sup>1</sup> Excluding salary of the Postmaster General and Canada's share of the upkeep of the International Bureaux.

**Defence services and mutual aid**, expenditure item 1, includes expenditures in connection with defence purchasing, production, research and development; all expenditures in connection with the Canadian Forces, including costs of roads, schools for servicemen's children, hospitals, sewers, water-mains, etc., at military establishments; and also pensions and other benefits.

**Veterans' pensions and other benefits**, expenditure item 2, includes medical and hospital treatment, welfare services and education of war veterans.

**General government—Executive and administrative**, expenditure item 3, includes expenditures on government buildings serving a number of functions. It also includes general items of payroll costs, viz., the government's contribution towards public service superannuation; the government's contribution, as an employer, to the Unemployment Insurance Fund; and payments of claims for compensation. It is not possible to break down these expenditures by function and therefore they have been included under this heading. Following is a breakdown of item 3:

General government expenditure, executive and administrative	Thousands of dollars
Maintenance, operation, construction and acquisition of public buildings, including post offices, serving a number of functions .....	64, 709
Contribution towards superannuation .....	53, 865
Government contribution, as an employer, to the Unemployment Insurance Fund .....	940
Government Employees' Compensation Act—Payment of claims .....	2, 190
Government Contribution to Public Service Death Benefit Account .....	1, 225
Government's share, as an employer, of medical-surgical insurance premiums .....	8, 284
Other .....	125, 555
<b>Expenditure item 3</b> .....	<b>256, 768</b>

Where a building has one specific use, expenditures thereon are classified by function where possible. For example, Public Works expenditures on experimental farm buildings are classified under 'Natural Resources and Primary Industries'. Likewise salaries and wages are classified under the function of government within which the services of the employees fall.

**Transportation—Rail**, expenditure item 14, includes payments to the railways under the Maritime Freight Rates Act, interim payments related to the recommendations of the Royal Commission on Railway Problems pending its complete report, and sundry other payments to the railways.

**Social welfare—National employment and unemployment insurance services**, expenditure item 29, includes the administration of the Unemployment Insurance Act where there is a two-fold purpose—

the payment of unemployment insurance benefits to insured workers involuntarily unemployed, and the operation of the national employment service to assist employees and employers in the solution of their employment problems. In addition to the administrative expenditures, the government's contribution to the Unemployment Insurance Fund (being one fifth of the aggregate employer and employee contributions to the Fund) is included under this caption.

The revenue and expenditure of the Unemployment Insurance Fund are excluded from these statistics (except for the government contribution referred to above), since it is considered to be a trust fund administered by the Government of Canada.

The operations of the Unemployment Insurance Fund were as follows:

Unemployment Insurance Fund operations	Thousands of dollars
<b>Revenue:</b>	
Contributions:	
Employers and employees .....	286,430
Government of Canada (20 per cent) .....	57,286
Fines and penalties .....	104
Income from investments (net) .....	2,466
<b>Total revenue</b> .....	<b>346,286</b>
<b>Expenditure:</b>	
Benefit payments .....	403,191
Interest on loans .....	—
<b>Total expenditure</b> .....	<b>403,191</b>
<b>Excess of expenditure over revenue</b> .....	<b>56,905</b>

**Recreational and cultural services—Other**, expenditure item 34, includes the International Shortwave Broadcasting Service and the National Film Board.

**Education—Universities, colleges and other schools**, expenditure item 37, includes expenditure under vocational and technical training programmes.

**Debt charges—Other**, expenditure item 53, includes the costs of issuing new loans, commissions for the payment of interest, and the cost of a loan of U.S. \$300,000,000 from the International Monetary Fund.

**International co-operation and assistance**, expenditure item 63, includes contributions towards the Colombo Plan, membership in United Nations'

organizations and various other technical or administrative international organizations, and contributions towards famine and flood relief in foreign countries.

**Other expenditure**, expenditure item 69, includes expenditures under the Government Annuities Act and on the Dominion Observatories, the National Research Council and the Meteorological Division of the Department of Transport.

**Total net general revenue** is arrived at by deducting from "total gross general revenue": (a) interest revenue, item 17, (b) foreign exchange revenue (excluding profits of the Exchange Fund Account which remain in the net revenue presentation), item 19, (c) shared-cost contributions from

provincial governments, item 20, and (d) institutional revenue, item 14 and part of item 13. These items are also deducted from the related items of expenditure to arrive at "total net general expenditure".

### Tables 3 and 4—Reconciliations with Public Accounts

As mentioned earlier, it is necessary to make certain adjustments to financial statements appearing in the Public Accounts of all levels of government in order to achieve the desired degree of intergovernmental comparability. Tables 3 and 4

summarize the differences between the federal Public Accounts' totals and the totals appearing in this report.

Certain transactions are often shown separately from departmental revenues and expenditures in the Public Accounts and funds are sometimes set aside one year for a specific purpose and not spent until a subsequent fiscal period. A number of such "administrative or special funds" have been incorporated in these statistics of the Government of Canada. See item 2 for the amounts added in this connection. Following is a list of these funds, together with their revenue and expenditure for 1962-63.

	1962-63	
	Revenue	Expenditure
	thousands of dollars	
Atlantic Development Board.....	5	5
Atomic Energy of Canada Limited .....	40,263	39,876
Canadian World Exhibition Corporation .....	300	—
Colombo Plan Fund.....	41,500	33,800
Fishermen's Indemnity Plan .....	512	488
Fraser River Bridge—Maintenance Account .....	160	110
Land Assurance Fund.....	4	—
National Battlefields Commission .....	233	232
National Capital Commission .....	10,901	20,558
National Capital Fund .....	8,616	5,501
National Centennial Administration .....	275	297
National Centennial Fund .....	1,000	—
National Gallery Purchase Account .....	200	136
National Library Purchase Account .....	38	50
National Productivity Council.....	329	379
National Research Council—Special Fund .....	4,207	4,167
Old Age Security Fund.....	691,139	734,382
Prairie Farm Emergency Fund.....	15,534	15,535
Railway Grade Crossing Fund.....	5,833	12,884
Replacement of Materiel Account .....	840	1,115
Reserve for Conditional Benefits—Veterans' Land Act .....	3,248	5,379
<b>Totals .....</b>	<b>825,137</b>	<b>874,894</b>

Transfers between these accounts and departmental accounts or from one special fund to another are eliminated in arriving at the consolidated totals. See item 10.

Where transactions with respect to a certain government enterprise appear in both revenue and expenditure in the Public Accounts, the lesser of the two is offset against the greater. See item 8.

### Table 5—Amounts Paid to Provincial Governments, Territories and Municipal Corporations

**Fiscal Arrangements**, item 1. These payments were made under the Federal-Provincial Fiscal Arrangements Act and amounted to \$202.7 million

for 1962-63. The decrease of \$277 million in these budgetary charges was due to the change in fiscal arrangements between the Federal and Provincial Governments which had results already outlined above. Under the above Act the Federal Government is still obligated to pay the provinces, where applicable, a tax equalization payment, a provincial stabilization payment and a succession duty payment. Additional grants are also made to Newfoundland and the three Atlantic Provinces. These grants are classified as subsidies in this statement.

**Share of income tax on power utilities**, item 2. The provinces receive a share of the income tax collected by the Government of Canada from corporations whose main business is the distribution to,

or generation for distribution to, the public of electric energy, gas or steam. These payments are not contingent upon a province signing a tax rental agreement.

**Subsidies**, item 3, includes those subsidies paid annually since Confederation under terms of the British North America Act and various additional annual subsidies based on fiscal need which have been introduced over the years. It also includes the Atlantic Provinces Adjustment Grants of \$35 million introduced in 1958-59, to be paid annually until 1966-67, and the transitional and additional grants paid to Newfoundland under the Terms of Union.

Items 1 to 3 are unconditional grants, i.e., the provinces may use the revenue so obtained for any purpose. These federal expenditures are classified on Table 2 in items 56 to 58.

On the other hand, **grants-in-aid and shared-cost contributions** are directly related to and contingent upon expenditures made by the receiving government. In these statistics such grants are classified according to the nature of the expenditure of the receiving government (provincial or municipal) to which the grant was related. For example, Trans-Canada Highway grants, item 5 on this table, are included in item 13 on Table 2.

