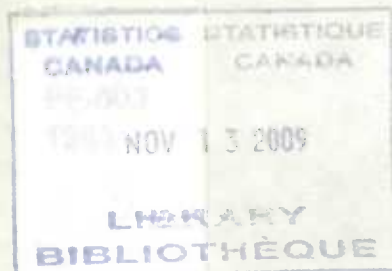


CATALOGUE No.

68-211

ANNUAL

C. 9



# FEDERAL GOVERNMENT FINANCE

## Revenue and Expenditure

### Direct and Indirect Debt

1963

(Fiscal Year Ended March 31, 1964)

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

*Published by Authority of*  
The Minister of Trade and Commerce

#### DOMINION BUREAU OF STATISTICS

Governments and Transportation Division  
Governments Section

*Return to:*  
*Federal Government Section,*  
*Governments Division,*  
*Dominion Bureau of Statistics, Ottawa, Ont.*

July 1966  
8502-521

Price: 50 cents

Reports Published by the  
Governments and Transportation Division  
dealing with

**GOVERNMENT FINANCE**

Catalogue number	Title	Price
	<b>Annual</b>	
68-201	<b>Principal Taxes and Rates—Federal, Provincial and Selected Municipal Governments</b> Brief résumé of taxes of all levels of government for current year by category, basis of tax and rate applicable .....	\$ .50
68-202	<b>Consolidated Public Finance—Federal, Provincial and Municipal Governments</b> Based on data concerning federal, provincial and municipal revenues, expenditures and debt contained in DBS publications catalogue Nos. 68-204; 68-207; 68-209 and 68-211 .....	.50
68-203	<b>Financial Statistics of Municipal Government—Revenue and Expenditure—Preliminary and Estimates</b> Based on a sample of municipal accounts and budgets prior to publication of actual statistics .....	.50
68-204	<b>Municipal Government Finance</b> Based on provincial compilations and/or audited financial statements of municipalities and other forms of local government .....	.75
68-205	<b>Provincial Government Finance—Revenue and Expenditure (Estimates)</b> Based on budget and provincial estimates for the year ending on the date indicated .....	.50
68-206	<b>Provincial Government Finance—Revenue and Expenditure (Preliminary)</b> Based on budget estimates and preliminary financial statements for the year ending on the date indicated .....	.25
68-207	<b>Provincial Government Finance—Revenue and Expenditure</b> Based on detailed analyses of the Public Accounts of the provinces .....	.75
68-208	<b>Provincial Government Finance—Funded Debt (Preliminary)</b> Based on interim figures provided by provinces immediately after close of the fiscal year indicated .....	.50
68-209	<b>Provincial Government Finance—Debt</b> Based on analyses of the Public Accounts of the provinces .....	.50
68-211	<b>Federal Government Finance</b> Based on analysis of the Public Accounts .....	.50
61-203	<b>Federal Government Enterprise Finance</b> Based on analyses of financial statements of federal government enterprises .....	.50
61-204	<b>Provincial Government Enterprise Finance</b> Based on analyses of financial statements of provincial government enterprises .....	.75
63-202	<b>The Control and Sale of Alcoholic Beverages in Canada</b> Based on information provided by provincial liquor authorities, the federal Department of National Revenue and divisions of the Dominion Bureau of Statistics .....	.50

*Remittances should be in the form of cheque or money order,  
made payable to the Receiver General of Canada and forwarded to  
the Publications Distribution Unit, Financial Services Section,  
Dominion Bureau of Statistics, or to the Queen's Printer, Ottawa,  
Canada.*

## TABLE OF CONTENTS

	Page
Introduction .....	5
Explanatory Comment .....	10
 Table	
1. General Revenue .....	18
2. General Expenditure .....	19
3. Reconciliation of Gross and Net General Revenue with Revenue per Public Accounts .....	21
4. Reconciliation of Gross and Net General Expenditure with Expenditure per Public Accounts .....	21
5. Amounts Paid to Provincial Governments, Territories and Municipal Corpora- tions .....	22
6. Direct and Indirect Debt Less Sinking Funds .....	26
7. Assets Offsetting Direct Debt .....	26
8. Analysis of Indirect Debt by Issuing Authority .....	27
9. Reconciliation of Total Direct Debt Less Sinking Funds with Total Liabilities per Public Accounts .....	27
10. Bonded Debt by Place of Payment .....	28
11. Bonded Debt by Interest Rate .....	28
12. Bonded Debt by Term of Issue .....	29
13. Bonded Debt by Year of Maturity .....	30
14. Redemption Features of Bonded Debt .....	30
15. Functional-economic Cross-classification of Gross General Expenditure .....	31

#### **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

1963

(Fiscal Year Ended March 31, 1964)

#### INTRODUCTION

This publication presents financial statistics of the Government of Canada for the fiscal year ended March 31, 1964. 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 Unem-

ployment Insurance Fund are included in the National Accounts statement of revenue 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 race track 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 1960 and 1964 are given on pages 8 and 9 of this publication. As shown therein, net general revenue, amounting to \$6,855 million for the fiscal year ended March 31, 1964 rose by 6.7% over the previous year's total. Tax revenue of \$6,283 million accounted for 92% of total revenue, with the remaining \$572 million being derived from non-tax revenue sources.

Total taxes increased by \$355 millions or 6% between the 1963 and 1964 fiscal years, although declines were registered by taxes on interest and dividends going abroad and by custom import duties. Income tax receipts (including Old Age Security Tax) from corporations and individuals increased by \$77 and \$150 millions or 6% and 7% respectively, and receipts from the general sales tax increased by \$170 million or 15%. The increase in income tax receipts is even more noticeable when it is remembered that there was an increase in the rate of the abatement made to the provinces between the two years.

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 1963, only 83% of the full federal rates of this tax, the 17% balance being collected by, or on behalf of, the provinces under provisions of provincial tax legislation. This apportionment will be increased by varying amounts each year in favour of the provinces for the life of the current arrangements and will result in a total abatement of 24% in the final year in which the act is in force, with the exception of Quebec, where the abatement will be 47% in the final year. 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 the 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 estates situated in a province levying its own estate tax. Only Ontario, Quebec and British Columbia signified their intentions of levying their own taxes in the form of succession duties during the 1963-64 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 \$287 million from personal income tax and \$97 million from corporation income tax during the fiscal year ended March 31, 1964.

Revenue received from the general sales tax (including Old Age Security Tax) rose by \$170 million or 15% between 1963 and 1964 and receipts from customs import duties decreased \$64 million or 10% reflecting the lower rates of duties imposed on some items and the first effects of the Canada-U.S. Auto parts agreement. Total non-tax revenue of \$572 million increased by \$73 million between the two years. The largest advance was in "All other revenue" which rose by \$37 million or 35%. There was an increase of \$18 million or 17% in receipts from government enterprises. The revenue from postal services increased by \$14 million.

Total net general expenditure amounted to \$7,553 million in the year ended March 31, 1964 being \$385 million or 5% higher than that of the previous fiscal year.

Expenditure on defence services and mutual aid at \$1,719 million increased by \$123 million from that in the year ended March 31, 1963 and was still the largest category in expenditure. As a per cent of total net general expenditure it amounted to 22.8% as compared to 22.3% for the previous year.

Social welfare, which accounted for an outlay of \$1,666 million or 22.1% of total net general expenditure, was the next largest sphere of general expenditure and was \$101 million more than in the previous fiscal year. This was primarily due to the increase in Old Age Security Pension payments from \$65 to \$75 per month effective October 1, 1963 (\$75 million), and the increase in Family Allowance payments of \$6 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 \$182 million declined from those that were paid in the previous year by \$20 million. Payments that arose from the sharing of income tax on power utilities, and subsidies, changed very little during the year. Total payments to the provinces and territories including grants for specific purposes

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



amounted to \$1,121 million, in the fiscal year ended March 31, 1964 and was practically unchanged from 1963; payments to municipalities for the same year increased by 9.7% to \$52.2 million as decreased payments for road expenditure and for the construction of sewers were more than offset by increases in health grants, and grants in lieu of taxes. (For details see Table 5 of this report.)

Expenditures on natural resources and primary industries increased by \$64 million in this fiscal year to \$421 million. Of this increased expenditure, \$55 million is attributable to the agricultural industry caused by a \$50 million increase in the loss of the Agricultural Stabilization Board and a \$4 million increase in the cost of freight assistance and storage charges on western feed grains.

The increase of \$67 million between 1963 and 1964, or 15.8%, in health expenditures brought the total expenditure to \$492 million. Total payments for health purposes by the federal government to the provinces, territories and municipalities increased by \$67 million (Table 5). This was primarily due to an increase of \$56 million in federal contributions to the provinces under the Hospital Insurance and Diagnostic Services Act.

Transportation expenses, at \$418 million, increased by \$14 million or approximately 3%. Comparison of the year ended in 1964 with the previous year shows that expenditure on air declined while expenditure on railroads and water increased. The largest increase took place in rail transportation and is accounted for by an increase of \$9 million in subsidies paid for the construction of a railway from Grimshaw to Great Slave Lake. Expenditures on assistance to water transportation also increased by approximately \$12 million, and includes a substantial increase in subsidies for the construction of commercial and fishing vessels. Payments to the provinces for "transportation" increased during the year, (Table 5) due to larger payments for the Trans Canada highway, and a decline in payments under the programme of roads to resources was practically offset by an increase of payments from the railway grade crossing fund.

Payments to the provinces under the Technical and Vocational Training Assistance Act during the fiscal year ended March 31, 1964 declined to \$136 million from \$208 million in the previous year. This decrease was largely accounted for by a decrease in capital assistance to trade schools, vocational high schools and technical institutes (from \$179.6 million to \$102 million).

Public debt charges, after deducting interest receipts and excluding debt retirement, totalled \$823 million in 1963-64, which was \$68 million or 9% higher than in the previous fiscal year and made up 10.9% of net general expenditure. Interest

on unmatured debentures and treasury bills payable increased by \$53.1 million due to:

- (a) increases in the average rate of interest payable (Table 11);
- (b) an increase in 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 New York.

Interest on other liabilities increased by \$20 million, mainly accounted for by an increased payment of \$5.5 million to the public service and \$13.0 to Canadian forces superannuation accounts, plus \$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 \$165.5 million in 1962-63 to \$173 million in 1963-64 due to larger receipts from Central Mortgage and Housing Corporation loans, and other sources.

Details in respect of payments to federal government enterprises amounting to \$149 million (down 4% from last year) are shown on page 10.

#### Debt Transactions

As at March 31, 1964, Canada's unmatured debenture debt of \$16,510 million had increased by \$713 million or 4.5% over the total at the end of the previous fiscal year; new issues, including renewals and conversions, of \$3,257 million exceeded retirements and cancellations of debentures which amounted to \$2,544 million. As shown by Table 10, there were no issues of foreign pay securities by the government during the 1964 fiscal year and the government retired \$34.6 millions of 3 and 3¼ per cent bonds that were payable in London, England. There were no changes in the amount of bonds payable in New York.

Securities retired during the fiscal year amounted to \$2,544 millions: of these \$1,530 million matured and were paid off, \$671 million of Canada Savings bonds were redeemed prior to maturity, \$266 million were converted into another issue, and \$77 million of non marketable bonds that had been issued to the Unemployment Insurance Commission were redeemed and cancelled.