Following is a brief survey of the principal grants-in-aid made to the provincial governments:

**Trans-Canada Highway**—In 1950 the federal government commenced making contributions to the provinces of a share of the cost of building a paved trans-Canada highway. Under the original terms, contributions were not to exceed 50% of the cost to a province. In order to accelerate the completion of the highway, increased grants were arranged in 1956. Federal grants up to March 31, 1963, amounted to \$374 million.

**Roads leading to resources**—In 1958-59 the first payments under a programme to assist the provinces in the development of roads leading to resources were made. Expenditures up to March 31, 1963, under this programme were nearly \$45 million in which all provinces shared.

**Hospital insurance and diagnostic services**—In 1958-59 the federal government commenced payments amounting to approximately half the costs of provincial programmes for the provision of hospital insurance and laboratory and other diagnostic services to the general population. Agreements with the provinces covered the period from July 1, 1958, for Newfoundland, Manitoba, Saskatchewan, Alberta and British Columbia, and from January 1, 1959, for Nova Scotia and Ontario. New Brunswick and Prince Edward Island entered agreements on July 1 and October 1, 1959, respectively, and Quebec entered with effect from January 1, 1961. The agreements with the Northwest Territories and Yukon Territory commenced April 1 and July 1, 1960, respectively.

Federal payments in 1958-59 totalled approximately \$55 million, and have risen to almost \$337 million in 1962-63.

**General health grants**—These grants were established in 1948 to encourage the development of adequate provincial health services. Federal expenditures to March 31, 1963, amounted to approximately \$30 million. This total excludes the hospital construction grants (previously included in general health grants but now shown under separate vote) on which, from inception of this program in 1948, federal expenditure to March 31, 1963, amounted to nearly \$183 million.

**Old age assistance**—Sharing of old age pensions to needy persons began in 1927 on a limited scale. From 1952 to 1957 the federal government contributed 50 per cent of not more than \$40 per month to persons aged 65 and over who fulfilled specified residence and income requirements. During 1957-58 the maximum shareable pensions were increased to \$46 and then to \$55 in line with the increases in the Old Age Security payments. The maximum was again raised to \$65 per month effective Feb. 1, 1962. (At 70 years of age all persons who fulfil residence requirements become eligible for the monthly Old Age Security payments introduced January 1, 1952.)

**Unemployment assistance agreements**—In 1956 the Government of Canada agreed to share the cost of assistance paid by provincial and municipal governments to unemployed and unemployable persons. The original agreement provided that when the number of persons in receipt of "assistance" as defined in the Act exceeded 0.45 per cent of the population of the province the federal government would pay 50 per cent of the costs of the excess. An amendment to the Act provided that effective January 1, 1958, the federal government would contribute 50 per cent of all unemployment assistance given by a province or by a municipality. Payments to the ten provinces and the two territories in 1962-63 amounted to approximately \$96 million.

**Vocational training**—Superseding the Vocational Training Co-ordination Act, 1942, a new Act, the Technical and Vocational Training Assistance Act, was passed, effective December 20, 1960, whereby agreements may be entered into with the provinces to provide financial assistance for the development and operation of technical and vocational training facilities and programmes throughout Canada. An amendment authorized agreements with any province for a federal contribution of 75 per cent of capital expenditure on trade and vocational schools, technical institutes and vocational high schools. Earlier vocational training agreements had been in effect since 1939.

**Winter works projects in municipalities**—In an effort to alleviate seasonal unemployment, the federal government in 1958-59 instituted contributions to the provinces, to be passed on in most cases to the municipal governments, amounting to one half the labour costs on certain projects in

municipalities carried out in the winter months. Since a functional breakdown according to the ultimate municipal expenditures on roads, sewers, etc., was not available, the federal share of the costs has been classified as "other" expenditure. Payments to the ten provinces and the two Territories amounted to \$27 million in 1962-63.

A similar table, showing amounts **received** from other governments, appears annually in "Financial Statistics of Provincial Governments", DBS Catalogue No. 68-207. However, because of different accounting systems, the amounts appearing in provincial revenue may differ from the corresponding items in federal expenditure in a given year.

#### **Table 6—Direct and Indirect Debt Less Sinking Funds**

**Direct debt** represents the total liabilities of the Government of Canada less sinking funds. Cash, investments, loans and other assets sometimes offset in arriving at "net debt" statements are not deducted in Table 6.

**Indirect debt** consists of guarantees given by the Government of Canada in respect of the direct debt of other authorities. Excluded from the table is the guarantee of the deposits maintained by chartered banks in the Bank of Canada.

#### **Table 9—Reconciliation of Total Direct Debt Less Sinking Funds with Total Liabilities per Public Accounts**

As in the case of revenue and expenditure, certain "special funds" are consolidated with the statement of assets and liabilities contained in the Public Accounts. Liabilities of the National Capital Commission, the National Battlefields Commission, the National Productivity Council and Atomic Energy of Canada Limited are accordingly added (item 3). The remaining special funds are on the federal balance sheet. The gross statements of the assets and liabilities of "working capital funds" are added and interfund eliminations are made. The liabilities so added (exclusive of the interfund portion) are shown in item 2.

Two types of deductions are made from the Public Accounts' balance sheet totals in these statistics. First, the sinking fund assets are eliminated from assets and offset against bonded debt and trust fund assets are eliminated from assets and offset against other liabilities on Table 6. See items 6 and 7 on Table 9. Secondly, certain items included on the liability side of the Public Accounts' balance sheet are eliminated from liabilities and offset against deficit on Table 7. These are mainly amounts which are not considered as direct liabilities to the public, being rather government funds to be credited to revenue in a later period (deferred revenue) or to be spent in a later period for a specific purpose (reserves and unexpended balances). In addition, the principal value of certain annual payments to some of the provincial governments is eliminated from liabilities and offset against deficit.

#### **Tables 10 to 13—Analyses of Bonded Debt**

These tables provide analyses of bonded debt outstanding at the fiscal year end, and changes during the fiscal year under review, as follows:

1. By place of payment (Table 10)
2. By interest rate (Table 11)
3. By term of issue (Table 12)
4. By year of maturity (Table 13)

#### **Table 14—Redemption Features of Bonded Debt**

Whereas Tables 12 and 13 are prepared using the final maturity year, it is significant that certain issues may be retired earlier.

Those issues having call provisions are analysed twice on this table, first by the year of maturity and secondly by earliest call year.

#### **Table 15—Functional-economic Cross-classification of Gross General Expenditure**

This table shows gross general expenditure by function, as appearing in Table 2 of this report, reclassified according to economic categories.

For a number of years, the Government Finance Section has analysed federal expenditures by "function" and also separately by "economic" categories. The functional analysis has enabled one to study the types of services being provided by, or assisted by, government, e.g., health, education, roads, etc. The "economic" or "National Accounts" analysis relates total government expenditures to the other sectors of the whole economy by showing expenditures on goods and services, subsidies, transfer payments, etc.

This table breaks down each functional category in terms of economic categories. For example, the functional item "lands: settlement and agriculture", line 42, is broken down into salaries and wages paid to federal government employees; other costs of administering federal agricultural services, e.g., office supplies, expenditures on repairs and maintenance; transfer payments, e.g., payments to farmers in years of crop failures; subsidies, e.g., assistance re storage costs on grain; transfers to other levels of government, e.g., payments under the agricultural line assistance programme; and other items not relevant to the National Accounts analyses, e.g., purchase of land.

Following is a brief description of the various economic categories.

**1. Salaries and wages**—The compilation of salaries and wages by function was prepared by the Government Employment and Payrolls Section. It includes those expenditures on salaries and wages charged to budgetary expenditures, plus any paid out of the special funds listed on page 13 of this report, less those paid to postal employees. The Post Office is treated as a government enterprise in the economic or National Accounts presentation of government and hence all Post Office expenditures are offset against postal revenue in that series.

Overtime and retroactive pay increases are included in the year in which the payments were made; since the functional breakdown of these was not available, they are included in "other expenditure" in the functional analysis. Monthly data on numbers and earnings of federal government employees, classified by function and also by administrative branches, are published in DBS Catalogue No. 72-004.