Total debentures issued during the year amounted to \$3,257 million all payable in Canada. Sales of Canada Savings Bonds of \$1,097 million for series 18, and \$103 million for series 17 were 43% lower than sales for the previous fiscal year when the yield on the series 17 bonds was 5.11 as compared to 5.03 for series 18. The Unemployment Insurance Commission bought \$66 millions of non marketable bonds during the year but these were redeemed later as dictated by the cash needs of the Commission. The

balance of debentures sold were marketable and amounted to \$1,991 millions, with yields varying from 3.87 for short term issues to 5.27 for an issue of over 20 years.

Of the total unmatured debentures outstanding, \$16,134 million or 97.7% were payable in Canada, and \$376 million or 2.3% were payable in New York.

The average rate of interest payable on the unmatured debentures of Canada increased during the

year from 4.13 to 4.27, this includes the yield on Canada Savings Bonds as well as marketable debentures. The average interest rate payable on \$2,230 million 3 month, 6 month and one year treasury bills was 3.84 per cent on March 31, 1964 compared to 3.90 on March 31, 1963.

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

	1960	1961	1962	1963	1964
	millions of dollars				
<b>Taxes:</b>					
<b>Income:</b>					
Corporations (including old age security tax) .....	1,234	1,380	1,302	1,298	1,375
Individuals (including old age security tax) .....	1,752	1,940	2,052	2,018	2,168
Interest, dividends and other income going abroad .....	73	88	112	129	124
General sales (including old age security tax) .....	1,003	991	1,045	1,108	1,278
<b>Excise duties and special excise taxes:</b>					
Alcoholic beverages .....	193	199	206	220	233
Tobacco .....	331	343	367	384	391
Automobiles .....	64	60	25	—	—
Other commodities and services .....	33	32	25	38	42
Customs import duties .....	526	499	534	645	581
Succession duties and estate taxes .....	89	85	85	87	91
Other .....	1	1	1	1	—
<b>Total taxes</b> .....	<b>5,299</b>	<b>5,618</b>	<b>5,754</b>	<b>5,928</b>	<b>6,283</b>
Sales and services .....	47	57	64	63	67
Receipts from government enterprises .....	87	107	122	107	125
Postal services .....	194	202	214	222	236
All other revenue .....	109	119	95	107	144
<b>Total net general revenue</b> .....	<b>5,736</b>	<b>6,103</b>	<b>6,249</b>	<b>6,427</b>	<b>6,855</b>
<b>Total net general revenue per capita<sup>1</sup></b> .....	<b>\$ 328</b>	<b>342</b>	<b>343</b>	<b>346</b>	<b>363</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

	1960	1961	1962	1963	1964
	millions of dollars				
Defence services and mutual aid .....	1,545	1,536	1,649	1,596	1,719
Veterans' pensions and other benefits .....	293	296	337	338	336
General government .....	252	266	287	289	299
Transportation .....	338	348	394	404	418
Health .....	227	267	366	425	492
Social welfare:					
Aid to aged persons (including payments from Old Age Security Fund) ....	605	623	656	773	848
Family allowances .....	494	509	524	535	541
Other .....	163	196	244	257	277
<b>Total social welfare</b> .....	<b>1,262</b>	<b>1,328</b>	<b>1,424</b>	<b>1,565</b>	<b>1,666</b>
Natural resources and primary industries .....	329	366	403	357	421
Debt charges (excluding debt retirement) .....	657	654	690	755	823
Payments to government enterprises .....	119	148	171	155	149
Payments to provincial and municipal governments <sup>1</sup> .....	542	564	567	309	291
International co-operation and assistance .....	80	82	67	57	75
Postal service .....	192	207	215	219	242
All other expenditure .....	353	374	453	699	622
<b>Total net general expenditure</b> .....	<b>6,189</b>	<b>6,436</b>	<b>7,023</b>	<b>7,168</b>	<b>7,553</b>
<b>Total net general expenditure per capita<sup>2</sup></b> ..... \$	<b>354</b>	<b>360</b>	<b>385</b>	<b>386</b>	<b>400</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

	1960	1961	1962	1963	1964
	percentage distribution				
Taxes:					
Income:					
Corporations .....	21.5	22.6	20.8	20.2	20.1
Individuals .....	30.5	31.8	32.8	31.4	31.6
Interest, etc. going abroad .....	1.3	1.5	1.8	2.0	1.8
General sales .....	17.5	16.2	16.7	17.2	18.6
Excise duties and special excise taxes .....	10.8	10.4	10.0	10.0	9.7
Customs import duties .....	9.2	8.2	8.6	10.0	8.5
Other .....	1.6	1.4	1.4	1.4	1.3
<b>Total taxes</b> .....	<b>92.4</b>	<b>92.1</b>	<b>92.1</b>	<b>92.2</b>	<b>91.6</b>
All other revenue .....	7.6	7.9	7.9	7.8	8.4
<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

	1960	1961	1962	1963	1964
	percentage distribution				
Defence services and mutual aid .....	25.0	23.9	23.5	22.3	22.8
Veterans' pensions and other benefits .....	4.7	4.6	4.8	4.7	4.4
General government .....	4.1	4.1	4.1	4.0	3.9
Transportation .....	5.5	5.4	5.6	5.6	5.5
Health .....	3.7	4.1	5.2	5.9	6.5
Social welfare:					
Aid to aged persons .....	9.8	9.7	9.3	10.8	11.2
Family allowances .....	8.0	7.9	7.5	7.5	7.2
Other .....	2.6	3.0	3.5	3.6	3.7
Natural resources and primary industries .....	5.3	5.7	5.7	5.0	5.6
Debt charges .....	10.6	10.2	9.8	10.5	10.9
Payments to provincial and municipal governments <sup>1</sup> .....	8.7	8.8	8.1	4.3	3.9
All other expenditures .....	12.0	12.6	12.9	15.8	14.4
<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 1963 was published in February 1966.

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

### Receipts from Government Enterprises

	Thousands of dollars
Bank of Canada:	
Government share of profits .....	116,386
Central Mortgage and Housing Corporation:	
Net profit under Sec. 30, Central Mortgage and Housing Corporation Act .....	5,228
Net profits under the Housing Act .....	761
Losses sustained under Sec. 31, National Housing Act .....	- 2,348
Reimbursement under Sec. 31, National Housing Act .....	- 1,084
Net profit, Central Mortgage and Housing Corporation .....	2,557
Crown Assets Disposal Corporation:	
Surplus .....	208
Elorado Mining and Refining Limited:	
Dividends .....	2,000
Polymer Corporation Limited:	
Dividends .....	3,500
<b>Total receipts from government enterprises, revenue item 21 .....</b>	<b>124,651</b>

### Payments to Government Enterprises

	Thousands of dollars
Canadian Arsenals Limited:	
Operating deficit, fiscal year ended March 31, 1964 .....	4,258
Canadian Broadcasting Corporation:	
Grant in respect of net operating requirements .....	78,377
Grant for capital requirements .....	7,333
Total payments to Canadian Broadcasting Corporation .....	85,710
Canadian Government Elevators:	
Revenue included in departmental revenue .....	1,271
Expenditure included in departmental expenditure .....	1,507
Net loss on Canadian Government Elevators .....	236
Canadian National Railway System:	
Canadian National Railways deficit, calendar year 1963 .....	43,083
Newfoundland ferry and terminals deficit, calendar year 1963 .....	8,573
P.E.I. car ferry and terminals deficit, calendar year 1963 .....	3,353
Yarmouth, Bar harbour ferry deficit, calendar year 1963 .....	217
Total payments to Canadian National Railway System .....	55,226
Farm Credit Corporation:	
Operating loss for Fiscal year ending Mar. 31, 1964 .....	1,119
National Harbours Board:	
Advances to meet construction costs, etc., calendar year 1963 <sup>1</sup> .....	328
Operating deficit .....	12
Total payments to National Harbours Board .....	340
St. Lawrence Seaway Authority:	
Operating deficit .....	2,525
Payments re property sales .....	61
Total payments to St. Lawrence Seaway Authority .....	2,586
<b>Total payments to government enterprises, expenditure item 55 .....</b>	<b>149,475</b>

<sup>1</sup> This item is treated as "proprietary equity" in the report "Federal Government Enterprise Finance".



**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 allowances at revenue, semi-staff, and sub post 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 for the year ended March 31, 1964	Thousands of dollars
Revenue of Post Office Department per Public Accounts .....	200,774
Disbursements deducted from postal revenue in the Public Accounts .....	35,091
<b>Revenue item 23</b> .....	<b>235,865</b>
Expenditure of Post Office Department per Public Accounts <sup>1</sup> .....	206,851
Disbursements deducted from postal revenue in the Public Accounts (as above) .....	35,091
<b>Expenditure item 64</b> .....	<b>241,942</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 .....	60,849
Contribution towards superannuation .....	56,671
Government contribution, as an employer, to the Unemployment Insurance Fund .....	795
Government Employees' Compensation Act—Payment of claims .....	2,158
Government Contribution to Public Service Death Benefit Account .....	1,235
Government's share, as an employer, of medical-surgical insurance premiums .....	9,250
Government's contribution to the Hospital Insurance (outside Canada) Plan .....	525
Other .....	127,755
<b>Expenditure item 3</b> .....	<b>259,238</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 Transportation pending legislation, 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

Statement of receipts and disbursements for the year ended March 31, 1964	Thousands of dollars
<b>Receipts:</b>	
Contributions:	
Employers and employees .....	296,586
Government of Canada (20 per cent) .....	59,317
Fines and penalties .....	110
Income from investments (net) .....	1,062
<b>Total</b> .....	<b>357,075</b>
<b>Disbursements:</b>	
Benefit payments .....	365,655
Interest on loans .....	238
<b>Total</b> .....	<b>365,893</b>
<b>Excess of disbursements over receipts</b> .....	<b>8,818</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 but 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 Tables 3 and 4 for the amounts added in this connection. Following is a list of these funds, together with their revenue and expenditure for 1963-64.

### Revenue and Expenditure of Special Funds

	1963-64	
	Revenue	Expenditure
	thousands of dollars	
Atomic Energy of Canada Limited .....	48,480	47,920
Canadian World Exhibition Corporation .....	1,148	453
Colombo Plan Fund .....	41,500	42,374
Fishermen's Indemnity Plan .....	450	450
Fraser River Bridge — Maintenance Account .....	156	250
Land Assurance Fund .....	4	—
National Battlefields Commission .....	231	238
National Capital Commission .....	13,357	25,040
National Capital Fund .....	7,500	7,850
National Centennial Administration .....	1,882	1,526
National Centennial Fund .....	2,000	—
National Gallery Purchase Account .....	243	313
National Library Purchase Account .....	38	41
National Productivity Council .....	217	257
National Research Council — Special Fund .....	4,294	4,031
Old Age Security Fund .....	750,110	808,391
Prairie Farm Emergency Fund .....	10,214	10,214
Railway Grade Crossing Fund .....	5,100	14,154
Replacement of Materiel Account .....	362	473
Reserve for Conditional Benefits — Veterans' Land Act .....	3,220	5,331
<b>Totals .....</b>	<b>890,506</b>	<b>969,306</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 \$182.3 million

for 1963-64. The decrease of \$20 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 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 generation



or distribution of electricity, gas or steam to the public. 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, 1964, amounted to \$413 million.

**Roads leading to resources**—In 1958-59 the first payments were made under a programme to assist the provinces in the development of roads leading to resources. Expenditures up to March 31, 1964, under this programme were nearly \$53 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 more than \$392 million in 1963-64.