**2. Other expenditures on goods and services —**

These consist of current expenditures such as purchase of office supplies, travelling expenses, etc., and also capital expenditures such as construction of government buildings by contractors. Items 1 and 2 together form the bulk of one of the main components of Gross National Expenditure, viz. Government expenditure on goods and services.

**3. Transfer payments —**

They consist of payments for which no direct service was rendered by the recipient. Two of the major transfer payments at the federal government level are the old age security payments, column (c), line 24, and family allowance payments, column (c), line 27. Also included in this category are transfers to private non-commercial organizations and institutions such as universities, hospitals, health associations, etc., and interest on the public debt.

**4. Subsidies to business —**

These consist mainly of production and consumption subsidies made with a view to price stabilization. Such payments are usually made in order that the consumer may benefit from lower prices, but occasionally the purpose may be to protect the producer against a decline in the price of his product.

**5. Transfers to other levels of government —**

These are shown in great detail in Table 5 of this report. See the commentary on page 13 for a description of the types of items included therein.

**6. Other items —** These are expenditures which do not enter into the National Accounts tables. Included herein are purchases of land and used fixed assets; such expenditures do not represent production, but merely transfer of ownership of existing assets. Capital assistance to industry is also shown here, since in the National Accounts framework, the gross capital expenditures made by industry are already included in the category "business gross fixed capital formation". Also included here are items to be offset against revenue in the National Accounts presentation, such as deficits of government business enterprises, and the cost of writing down the value of assets.

The totals of the economic categories shown in columns (a) to (e) of Table 15 of this report will not agree with those appearing in Tables 43 to 46 of the annual "National Accounts—Income and Expenditure", DBS Catalogue No. 13-201. There are a number of reasons for these differences. For example, in the National Accounts, expenditures are adjusted from a fiscal year to a calendar year basis by examining the January to March transactions of successive years. Furthermore, "government" in the National Accounts is somewhat broader in coverage than "government" in the functional analysis series. Although both analyses include the transactions of the Old Age Security Fund and other special funds, only the National Accounts tables include the transfer payments out of the extra-budgetary funds such as Unemployment Insurance Fund and the pension payments out of the Public Service Superannuation Account. The functional analysis includes only the government contributions to such funds. Certain imputed items are included in the National Accounts government tables, e.g., imputed rent on government owned buildings and imputed banking services are added to government expenditures on goods and services.

April 8, 1965.

TABLE 1. General Revenue for Fiscal Year Ended March 31, 1963

No.	Source	Gross <sup>1</sup>	Net <sup>1</sup>
		thousands of dollars	
	Taxes:		
	Income:		
1	Corporations <sup>2</sup> .....	1,298,087	1,298,087
2	Individuals <sup>2</sup> .....	2,018,276	2,018,276
3	Interest, dividends, and other income going abroad .....	129,137	129,137
4	General sales <sup>2</sup> .....	1,108,210	1,108,210
	Excise duties and special excise taxes:		
5	Alcoholic beverages.....	219,814	219,814
6	Tobacco .....	383,553	383,553
7	Other commodities and services.....	37,889	37,889
8	Customs import duties .....	644,992	644,992
9	Estate taxes .....	87,143	87,143
10	Other <sup>3</sup> .....	491	491
11	<b>Total taxes .....</b>	<b>5,927,592</b>	<b>5,927,592</b>
	Privileges, licenses and permits:		
12	Natural resources .....	3,928	3,928
13	Other.....	22,715	22,548
	Sales and services:		
14	Institutional.....	2,141	—
15	Other.....	62,617	62,617
16	Fines and penalties .....	1,213	1,213
17	Interest.....	165,504	—
	Foreign exchange:		
18	Exchange fund profits .....	35,227	35,227
19	Other.....	268	—
20	Shared-cost contributions from provincial governments .....	350	—
21	Receipts from government enterprises <sup>4</sup> .....	107,084	107,084
22	Bullion and coinage .....	9,706	9,706
23	Postal service.....	222,359	222,359
24	Other revenue .....	11,979	11,979
25	<b>Sub-total items 11 to 24.....</b>	<b>6,572,683</b>	<b>6,404,253</b>
	Non-revenue and surplus receipts:		
26	Refunds of previous years' expenditure .....	22,334	22,334
27	Other.....	417	417
28	<b>Total general revenue (gross and net).....</b>	<b>6,595,434</b>	<b>6,427,004</b>

<sup>1</sup> See Introduction, page 12, for an explanation of method used to arrive at net presentation from gross.

<sup>2</sup> Includes old age security taxes.

<sup>3</sup> Includes duty assessed for the export of electric power 463.

<sup>4</sup> See Introduction, page 10, for breakdown.

TABLE 2. General Expenditure for Fiscal Year Ended March 31, 1963

No.	Function	Gross <sup>1</sup>	Net <sup>1</sup>
		1687 thousands of dollars	
1	Defence services and mutual aid .....	1,596,146	1,596,134
2	Veterans' pensions and other benefits .....	337,761	337,761
	General government:		
3	Executive and administrative .....	256,768	256,768
4	Legislative .....	20,634	20,634
5	Research, planning and statistics .....	12,138	12,138
6	Total general government .....	289,540	289,540
	Protection of persons and property:		
7	Law enforcement .....	8,383	8,383
8	Corrections .....	24,712	24,126
9	Police protection .....	52,967	52,967
10	Other .....	9,931	9,931
11	Total protection of persons and property .....	95,993	95,407
	Transportation:		
12	Air .....	86,912	86,912
13	Road .....	74,131	74,131
14	Rail .....	104,164	104,164
15	Water .....	135,234	135,234
16	Other .....	3,714	3,714
17	Total transportation .....	404,155	404,155
18	Communications (telephone, telegraph and wireless) .....	30,449	30,449
	Health:		
19	General .....	7,711	7,711
20	Public health .....	37,780	37,780
21	Medical, dental and allied services .....	8,706	8,706
22	Hospital care .....	371,835	371,179
23	Total health .....	426,032	425,376
	Social welfare:		
24	Aid to aged persons <sup>2</sup> .....	772,732	772,732
25	Aid to blind persons .....	4,951	4,951
26	Aid to unemployed employables and unemployables .....	116,111	116,111
27	Family allowances .....	534,634 ✓	534,634
28	Labour .....	3,283	3,283
29	National employment and unemployment insurance services .....	106,387	106,387
30	Other .....	26,945	26,945
31	Total social welfare .....	1,565,043	1,565,043
	Recreational and cultural services:		
32	Archives, art galleries, museums and libraries .....	3,335	3,335
33	Parks .....	19,303	19,303
34	Other .....	9,753	9,753
35	Total recreational and cultural services .....	32,391	32,391

See footnotes at end of table.