**General health grants**—These grants were established in 1948 to encourage the development of adequate provincial health services. Federal expenditures in the year ending March 31, 1964, amounted to approximately \$31 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, 1964, amounted to \$194 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 \$75 per month effective December 1, 1963. (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 1963-64 amounted to approximately \$107 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 approximately \$27 million in 1963-64.

A similar table, showing amounts **received** from other governments, appear annually in "Provincial Government Finance—Revenue and Expenditure", 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 lime 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., 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.



TABLE 1. General Revenue for Fiscal Year Ended March 31, 1964

No.	Source	Gross <sup>1</sup>	Net <sup>1</sup>
		thousands of dollars	
	Taxes:		
	Income:		
1	Corporations <sup>2</sup> .....	1,374,708	1,374,708
2	Individuals <sup>2</sup> .....	2,167,674	2,167,674
3	Interest, dividends, and other income going abroad .....	124,500	124,500
4	General sales <sup>2</sup> .....	1,277,815	1,277,815
	Excise duties and special excise taxes:		
5	Alcoholic beverages .....	233,407	233,407
6	Tobacco .....	390,636	390,636
7	Other commodities and services .....	41,721	41,721
8	Customs import duties .....	581,441	581,441
9	Estate taxes .....	90,671	90,671
10	Other <sup>3</sup> .....	219	219
11	<b>Total taxes</b> .....	<b>6,282,792</b>	<b>6,282,792</b>
	Privileges, licenses and permits:		
12	Natural resources .....	5,232	5,232
13	Other .....	23,805	23,633
	Sales and services:		
14	Institutional .....	2,305	—
15	Other .....	67,051	67,051
16	Fines and penalties .....	1,548	1,548
17	Interest .....	173,008	—
	Foreign exchange:		
18	Exchange fund profits .....	62,594	62,594
19	Other .....	330	—
20	Shared-cost contributions from provincial governments .....	54	—
21	Receipts from government enterprises <sup>4</sup> .....	124,651	124,651
22	Bullion and coinage .....	10,625	10,625
23	Postal service .....	235,865	235,865
24	Other revenue .....	13,228	13,228
25	<b>Sub-total items 11 to 24</b> .....	<b>7,003,088</b>	<b>6,827,219</b>
	Non-revenue and surplus receipts:		
26	Refunds of previous years' expenditure .....	26,814	26,814
27	Other .....	881	881
28	<b>Total general revenue (gross and net)</b> .....	<b>7,030,783</b>	<b>6,854,914</b>

<sup>1</sup> See Introduction, page 13, 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 127.

<sup>4</sup> See Introduction, page 11, for breakdown.

**TABLE 2. General Expenditure for Fiscal Year Ended March 31, 1964**

No.	Function	Gross <sup>1</sup>	Net <sup>1</sup>
		thousands of dollars	
1	Defence services and mutual aid .....	1,719,023	1,719,008
2	Veterans' pensions and other benefits .....	335,902	335,902
	General government:		
3	Executive and administrative .....	259,238	259,238
4	Legislative .....	25,656	25,656
5	Research, planning and statistics .....	13,808	13,808
6	<b>Total general government</b> .....	<b>298,702</b>	<b>298,702</b>
	Protection of persons and property:		
7	Law enforcement .....	10,595	10,595
8	Corrections .....	26,800	26,045
9	Police protection .....	52,892	52,892
10	Other .....	9,594	9,594
11	<b>Total protection of persons and property</b> .....	<b>99,881</b>	<b>99,126</b>
	Transportation:		
12	Air .....	66,787	66,787
13	Road .....	81,565	81,565
14	Rail .....	118,503	118,503
15	Water .....	147,940	147,940
16	Other .....	3,650	3,650
17	<b>Total transportation</b> .....	<b>418,445</b>	<b>418,445</b>
18	Communications (telephone, telegraph and wireless) .....	32,008	32,008
	Health:		
19	General .....	10,433	10,433
20	Public health .....	40,505	40,505
21	Medical, dental and allied services .....	11,481	11,481
22	Hospital care .....	430,140	429,517
23	<b>Total health</b> .....	<b>492,559</b>	<b>491,936</b>
	Social welfare:		
24	Aid to aged persons <sup>2</sup> .....	847,792	847,792
25	Aid to blind persons .....	5,057	5,057
26	Aid to unemployed employables and unemployables .....	127,577	127,577
27	Family allowances .....	541,321	541,321
28	Labour .....	4,229	4,229
29	National employment and unemployment insurance services .....	110,290	110,290
30	Other .....	30,012	30,012
31	<b>Total social welfare</b> .....	<b>1,666,278</b>	<b>1,666,278</b>
	Recreational and cultural services:		
32	Archives, art galleries, museums and libraries .....	5,206	5,206
33	Parks .....	17,465	17,465
34	Other .....	11,829	11,829
35	<b>Total recreational and cultural services</b> .....	<b>34,500</b>	<b>34,500</b>

See footnotes at end of table.