15650  
3778  
17628

**TABLE 2. General Expenditure for Fiscal Year Ended March 31, 1963 - Concluded**

No.	Function	Gross <sup>1</sup>	Net <sup>1</sup>
		thousands of dollars	
	Education:		
36	Indian and Eskimo schools .....	36,895	36,895
37	Universities, colleges and other schools .....	234,775	234,775
38	Other .....	3,264	3,264
39	<b>Total education .....</b>	<b>274,934</b>	<b>274,934</b>
	Natural resources and primary industries:		
40	Fish and game .....	23,970	23,970
41	Forests .....	16,620	16,620
42	Lands: settlement and agriculture .....	241,277	240,244
43	Minerals and mines .....	49,347	49,051
44	Water resources .....	5,542	5,488
45	Other .....	21,722	21,722
46	<b>Total natural resources and primary industries .....</b>	<b>358,478</b>	<b>357,095</b>
47	Trade and industrial development .....	15,757	15,757
48	National capital area planning and development .....	18,389	18,389
49	Loss on foreign exchange .....	9,383	9,115
	Debt charges (excluding debt retirement):		
50	Commission on bond or debenture sales and other management charges .....	16,111	16,111
51	Amortization of bond discount .....	17,783	17,783
52	Interest .....	881,597	716,093
53	Other .....	4,953	4,953
54	<b>Total debt charges (excluding debt retirement) .....</b>	<b>920,444</b>	<b>754,940</b>
55	<b>Payments to government enterprises<sup>3</sup> .....</b>	<b>155,301</b>	<b>155,301</b>
	Payments to provincial and municipal governments:		
	Provincial:		
56	Federal-provincial fiscal arrangements .....	202,295	202,295
57	Share of income tax on power utilities .....	10,000	10,000
58	Subsidies .....	66,471	66,471
	Municipal:		
59	Grants in lieu of taxes .....	29,947	29,947
60	<b>Total payments to provincial and municipal governments<sup>4</sup> .....</b>	<b>308,713</b>	<b>308,713</b>
	Other expenditure:		
61	Citizenship and immigration .....	17,042	17,042
62	External affairs .....	22,516	22,516
63	International co-operation and assistance .....	56,892	56,892
64	Postal service .....	218,828	218,828
65	Royal Canadian Mint .....	1,978 —	1,978
66	Housing research and slum clearance .....	4,287	4,287
67	Civil defence .....	9,193	9,172
68	Winter works projects .....	27,054	27,054
69	Other .....	105,699	105,699
70	<b>Total other expenditure .....</b>	<b>463,489</b>	<b>463,468</b>
71	<b>Sub-totals .....</b>	<b>7,302,398</b>	<b>7,133,968</b>
	Non-expense and surplus payments:		
72	Refunds of previous years' revenue .....	82	82
73	Other .....	34,344	34,344
74	<b>Total general expenditure (gross and net) .....</b>	<b>7,336,824</b>	<b>7,168,394</b>

<sup>1</sup> See Introduction, page 12, for an explanation of method used to arrive at net presentation from gross.

<sup>2</sup> Includes pensions paid from Old Age Security Fund.

<sup>3</sup> See Introduction, page 10, for breakdown.

<sup>4</sup> These are unconditional payments. Grants for specific purposes are classified by function. See Table 5 for details of grants-in-aid and shared-cost contributions included in general expenditure.

**TABLE 3. Reconciliation of Gross and Net General Revenue with Revenue per Public Accounts for Fiscal Year Ended March 31, 1963**

No.	Item	Thousands of dollars
1	<b>Revenue per Public Accounts</b> .....	<b>5,878,709</b>
	To arrive at "gross general revenue"	
	Add:	
2	Revenue of administrative or special funds .....	825,137
3	Revenue deducted from expenditure in public accounts .....	4,661
4	Expenditure deducted from revenue in public accounts .....	30,340
5	<b>Total additions</b> .....	<b>860,138</b>
	Deduct:	
6	Refunds of current year's expenditure included in revenue in public accounts .....	16,837
7	Working capital fund profits .....	494
8	Amount to adjust government enterprises to a "net" basis .....	3,616
9	Employees' contributions under sundry pension plans .....	325
10	Interfund amounts .....	122,141
11	<b>Total deductions</b> .....	<b>143,413</b>
12	<b>Total gross general revenue</b> .....	<b>6,595,434</b>
	To arrive at "net general revenue"	
	Deduct:	
13	Interest revenue .....	165,504
14	Foreign exchange revenue .....	268
15	Shared-cost contributions from provincial governments .....	350
16	Institutional revenue .....	2,308
17	<b>Sub-total items 13 to 16</b> .....	<b>168,430</b>
18	<b>Total net general revenue</b> .....	<b>6,427,004</b>

**TABLE 4. Reconciliation of Gross and Net General Expenditure with Expenditure per Public Accounts for Fiscal Year Ended March 31, 1963**

No.	Item	Thousands of dollars
1	<b>Expenditure per Public Accounts</b> .....	<b>6,570,342</b>
	To arrive at "gross general expenditure"	
	Add:	
2	Expenditure of administrative or special funds .....	874,894
3	Revenue deducted from expenditure in public accounts .....	4,661
4	Expenditure deducted from revenue in public accounts .....	30,340
5	<b>Total additions</b> .....	<b>909,895</b>
	Deduct:	
6	Refunds of current year's expenditure included in revenue in public accounts .....	16,837
7	Working capital fund profits .....	494
8	Amount to adjust government enterprises to a "net" basis .....	3,616
9	Employees' contributions under sundry pension plans .....	325
10	Interfund amounts .....	122,141
11	<b>Total deductions</b> .....	<b>143,413</b>
12	<b>Total gross general expenditure</b> .....	<b>7,336,824</b>
	To arrive at "net general expenditure"	
	Deduct:	
13	Interest revenue .....	165,504
14	Foreign exchange revenue .....	268
15	Shared-cost contributions from provincial governments .....	350
16	Institutional revenue .....	2,308
17	<b>Sub-total items 13 to 16</b> .....	<b>168,430</b>
18	<b>Total net general expenditure</b> .....	<b>7,168,394</b>

**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1963**

No.	Function	Nfld.	P.E.I.	N.S.	N.B.
		thousands of dollars			
	Provincial governments and territories:				
1	Federal-provincial fiscal arrangements .....	13,919	3,227	23,294	16,838
2	Share of income tax on power utilities .....	170	52	479	40
3	Subsidies .....	20,156 <sup>2</sup>	4,157 <sup>3</sup>	12,632 <sup>3</sup>	12,245 <sup>3</sup>
4	Sub-total items 1 to 3 .....	34,245	7,436	36,405	29,123
	Grants-in-aid and shared-cost contributions:				
	Transportation:				
	Road:				
5	Trans-Canada highway .....	1,043	66	1,125	1,585
6	Roads leading to resources .....	724	904	900	906
7	Railway grade crossing fund .....	—	—	122	302
8	Other .....	—	—	91	86
9	Water .....	—	—	15	—
10	Other .....	—	200	—	—
11	Total transportation .....	1,767	1,170	2,253	2,879
	Health:				
12	Hospital insurance and diagnostic services .....	7,473	1,674	13,520	10,895
13	Hospital construction .....	633	134	1,319	700
	General health grants:				
14	General public health .....	358	171	614	490
15	Tuberculosis control .....	139	29	140	125
16	Mental health .....	210	74	368	296
17	Professional training .....	90	15	81	52
18	Cancer control .....	13	16	59	125
19	Public health research .....	—	—	62	—
20	Medical rehabilitation and crippled children .....	57	11	63	79
21	Child and maternal health .....	43	11	52	35
22	Other .....	2	1	9	7
23	Total health .....	9,018	2,136	16,287	12,804
	Social welfare:				
24	Old age assistance .....	1,987	375	2,008	2,066
25	Blind persons' allowances .....	247	47	450	410
26	Disabled persons' allowances .....	533	312	1,114	791
27	Unemployment assistance .....	4,303	194	1,585	1,607
28	Other .....	22	3	30	64
29	Total social welfare .....	7,092	931	5,187	4,938
	Recreational and cultural services:				
30	Campground and picnic area developments .....	—	—	—	32
31	Fitness and amateur sport .....	31	31	31	27
32	Total recreational and cultural services .....	31	31	31	59
	Education:				
	Technical and vocational training:				
33	Capital assistance to trade schools, etc. ....	12,932	825	2,608	1,853
34	Vocational high school training .....	7	28	178	94
35	Technician training .....	—	—	15	33
36	Trade and other occupational training .....	61	23	148	252
37	Apprenticeship training .....	53	—	128	90
38	Assistance to students .....	8	6	10	15
39	Training of unemployed workers .....	114	88	417	206
40	Training of disabled persons .....	9	3	87	52
41	Other .....	10	2	44	28
42	Citizenship and language instruction for immigrants ..	—	2	1	—
43	Other .....	—	—	—	—
44	Total education .....	13,194	977	3,636	2,623

See footnotes at end of table.