**TABLE 2. General Expenditure for Fiscal Year Ended March 31, 1964 - Concluded**

No.	Function	Gross <sup>1</sup>	Net <sup>1</sup>
		thousands of dollars	
	Education:		
36	Indian and Eskimo schools .....	38,668	38,668
37	Universities, colleges and other schools .....	163,679	163,679
38	Other .....	3,979	3,979
39	<b>Total education .....</b>	<b>206,326</b>	<b>206,326</b>
	Natural resources and primary industries:		
40	Fish and game .....	24,662	24,662
41	Forests .....	19,004	19,004
42	Lands: settlement and agriculture .....	296,132	295,065
43	Minerals and mines .....	49,957	49,957
44	Water resources .....	10,323	10,269
45	Other .....	22,275	22,275
46	<b>Total natural resources and primary industries .....</b>	<b>422,353</b>	<b>421,232</b>
47	Trade and industrial development .....	18,937	18,937
48	National capital area planning and development .....	22,705	22,705
49	Loss on foreign exchange .....	-	- 330
	Debt charges (excluding debt retirement):		
50	Commission on bond or debenture sales and other management charges .....	16,623	16,623
51	Amortization of bond discount .....	20,669	20,669
52	Interest .....	954,542	781,534
53	Other .....	4,025	4,025
54	<b>Total debt charges (excluding debt retirement) .....</b>	<b>995,859</b>	<b>822,851</b>
55	<b>Payments to government enterprises<sup>3</sup> .....</b>	<b>149,475</b>	<b>149,475</b>
	Payments to provincial and municipal governments:		
	Provincial:		
56	Federal-provincial fiscal arrangements .....	182,329	182,329
57	Share of income tax on power utilities .....	9,868	9,868
58	Subsidies .....	66,525	66,525
	Municipal:		
59	Grants in lieu of taxes .....	31,920	31,920
60	<b>Total payments to provincial and municipal governments<sup>4</sup> .....</b>	<b>290,642</b>	<b>290,642</b>
	Other expenditure:		
61	Citizenship and immigration .....	17,365	17,365
62	External affairs .....	25,258	25,258
63	International co-operation and assistance .....	74,621	74,621
64	Postal service .....	241,942	241,942
65	Royal Canadian Mint .....	2,675	2,675
66	Housing research and slum clearance .....	4,864	4,864
67	Civil defence .....	10,170	10,153
68	Winter works projects .....	26,824	26,824
69	Other .....	121,042	121,042
70	<b>Total other expenditure .....</b>	<b>524,761</b>	<b>524,744</b>
71	<b>Sub-totals .....</b>	<b>7,728,356</b>	<b>7,552,487</b>
	Non-expense and surplus payments:		
72	Refunds of previous years' revenue .....	159	159
73	Other .....	266	266
74	<b>Total general expenditure (gross and net) .....</b>	<b>7,728,781</b>	<b>7,552,912</b>

<sup>1</sup> See Introduction, page 13, 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 11, 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, 1964**

No.	Item	Thousands of dollars
1	<b>Revenue per Public Accounts</b> .....	<b>6,253,204</b>
	To arrive at "gross general revenue"	
	Add:	
2	Revenue of administrative or special funds .....	890,506
3	Revenue deducted from expenditure in public accounts .....	4,545
4	Expenditure deducted from revenue in public accounts .....	36,096
5	<b>Total additions</b> .....	<b>931,147</b>
	Deduct:	
6	Refunds of current year's expenditure included in revenue in public accounts .....	19,664
7	Working capital fund profits .....	572
8	Amount to adjust government enterprises to a "net" basis .....	4,703
9	Employees' contributions under sundry pension plans .....	314
10	Interfund amounts .....	128,315
11	<b>Total deductions</b> .....	<b>153,568</b>
12	<b>Total gross general revenue</b> .....	<b>7,030,783</b>
	To arrive at "net general revenue"	
	Deduct:	
13	Interest revenue .....	173,008
14	Foreign exchange revenue .....	330
15	Shared-cost contributions from provincial governments .....	54
16	Institutional revenue .....	2,477
17	<b>Sub-total items 13 to 16</b> .....	<b>175,869</b>
18	<b>Total net general revenue</b> .....	<b>6,854,914</b>

**TABLE 4. Reconciliation of Gross and Net General Expenditure with Expenditure per Public Accounts for Fiscal Year Ended March 31, 1964**

No.	Item	Thousands of dollars
1	<b>Expenditure per Public Accounts</b> .....	<b>6,872,402</b>
	To arrive at "gross general expenditure"	
	Add:	
2	Expenditure of administrative or special funds .....	969,306
3	Revenue deducted from expenditure in public accounts .....	4,545
4	Expenditure deducted from revenue in public accounts .....	36,096
5	<b>Total additions</b> .....	<b>1,009,947</b>
	Deduct:	
6	Refunds of current year's expenditure included in revenue in public accounts .....	19,664
7	Working capital fund profits .....	572
8	Amount to adjust government enterprises to a "net" basis .....	4,703
9	Employees' contributions under sundry pension plans .....	314
10	Interfund amounts .....	128,315
11	<b>Total deductions</b> .....	<b>153,568</b>
12	<b>Total gross general expenditure</b> .....	<b>7,728,781</b> ✓
	To arrive at "net general expenditure"	
	Deduct:	
13	Interest revenue .....	173,008
14	Foreign exchange revenue .....	330
15	Shared-cost contributions from provincial governments .....	54
16	Institutional revenue .....	2,477
17	<b>Sub-total items 13 to 16</b> .....	<b>175,869</b>
18	<b>Total net general expenditure</b> .....	<b>7,552,912</b>

**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1964**

No.	Function	Nfld.	P.E.I.	N.S.	N.B.
		thousands of dollars			
	Provincial governments and territories:				
1	Federal-provincial fiscal arrangements .....	15,261	3,893	21,342	17,416
2	Share of income tax on power utilities .....	196	54	638	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 .....	35,613	8,104	34,612	29,701
	Grants-in-aid and shared-cost contributions:				
	Transportation:				
	Road:				
5	Trans-Canada highway .....	11,304	1,004	882	5,052
6	Roads leading to resources .....	750	1,000	900	750
7	Railway grade crossing fund .....	—	—	201	192
8	Other .....	—	5	74	—
9	Water .....	8	—	—	—
10	Other .....	—	—	—	—
11	Total transportation .....	12,062	2,009	2,057	5,994
	Health:				
12	Hospital insurance and diagnostic services .....	8,725	1,923	15,175	12,611
13	Hospital construction .....	1,259	80	1,137	1,093
	General health grants:				
14	General public health .....	349	169	704	518
15	Tuberculosis control .....	148	30	140	105
16	Mental health .....	178	74	394	279
17	Professional training .....	110	19	82	50
18	Cancer control .....	13	16	48	110
19	Public health research .....	5	—	86	7
20	Medical rehabilitation and crippled children .....	61	12	78	86
21	Child and maternal health .....	57	7	72	38
22	Other .....	3	2	25	5
23	Total health .....	10,908	2,332	17,941	14,902
	Social welfare:				
24	Old age assistance .....	1,945	395	2,084	2,121
25	Blind persons' allowances .....	247	47	469	418
26	Disabled persons' allowances .....	587	311	1,230	860
27	Unemployment assistance .....	4,513	400	1,791	1,925
28	Other .....	17	4	45	65
29	Total social welfare .....	7,309	1,157	5,619	5,389
	Recreational and cultural services:				
30	Campground and picnic area developments .....	—	17	42	39
31	Fitness and amateur sport .....	22	9	30	28
32	Other .....	—	—	—	8
33	Total recreational and cultural services .....	22	26	72	75
	Education:				
	Technical and vocational training:				
34	Capital assistance to trade schools, etc. ....	4,921	1,520	3,584	1,565
35	Vocational high school training .....	6	51	150	36
36	Technician training .....	15	—	14	33
37	Trade and other occupational training .....	391	23	280	168
38	Apprenticeship training .....	47	—	127	64
39	Assistance to students .....	8	6	10	11
40	Training of unemployed workers .....	294	131	413	305
41	Training of disabled persons .....	16	—	88	25
42	Other .....	54	—	61	53
43	Citizenship and language instruction for immigrants....	—	2	1	—
44	Other .....	—	—	—	—
45	Total education .....	5,752	1,733	4,728	2,260

See footnotes at end of table.

**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1964**

Que.	Ont.	Man.	Sask.	Alta.	B.C.	Sub-total	Yukon	N.W.T.	Total	No.
thousands of dollars										
70,216	—	15,896	23,592	10,452	— 190	177,878	1,923 <sup>1</sup>	2,528 <sup>1</sup>	182,329	1
4,623	1,019	46	9	2,742	501	9,868	—	—	9,868	2
3,964	4,624	2,103	2,120	2,852	1,672	66,525	—	—	66,525	3
78,803	5,643	18,045	25,721	16,046	1,983	254,271	1,923	2,528	258,722	4
8,006	4,209	60	2	246	8,475	39,240	—	—	39,240	5
1,397	499	750	312	750	1,024	8,132	—	—	8,132	6
708	1,802	—	198	300	1,159	4,560	—	—	4,560	7
—	130	—	56	—	—	265	—	—	265	8
—	—	—	—	—	—	8	—	—	8	9
—	—	—	—	—	—	—	—	—	—	10
10,111	6,640	810	568	1,296	10,658	52,205	—	—	52,205	11
113,849	136,040	19,665	21,312	28,311	33,687	391,298	349	597	392,244	12
5,883	7,500	958	1,510	1,974	881	22,275	3	22	22,300	13
1,794	2,703	729	603	1,108	1,325	10,002	—	62	10,064	14
1,043	784	178	146	216	248	3,038	19	4	3,061	15
2,575	2,700	435	436	652	581	8,304	27	—	8,331	16
638	411	88	75	136	131	1,740	—	3	1,743	17
478	1,299	163	162	234	283	2,806	—	4	2,810	18
613	497	83	31	104	144	1,570	—	9	1,579	19
690	298	122	45	97	235	1,724	—	1	1,725	20
393	347	64	75	70	81	1,204	—	—	1,204	21
320	188	43	4	6	7	603	—	—	603	22
128,276	152,767	22,528	24,399	32,908	37,603	444,564	398	702	445,664	23
13,860	9,135	2,106	2,151	2,560	2,782	39,139	12	57	39,208	24
1,643	1,045	230	246	278	336	4,959	2	27	4,988	25
8,081	6,183	615	669	728	930	20,194	2	11	20,207	26
39,439	24,489	5,774	4,641	7,980	16,263	107,215	59	97	107,371	27
—	229	220	141	53	44	818	1	—	819	28
63,023	41,081	8,945	7,848	11,599	20,355	172,325	76	192	172,593	29
—	—	18	68	18	48	250	15	1	266	30
—	25	64	8	42	11	239	3	7	249	31
—	—	—	—	—	—	8	—	11	19	32
—	25	82	76	60	59	497	18	19	534	33
8,974	59,350	797	2,428	12,030	6,777	101,946	92	—	102,038	34
897	841	157	165	214	239	2,756	9	—	2,765	35
5,470	857	44	215	345	70	7,063	—	1	7,064	36
5,801	940	109	364	1,462	682	10,220	59	9	10,288	37
—	734	82	174	552	555	2,335	—	—	2,335	38
100	100	7	30	10	30	312	1	3	316	39
1,497	6,118	474	294	284	644	10,454	34	4	10,492	40
111	220	81	41	8	15	605	—	—	605	41
77	28	15	8	198	32	526	—	3	529	42
—	187	3	7	1	9	210	—	—	210	43
—	46	—	1	3	—	50	169	—	219	44
22,927	69,421	1,769	3,727	15,107	9,053	136,477	364	20	136,861	45