**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1963**

Que.	Ont.	Man.	Sask.	Alta.	B.C.	Sub-total	Yukon	N.W.T.	Total	No.
thousands of dollars										
77,859	- 177	18,712	28,380	14,218	2,502	198,772	1,346 <sup>1</sup>	2,177 <sup>1</sup>	202,295	1
4,481	968	47	26	2,647	1,090	10,000	-	-	10,000	2
3,964	4,624	2,089	2,116	2,816	1,672	66,471	-	-	66,471	3
<b>86,304</b>	<b>5,415</b>	<b>20,848</b>	<b>30,522</b>	<b>19,681</b>	<b>5,264</b>	<b>275,243</b>	<b>1,346</b>	<b>2,177</b>	<b>278,766</b>	<b>4</b>
9,622	4,911	500	48	10	10,300	29,210	-	-	29,210	5
2,281	1,391	667	582	869	1,142	10,366	-	-	10,366	6
152	1,402	57	98	481	214	2,828	-	-	2,828	7
971	17	-	-	-	316	1,481	-	-	1,481	8
-	-	-	-	-	-	15	-	-	15	9
-	-	-	-	-	-	200	-	-	200	10
<b>13,026</b>	<b>7,721</b>	<b>1,224</b>	<b>728</b>	<b>1,360</b>	<b>11,972</b>	<b>44,100</b>	-	-	<b>44,100</b>	<b>11</b>
88,714	122,103	17,349	18,278	25,785	30,049	335,840	310	523	336,673	12
5,786	6,558	825	881	1,694	1,464	19,994	-	6	20,000	13
1,923	3,275	685	603	1,070	1,173	10,362	-	63	10,425	14
1,238	714	166	136	210	240	3,137	9	6	3,152	15
2,331	2,554	422	378	644	625	7,902	21	-	7,923	16
501	410	50	67	134	112	1,512	-	-	1,512	17
586	1,170	180	182	257	308	2,896	-	2	2,898	18
562	529	57	38	98	104	1,450	-	8	1,458	19
628	212	109	124	110	187	1,580	-	1	1,581	20
501	366	79	70	93	96	1,346	-	-	1,346	21
44	30	15	3	6	7	124	114 <sup>4</sup>	390 <sup>4</sup>	628	22
<b>102,814</b>	<b>137,921</b>	<b>19,937</b>	<b>20,760</b>	<b>30,101</b>	<b>34,365</b>	<b>386,143</b>	<b>454</b>	<b>999</b>	<b>387,596</b>	<b>23</b>
13,794	8,458	2,002	2,221	2,524	2,675	38,110	15	54	38,179	24
1,663	992	214	241	272	320	4,856	2	24	4,882	25
8,578	5,537	578	631	697	853	19,624	2	8	19,634	26
33,580	23,794	4,625	4,558	6,202	15,940	96,388	45	44	96,477	27
-	137	141	67	31	31	526	-	-	526	28
<b>57,615</b>	<b>38,918</b>	<b>7,560</b>	<b>7,718</b>	<b>9,726</b>	<b>19,819</b>	<b>159,504</b>	<b>64</b>	<b>130</b>	<b>159,698</b>	<b>29</b>
-	535	153	104	166	282	1,272	15	13	1,300	30
-	51	37	35	35	35	313	21	22	356	31
-	<b>586</b>	<b>190</b>	<b>139</b>	<b>201</b>	<b>317</b>	<b>1,585</b>	<b>36</b>	<b>35</b>	<b>1,656</b>	<b>32</b>
7,391	119,357	3,123	4,363	22,167	4,421	179,040	526	61	179,627	33
-	841	155	166	213	239	1,921	9	-	1,930	34
5,445	948	6	117	209	15	6,788	-	6	6,794	35
5,380	544	49	196	1,016	474	8,143	9	21	8,173	36
-	626	99	152	526	497	2,171	-	1	2,172	37
100	100	7	30	10	30	316	-	3	319	38
1,655	3,928	265	281	252	541	7,747	-	4	7,751	39
299	215	36	32	7	9	749	-	-	749	40
142	72	5	13	60	24	400	-	-	400	41
-	180	7	11	1	13	215	1	-	216	42
-	-	-	-	-	-	-	327	-	327	43
<b>20,412</b>	<b>126,811</b>	<b>3,752</b>	<b>5,361</b>	<b>24,461</b>	<b>6,263</b>	<b>207,490</b>	<b>872</b>	<b>96</b>	<b>208,458</b>	<b>44</b>

**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1963 - Concluded**

No.	Function	Nfld.	P.E.I.	N.S.	N.B.
		thousands of dollars			
	Provincial governments and territories—Concluded:				
	Grants-in-aid and shared-cost contributions—Concluded:				
	Natural resources:				
	Fish and game:				
45	Registered traplines .....	—	—	—	—
46	Construction of vessels .....	36	—	168	122
	Forests:				
47	Forest inventories, reforestation, forest fire protection and forest access road construction .....	159	40	148	221
48	Bud worm control .....	—	—	—	190
49	Forest stand improvement .....	—	—	236	—
	Lands:				
	Settlement and agriculture:				
50	Agricultural lime assistance .....	12	69	83	90
51	4-H clubs .....	2	2	5	7
52	Transport of fodder, equipment and cattle .....	—	—	—	—
53	Farm labour agreements .....	—	5	9	5
54	Agricultural rehabilitation and development .....	—	15	30	62
55	Crop insurance .....	—	8	—	—
56	Other .....	14	4	1	3
57	Other .....	—	—	—	—
58	<b>Total natural resources .....</b>	<b>223</b>	<b>143</b>	<b>680</b>	<b>700</b>
	Other:				
59	Civil defence .....	30	17	204	138
60	Winter works projects in municipalities .....	318	110	80	314
61	Grants to research councils .....	—	—	15	—
62	Other .....	—	—	—	—
63	<b>Total other .....</b>	<b>348</b>	<b>127</b>	<b>299</b>	<b>452</b>
64	<b>Total grants-in-aid and shared-cost contributions .....</b>	<b>31,673</b>	<b>5,515</b>	<b>28,373</b>	<b>24,455</b>
65	<b>Total amounts paid to provincial governments and territories .....</b>	<b>65,918</b>	<b>12,951</b>	<b>64,778</b>	<b>53,578</b>
	Municipal corporations:				
66	Grants in lieu of taxes on federal property .....	157	123	2,096	910
	Grants-in-aid and shared-cost contributions:				
	Transportation:				
67	Air .....	—	—	4	35
68	Road .....	—	—	—	—
69	Water .....	—	—	—	—
70	Health .....	—	2	—	1
71	Schools operated by local authorities .....	—	—	—	—
72	Slum clearance .....	—	—	284	636
73	Other .....	—	—	—	—
74	Special grants .....	—	—	—	1,489 <sup>7</sup>
75	<b>Total amounts paid to municipal corporations .....</b>	<b>157</b>	<b>125</b>	<b>2,384</b>	<b>3,071</b>
76	<b>Grand total amounts paid to provincial governments, territories and municipal corporations ..</b>	<b>66,075</b>	<b>13,076</b>	<b>67,162</b>	<b>56,649</b>

<sup>1</sup> Federal tax abstention grant.

<sup>2</sup> Consists of Atlantic Provinces adjustment grant 10,500, additional subsidy 8,000, and annual statutory subsidies 1,656.

<sup>3</sup> Includes Atlantic Provinces adjustment grants: P.E.I. 3,500; N.S. 10,500; N.B. 10,500.

<sup>4</sup> Grants for hospital care of Indians and Eskimos.

<sup>5</sup> Conservation and control of water resources.

**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1963 - Concluded**

Que.	Ont.	Man.	Sask.	Alta.	B.C.	Sub-total	Yukon	N.W.T.	Total	No.
thousands of dollars										
—	78	—	34	—	—	112	—	—	112	45
174	—	—	—	—	—	500	—	—	500	46
1,579	1,615	497	367	1,009	1,804	7,439	—	—	7,439	47
—	—	—	—	—	—	190	—	—	190	48
—	—	—	—	—	—	236	—	—	236	49
2,099	43	—	—	—	75	2,471	—	—	2,471	50
10	62	12	6	14	—	120	—	—	120	51
—	—	46	599	62	—	707	—	—	707	52
24	10	16	19	57	9	154	—	—	154	53
217	—	56	162	—	—	542	—	—	542	54
—	—	230	61	—	—	299	—	—	299	55
7	21	91	70	24	3	238	—	—	238	56
—	1,152 <sup>5</sup>	1,945 <sup>5</sup>	—	—	42	3,139	—	55	3,194	57
4,110	2,981	2,893	1,318	1,166	1,933	16,147	—	55	16,202	58
670	1,324	218	166	475	568	3,810	—	—	3,810	59
11,548	5,519	754	1,994	2,952	3,363	26,952	2	19	26,973	60
—	53	—	15	23	22	128	—	—	128	61
—	—	—	—	—	—	—	25	—	25	62
12,218	6,896	972	2,175	3,450	3,953	30,890	27	19	30,936	63
210,195	321,834	36,528	38,199	70,465	78,622	845,859	1,453	1,334	848,646	64
296,499	327,249	57,376	68,721	90,146	83,886	1,121,102	2,799	3,511	1,127,412	65
5,014	15,200	1,446	939	1,710	2,229	29,824	73	50	29,947	66
8	—	17	13	10	68	155	—	—	155	67
—	4,468	162	—	1,042	234	5,906	—	—	5,906	68
—	19	—	—	—	154 <sup>6</sup>	173	—	—	173	69
35	3,157	56	183	206	358	3,998	—	—	3,998	70
507	355	121	163	180	178	1,504	—	—	1,504	71
—	2,876	—	—	—	426	4,222	—	—	4,222	72
—	6	—	—	—	—	6	—	—	6	73
—	199 <sup>8</sup>	—	—	—	—	1,688	—	—	1,688	74
5,564	26,280	1,802	1,298	3,148	3,647	47,476	73	50	47,599	75
302,063	353,529	59,178	70,019	93,294	87,533	1,168,578	2,872	3,561	1,175,011	76

<sup>6</sup> Consists of payment for constructing a ferry dock 104, and contributions in respect of bank protection on the Fraser River 50.

<sup>7</sup> Financial assistance to the town of Oromocto. (Classified in Table 2 as "Defence services and mutual aid".)

<sup>8</sup> Grant to city of Ottawa re interest on debentures issued to finance certain sewer and waterworks projects undertaken in advance of normal construction. (Classified in Table 2 as "National capital area planning and development".)

**TABLE 6. Direct and Indirect Debt Less Sinking Funds as at March 31, 1963**

No.	Item	Thousands of dollars
<b>Direct</b>		
1	Bonded debt .....	15,796,836
2	Deduct sinking funds.....	- 22,312
3	Item 1 less item 2 .....	15,774,524
4	Short-term treasury bills .....	2,165,000
5	Accounts and other payables .....	1,468,897
6	Annuity, insurance and pension accounts .....	4,748,506
7	Other liabilities .....	416,767
8	<b>Total direct debt less sinking funds<sup>1</sup></b> .....	<b>24,573,694</b>
<b>Indirect</b>		
9	Guaranteed bonds or debentures .....	1,381,361
10	Deduct sinking funds.....	-
11	Item 9 less item 10 .....	1,381,361
12	Guaranteed bank loans .....	141,353
Other guarantees:		
13	Loans by lenders under Part IV of the National Housing Act, 1954 .....	12,976
14	Insured loans by approved lenders under the National Housing Act, 1954.....	4,123,000
15	Insurance guarantees and long-term financing under the Export Credits Insurance Act ..	333,646
16	<b>Total indirect debt less sinking funds<sup>2</sup></b> .....	<b>5,992,336</b>
17	<b>Total direct and indirect debt less sinking funds</b> .....	<b>30,566,030</b>
18	<b>Direct debt (item 8) per capita<sup>3</sup></b> .....	<b>\$ 1,300</b>
19	<b>Indirect debt (item 16) per capita<sup>3</sup></b> .....	<b>\$ 317</b>

<sup>1</sup> See Table 9 for reconciliation with total liabilities per Public Accounts.

<sup>2</sup> Excludes deposits maintained by chartered banks in the Bank of Canada 741,870.

<sup>3</sup> Based on population at June 1, 1963, estimated by the Census Division to be 18,896.

**TABLE 7. Assets Offsetting Direct Debt as at March 31, 1963**

No.	Item	Thousands of dollars
1	Cash.....	551,713
2	Advances to the exchange fund account.....	2,736,000
Loans to and investments in:		
3	Own government enterprises.....	4,394,648
4	International organizations.....	693,997
5	Other investments .....	33,556
Other receivables:		
6	Provincial governments.....	152,201
7	Municipal governments .....	9,664
8	Foreign governments .....	1,291,057
9	Other .....	318,564
10	Other assets including prepaid and deferred charges.....	1,289,729
11	Deficit less surplus, reserves, unexpended balances and deferred revenue.....	13,102,565
12	<b>Total represented by direct debt</b> .....	<b>24,573,694</b>

**TABLE 8. Analysis of Indirect Debt by Issuing Authority as at March 31, 1963**

No.	Item	Thousands of dollars
	By issuing authority:	
	Bonds or debentures of:	
1	Own government enterprises .....	1,381,361
2	Other .....	—
	Bank loans of:	
3	Own government enterprises .....	80,334
4	Other .....	61,019
5	Other guarantees .....	4,469,622
6	<b>Total indirect debt less sinking funds per Table 6 item 16 .....</b>	<b>5,992,336</b>

**TABLE 9. Reconciliation of Total Direct Debt Less Sinking Funds with Total Liabilities per Public Accounts as at March 31, 1963**

No.	Item	Thousands of dollars
1	<b>Total liabilities per Public Accounts .....</b>	<b>24,799,280</b>
	Additions:	
2	Working capital fund liabilities .....	25,666
3	Special fund liabilities .....	6,363
4	Payables offset against assets .....	27,545
5	<b>Total additions .....</b>	<b>59,574</b>
	Deductions:	
6	Sinking funds and other investments held for retirement of unmatured bonded debt <sup>1</sup> .....	22,312
7	Trust fund assets <sup>1</sup> .....	26,279
	Other: <sup>2</sup>	
	Deferred revenue and reserves:	
8	Deferred credits .....	107,739
9	Suspense accounts .....	2,318
	Unexpended balances of special funds:	
10	Replacement of materiel account .....	1,122
11	Colombo plan fund .....	85,325
12	National capital fund .....	6,776
13	National centennial fund .....	1,000
14	Railway grade crossing fund .....	26,703
15	Defence research board — Extramural research grants .....	74
16	National research council — Special fund .....	2,013
17	Fraser River bridge — Maintenance account .....	598
18	Miscellaneous .....	223
19	Common school funds — Ontario and Quebec .....	2,678
20	<b>Total deductions .....</b>	<b>285,160</b>
21	<b>Total direct debt less sinking funds per Table 6 item 8 .....</b>	<b>24,573,694</b>

<sup>1</sup> Deducted from assets per Public Accounts and offset against liabilities in these statistics.

<sup>2</sup> Deducted from liabilities per Public Accounts and offset against deficit in these statistics, in item 11 on Table 7.

TABLE 10. Bonded Debt by Place of Payment

Where payable	As at March 31, 1962	Changes during fiscal year ended March 31, 1963		As at March 31, 1963
		New issues	Retirements	
		thousands of dollars		
Canada .....	14,930,570	3,834,407	3,379,130	15,385,847
New York .....	98,175	278,230	—	376,405
London (England) .....	31,991	2,593	—	34,584
<b>Total bonded debt .....</b>	<b>15,060,736</b>	<b>4,115,230</b>	<b>3,379,130</b>	<b>15,796,836</b>
Population (000's) .....	18,570 <sup>1</sup>	—	—	18,896 <sup>2</sup>
Bonded debt per capita (\$) .....	811	—	—	836

<sup>1</sup> As at June 1, 1962, per estimate made by Census Division.

<sup>2</sup> As at June 1, 1963, per estimate made by Census Division.

TABLE 11. Bonded Debt by Interest Rate

Rate of interest %	As at March 31, 1962	Changes during fiscal year ended March 31, 1963		As at March 31, 1963
		New issues	Retirements	
thousands of dollars				
2% .....	881,756	107,960	—	989,716
3 .....	1,178,234	2,433	625,000	555,667
3¼ .....	959,855	125,160	40,218	1,044,797
3½ .....	599,287	575,000	399,287	775,000
3¾ .....	1,858,893	100,000	104,444	1,854,449
4 .....	1,000,000	62,000	162,000	900,000
4¼ .....	1,627,228	200,000	160,025	1,667,203
4½ .....	2,202,929	—	35,250	2,167,679
5 .....	—	270,270	—	270,270
5½ .....	—	24,000	12,500	11,500
5½ .....	943,452	935,999	740,090	1,139,361
3¼ - 4 <sup>1</sup> .....	90,514	—	24,298	66,216
3¼ - 4¾ <sup>2</sup> .....	660,371	—	156,470	503,901
3½ - 4¼ <sup>3</sup> .....	260,734	—	99,927	160,807
4 - 5 <sup>4</sup> .....	1,824,598	—	282,413	1,542,185
4¼ - 5 <sup>5</sup> .....	972,885	78,599	537,208	514,276
4½ - 5½ <sup>6</sup> .....	—	1,633,809	—	1,633,809
Total bonded debt .....	15,060,736	4,115,230	3,379,130	15,796,836
Average interest rate (%) .....	4.01	—	—	4.13

<sup>1</sup> Canada Savings Bonds issued in 1956. Interest is payable at the rate of 4% per annum to maturity in 1969.

<sup>2</sup> Canada Savings Bonds issued in 1957. Interest is payable at the rate of 4¼% per annum to maturity in 1970.

<sup>3</sup> Canada Savings Bonds issued in 1958. Interest is payable at the rate of 4¾% per annum to maturity in 1973.

<sup>4</sup> Canada Savings Bonds issued in 1959 and 1960. For the 1959 series, interest is payable at the rate of 5% per annum to maturity in 1968. For the 1960 series, interest is payable at the rate of 4½% per annum to November 1, 1963, thereafter at 4¾% per annum to November 1, 1964 and thereafter at 5% per annum to maturity in 1970.

<sup>5</sup> Canada Savings Bonds issued in 1961. Interest is payable at the rate of 4½% per annum to November 1, 1968, and thereafter at 5% per annum to maturity in 1971.

<sup>6</sup> Canada Savings Bonds issued in 1962. Interest is payable at the rate of 4¼% per annum to November 1, 1965, thereafter at 5% per annum to November 1, 1968, and thereafter at 5½% per annum to maturity in 1976.

TABLE 12. Bonded Debt by Term of Issue

Term in years <sup>1</sup>	As at March 31, 1962	Changes during fiscal year ended March 31, 1963		As at March 31, 1963
		New issues	Retirements	
thousands of dollars				
1 .....	735,000	225,000	435,000	525,000
1½ .....	365,000	—	190,000	175,000
2 .....	375,000	350,000	375,000	350,000
2½ .....	140,000	50,000	140,000	50,000
3 .....	1,866,317	225,000	703,515	1,387,802
4 .....	100,000	—	100,000	—
5 .....	175,000	250,000	—	425,000
5½ .....	100,000	—	—	100,000
6 .....	100,000	—	—	100,000
6½ .....	—	100,000	—	100,000
7 .....	1,265,891	80,000	—	1,345,891
9 .....	1,205,335	—	96,780	1,108,555
10 .....	1,672,148	78,599	722,841	1,027,906
11 .....	50,465	—	31,262	19,203
12 .....	395,605	—	53,842	341,763
12½ .....	90,514	—	24,298	66,216
13 .....	660,371	—	156,470	503,901
14 .....	1,287,228	1,633,809	20,025	2,901,012
15 .....	260,734	—	99,927	160,807
16 .....	147,135	635,999	36,575	746,559
18 .....	531,601	120,000	—	651,601
20 .....	150,000	—	—	150,000
21 .....	245,202	—	—	245,202
22 .....	250,835	—	3,788	247,047
25 .....	2,545,713	278,390	51,722	2,772,381
30 .....	30,012	2,433	—	32,445
41½ .....	198,130	—	1,085	197,045
Perpetual <sup>2</sup> .....	55,000	—	—	55,000
On demand <sup>2,3</sup> .....	62,500	86,000	137,000	11,500
<b>Total bonded debt</b> .....	<b>15,060,736</b>	<b>4,115,230</b>	<b>3,379,130</b>	<b>15,796,836</b>
Average term of issue (years) .....	12.19	—	—	13.36

<sup>1</sup> If the term includes more or less than an exact half-year, it is rounded to the nearest year. If the term includes an exact half-year, or if the full term is less than six months, it is unadjusted.

<sup>2</sup> Excluded when calculating average term of issue.

<sup>3</sup> Redeemable by the Unemployment Insurance Fund on demand subject to 30 days' notice.

TABLE 13. Bonded Debt by Year of Maturity

Year of maturity fiscal year ending March 31	As at March 31, 1962	Changes during fiscal year ended March 31, 1963		As at March 31, 1963
		New issues	Retirements	
thousands of dollars				
1963 .....	1,532,784	—	1,532,784	—
1964 .....	1,504,009	227,593	441,993	1,289,609
1965 .....	850,000	350,000	—	1,200,000
1966 .....	1,355,727	275,000	25,437	1,605,290
1967 .....	473,929	—	14,327	459,602
1968 .....	252,042	250,000	14,078	487,964
1969 .....	1,433,916	—	96,780	1,337,136
1970 .....	170,514	180,000	24,298	326,216
1971 .....	1,559,634	—	342,103	1,217,531
1972 .....	972,885	78,599	537,208	514,276
1973 .....	1,287,228	—	20,025	1,267,203
1974 .....	260,734	—	99,927	160,807
1975 .....	60,206	4,881	—	65,087
1976 .....	183,924	204,060	36,575	351,409
1977 .....	252,015	2,068,827	3,788	2,317,054
1978 .....	216,358	—	8,447	207,911
1980 .....	351,272	—	8,025	343,247
1981 .....	—	120,000	—	120,000
1984 .....	2,027,929	—	35,250	1,992,679
1988 .....	—	270,270	—	270,270
1998 .....	198,130	—	1,085	197,045
Perpetual .....	55,000	—	—	55,000
On demand .....	62,500	86,000	137,000	11,500
Total bonded debt .....	15,060,736	4,115,230	3,379,130	15,796,836

TABLE 14. Redemption Features of Bonded Debt

Fiscal year ending March 31	As at March 31, 1963			
	Non-callable issues by year of maturity		Callable issues	
	Savings bonds <sup>1</sup>	Other	By year of maturity	By earliest call year
thousands of dollars				
1964 .....	19,203	1,012,802	257,604	608,941
1965 .....	—	1,200,000	—	—
1966 .....	64,399	1,540,891	—	—
1967 .....	39,400	175,000	245,202	55,000
1968 .....	37,964	450,000	—	308,581
1969 .....	1,028,555	—	308,581	—
1970 .....	66,216	260,000	—	—
1971 .....	1,017,531	200,000	—	—
1972 .....	514,276	—	—	—
1973 .....	—	1,267,203	—	—
1974 .....	160,807	—	—	—
1975 .....	—	—	65,087	454,958
1976 .....	—	310,361	41,048	—
1977 .....	1,633,809	436,198	247,047	—
1978 .....	—	—	207,911	270,270
1980 .....	—	343,247	—	—
1981 .....	—	120,000	—	—
1984 .....	—	1,992,679	—	—
1988 .....	—	—	270,270	197,045
1997 .....	—	—	—	—
1998 .....	—	—	197,045	—
Perpetual .....	—	—	55,000	—
On demand .....	—	11,500 <sup>2</sup>	—	—
<b>Sub-totals .....</b>	<b>4,582,160</b>	<b>9,319,881</b>	<b>1,394,795</b>	<b>—</b>
<b>Total bonded debt .....</b>	<b>15,796,836</b>			

<sup>1</sup> Canada Savings Bonds are non-marketable and non-callable. They are redeemable with accrued interest on the holder's demand at any time prior to the date of maturity.

<sup>2</sup> Special non-marketable bonds sold to the Unemployment Insurance Commission.

**TABLE 15. Functional-economic Cross-classification of Gross General Expenditure  
for Fiscal Year Ended March 31, 1963**

No.	Functional analysis	Total as per Table 2	Economic analysis					
			Goods and services		Transfer payments (including interest)	Sub- sidies to busi- ness	Trans- fers to other levels of govern- ment	Other items
			Salaries and wages (a)	Other (b)				
			thousands of dollars					
1	Defence services and mutual aid .....	1,596,146	748,634 <sup>1</sup>	844,675	162	—	1,830	845
2	Veterans' pensions and other benefits .....	337,761	50,664	24,152	256,441	—	—	6,504
3	General government:							
4	Executive and administrative .....	256,768	127,766	127,688	6	—	6	1,302
5	Legislative .....	20,634	3,137	17,497	—	—	—	—
6	Research, planning and statistics ..	12,138	9,157	2,981	—	—	—	—
6	Total general government .....	289,540	140,060	148,166	6	—	6	1,302
	Protection of persons and property:							
7	Law enforcement .....	8,383	6,450	1,933	—	—	—	—
8	Corrections .....	24,712	12,307	11,882	—	—	—	523
9	Police protection .....	52,967	37,912	14,994	1	—	—	60
10	Other .....	9,931	6,393	3,507	31	—	—	—
11	Total protection of persons and property .....	95,993	63,062	32,316	32	—	—	583
	Transportation:							
12	Air .....	86,912	23,791	56,868	282	540	155	5,276
13	Road .....	74,131	2,587	16,774	2	—	49,791	4,977
14	Rail .....	104,164	1,061	262	—	90,535	—	12,306
15	Water .....	135,234	23,860	79,205	13	8,358	188	23,610
16	Other .....	3,714	2,683	831	—	—	200	—
17	Total transportation .....	404,155	53,982	153,940	297	99,433	50,334	46,169
18	Communications (telephone, telegraph and wireless) .....	30,449	13,277	17,081	—	—	—	91
	Health:							
19	General .....	7,711	1,939	2,731	—	—	3,041	—
20	Public health .....	37,780	4,192	3,753	63	—	29,772	—
21	Medical, dental and allied services ..	8,706	7,067	7,067	35	—	1,604	—
22	Hospital care .....	371,835	8,640	2,477	3,541	—	357,177	—
23	Total health .....	426,032	14,771	16,028	3,639	—	391,594	—
	Social welfare:							
24	Aid to aged persons .....	772,732	132	39	734,382	—	38,179	—
25	Aid to blind persons .....	4,951	—	—	69	—	4,882	—
26	Aid to unemployed employables and unemployables .....	116,111	—	—	—	—	116,111	—
27	Family allowances .....	534,634	2,689	379	531,566	—	—	—
28	Labour .....	3,283	2,161	1,113	9	—	—	—
29	National employment and unemploy- ment insurance services .....	106,387	39,722	9,359	—	—	—	57,306 <sup>3</sup>
30	Other .....	26,945	4,896	18,195	3,328	—	526	—
31	Total social welfare .....	1,565,043	49,600	29,085	1,269,354	—	159,698	57,306
	Recreational and cultural services:							
32	Archives, art galleries, museums and libraries .....	3,335	1,627	1,708	—	—	—	—
33	Parks .....	19,303	10,019	7,595	15	—	1,300	374
34	Other .....	9,753	4,768	3,688	941	—	356	—
35	Total recreational and cultural services .....	32,391	16,414	12,991	956	—	1,656	374
	Education:							
36	Indian and Eskimo schools .....	36,895	8,428	14,921	12,383	—	1,163	—
37	Universities, colleges and other schools .....	234,775	118	41	26,416	—	208,200	—
38	Other .....	3,264	—	49	2,957	—	258	—
39	Total education .....	274,934	8,546	15,011	41,756	—	209,621	—

See footnotes at end of table.



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**TABLE 15. Functional-economic Cross-classification of Gross General Expenditure  
for Fiscal Year Ended March 31, 1963 - Concluded**

No.	Functional analysis	Total as per Table 2	Economic analysis					Other items (f)
			Goods and services		Transfer payments (including interest) (c)	Sub- sidies to busi- ness (d)	Trans- fers to other levels of govern- ment (e)	
			Salaries and wages (a)	Other (b)				
thousands of dollars								
	Natural resources and primary industries:							
40	Fish and game .....	23,970	11,857	10,053	655	759	612	34
41	Forests .....	16,620	6,065	2,640	50	—	7,865	—
42	Lands: settlement and agriculture ..	241,277	45,457	43,595	17,367	129,272	4,531	1,055
43	Minerals and mines .....	49,347	8,734	5,024	95	35,494	—	—
44	Water resources .....	5,542	1,371	1,074	—	—	3,097	—
45	Other .....	21,722	10,189	11,366	69	—	97	1
46	<b>Total natural resources and primary industries .....</b>	<b>358,478</b>	<b>83,673</b>	<b>73,752</b>	<b>18,236</b>	<b>165,525</b>	<b>16,202</b>	<b>1,090</b>
47	Trade and industrial development .....	15,757	6,717	8,484	19	—	—	537
48	National capital area planning and development .....	18,389	2,541	5,078	—	—	199	10,571
49	Loss on foreign exchange .....	9,383	—	—	—	—	—	9,383
	Debt charges (excluding debt retirement):							
50	Commission on bond or debenture sales and other management charges .....	16,111	—	1,212	—	—	—	14,899
51	Amortization of bond discount .....	17,783	—	—	—	—	—	17,783
52	Interest .....	881,597	—	—	881,597	—	—	—
53	Other .....	4,953	—	4,953	—	—	—	—
54	<b>Total debt charges (excluding debt retirement) .....</b>	<b>920,444</b>	<b>—</b>	<b>6,165</b>	<b>881,597</b>	<b>—</b>	<b>—</b>	<b>32,682</b>
55	<b>Payments to government enterprises ....</b>	<b>155,301</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>155,301<sup>1</sup></b>
	Payments to provincial and municipal governments (unconditional):							
	Provincial:							
56	Federal-provincial fiscal arrangements .....	202,295	—	—	—	—	202,295	—
57	Share of income tax on power utilities .....	10,000	—	—	—	—	10,000	—
58	Subsidies .....	66,471	—	—	—	—	66,471	—
	Municipal:							
59	Grants in lieu of taxes .....	29,947	—	—	—	—	29,947	—
60	<b>Total payments to provincial and municipal governments .....</b>	<b>308,713</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>308,713</b>	<b>—</b>
	Other expenditure:							
61	Citizenship and immigration .....	17,042	12,091	3,397	1,554	—	—	—
62	External affairs .....	22,516	9,476	13,040	—	—	—	—
63	International co-operation and assistance .....	56,892	586	56,206	75	—	—	25
64	Postal service .....	218,828	—	—	—	—	—	218,828 <sup>2</sup>
65	Royal Canadian Mint .....	1,978	1,130	848	—	—	—	—
66	Housing research and slum clearance .....	4,287	—	65	—	—	4,222	—
67	Civil defence .....	9,193	741	4,642	—	—	3,810	—
68	Winter works projects .....	27,054	—	81	—	—	26,973	—
69	Other .....	105,699	80,256 <sup>3</sup>	12,138	12,307	—	153	845
70	<b>Total other expenditure .....</b>	<b>463,489</b>	<b>104,280</b>	<b>90,417</b>	<b>13,936</b>	<b>—</b>	<b>35,158</b>	<b>219,698</b>
71	<b>Sub-totals .....</b>	<b>7,302,398</b>	<b>1,356,221</b>	<b>1,477,341</b>	<b>2,486,431</b>	<b>264,958</b>	<b>1,175,011</b>	<b>542,436</b>
	Non-expense and surplus payments:							
72	Refunds of previous years' revenue ..	82	—	—	—	—	—	82
73	Other .....	34,344	—	—	—	11	—	34,333
74	<b>Total gross general expenditure .....</b>	<b>7,336,824</b>	<b>1,356,221</b>	<b>1,477,341</b>	<b>2,486,442</b>	<b>264,958</b>	<b>1,175,011</b>	<b>576,851<sup>7</sup></b>

<sup>1</sup> Includes 545,302 in respect of pay and allowances, defence forces.

<sup>2</sup> Included in "Hospital care" below.

<sup>3</sup> Contribution to the Unemployment Insurance Fund.

<sup>4</sup> Offset against revenue in the National Accounts.

<sup>5</sup> The Post Office is treated as a government enterprise for National Accounts purposes, hence that Department's expenditure, including salaries and wages of 139,183, is offset against revenue in the economic analysis.

<sup>6</sup> Includes overtime earnings 15,065, and retroactive payments 18,230, which cannot be classified functionally.

<sup>7</sup> This is the cost of revaluing certain loans and investments to their estimated value.