**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1964 - 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:				
46	Registered traplines .....	-	-	-	-
47	Construction of vessels .....	43	-	150	80
	Forests:				
48	Forest inventories, reforestation, forest fire protection and forest access road construction .....	264	40	150	225
49	Bud worm control .....	-	-	-	138
50	Forest stand improvement .....	-	-	91	-
	Lands:				
	Settlement and agriculture:				
51	Agricultural lime assistance .....	11	66	109	91
52	4-H clubs .....	3	2	6	4
53	Transport of fodder, equipment and cattle .....	-	-	7	-
54	Farm labour agreements .....	-	4	10	2
55	Agricultural rehabilitation and development .....	-	51	84	103
56	Crop insurance .....	-	-	-	-
57	Other .....	14	55	69	2
58	Other .....	-	-	-	-
59	<b>Total natural resources .....</b>	<b>335</b>	<b>218</b>	<b>676</b>	<b>645</b>
	Other:				
60	Civil defence .....	43	25	190	149
61	Winter works projects in municipalities .....	255	73	71	173
62	Grants to research councils .....	-	-	20	7
63	Other .....	-	-	-	-
64	<b>Total other .....</b>	<b>298</b>	<b>98</b>	<b>281</b>	<b>329</b>
65	<b>Total grants-in-aid and shared-cost contributions</b>	<b>36,686</b>	<b>7,573</b>	<b>31,374</b>	<b>29,594</b>
66	<b>Total amounts paid to provincial governments and territories .....</b>	<b>72,299</b>	<b>15,677</b>	<b>65,986</b>	<b>59,295</b>
	Municipal corporations:				
67	Grants in lieu of taxes on federal property .....	162	130	3,662	783
	Grants-in-aid and shared-cost contributions:				
	Transportation:				
68	Air .....	52	-	3	38
69	Road .....	-	-	261	-
70	Water .....	-	-	-	-
71	Health .....	12	14	17	30
72	Schools operated by local authorities .....	-	-	-	24
73	Slum clearance .....	-	-	79	370
74	Other .....	-	-	-	-
75	Special grants .....	-	-	-	1,800 <sup>6</sup>
76	<b>Total amounts paid to municipal corporations .....</b>	<b>226</b>	<b>144</b>	<b>4,022</b>	<b>3,045</b>
77	<b>Grand total amounts paid to provincial governments, territories and municipal corporations</b>	<b>72,525</b>	<b>15,821</b>	<b>70,008</b>	<b>62,340</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> Conservation and control of water resources.

**TABLE 5. Amounts Paid to Provincial Governments, Territories and Municipal Corporations  
for Fiscal Year Ended March 31, 1964 - Concluded**

Que.	Ont.	Man.	Sask.	Alta.	B.C.	Sub-total	Yukon	N.W.T.	Total	No.
thousands of dollars										
—	91	39	40	—	—	170	—	—	170	46
227	—	—	—	—	—	500	—	—	500	47
1,917	1,557	519	393	1,014	1,831	7,910	—	—	7,910	48
—	—	—	—	—	—	138	—	—	138	49
—	—	—	—	—	—	91	—	—	91	50
1,205	43	—	—	—	71	1,596	—	—	1,596	51
10	63	13	20	16	8	145	—	—	145	52
—	—	—	26	8	—	41	—	—	41	53
25	7	9	7	21	9	94	—	—	94	54
1,075	64	649	1,072	227	87	3,412	—	—	3,412	55
—	—	316	113	—	—	429	—	—	429	56
112	20	157	8	3	2	442	—	—	442	57
—	1,509 <sup>4</sup>	6,091 <sup>4</sup>	—	—	38	7,638	—	—	7,638	58
4,571	3,354	7,793	1,679	1,289	2,046	22,606	—	—	22,606	59
1,265	1,354	202	155	509	532	4,424	—	—	4,424	60
10,962	6,022	1,081	1,552	2,971	3,466	26,626	1	17	26,644	61
—	62	—	33	33	33	188	—	—	188	62
—	—	—	—	—	—	—	24	846	870	63
12,227	7,438	1,283	1,740	3,513	4,031	31,238	25	863	32,126	64
241,135	280,726	43,210	40,037	65,772	83,805	859,912	881	1,796	862,589	65
319,938	286,369	61,255	65,758	81,818	85,788	1,114,183	2,804	4,324	1,121,311	66
4,689	14,757	1,882	944	2,051	2,743	31,803	4	113	31,920	67
43	—	35	15	6	40	232	—	—	232	68
1,051	2,075	364	—	600	—	4,351	—	—	4,351	69
1	4	—	—	—	73 <sup>5</sup>	78	—	—	78	70
117	5,002	135	443	263	1,867	7,900	—	—	7,900	71
414	217	199	530	319	274	1,977	—	—	1,977	72
1,912	997	60	—	—	422	3,840	—	—	3,840	73
—	—	—	—	—	—	—	—	—	—	74
—	99 <sup>7</sup>	—	—	—	—	1,899	—	—	1,899	75
8,227	23,151	2,675	1,932	3,239	5,419	52,080	4	113	52,197	76
328,165	309,520	63,930	67,690	85,057	91,207	1,166,263	2,808	4,437	1,173,508	77

<sup>4</sup> Consists of contributions in respect of protection of the river bank on the Fraser River 72.

<sup>5</sup> Financial assistance to the town of Oromocto. (Classified in Table 2 as "Defence services and mutual aid").

<sup>7</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, 1964

No.	Item	Thousands of dollars
<b>Direct</b>		
1	Debenture debt .....	16,510,097
2	Deduct sinking funds .....	—
3	Item 1 less item 2 .....	16,510,097
4	Short-term treasury bills .....	2,230,000
5	Accounts and other payables .....	1,447,585
6	Annuity, insurance and pension accounts .....	5,132,423
7	Other liabilities .....	430,498
8	<b>Total direct debt less sinking funds<sup>1</sup></b> .....	<b>25,750,603</b>
<b>Indirect</b>		
9	Guaranteed bonds or debentures .....	1,377,611
10	Deduct sinking funds .....	—
11	Item 9 less item 10 .....	1,377,611
12	Guaranteed bank loans .....	219,039
Other guarantees:		
13	Loans by lenders under Part IV of the National Housing Act, 1954 .....	14,491
14	Insured loans by approved lenders under the National Housing Act, 1954 .....	4,499,000
15	Insurance guarantees and long-term financing under the Export Credits Insurance Act .....	378,096
16	<b>Total indirect debt less sinking funds<sup>2</sup></b> .....	<b>6,488,237</b>
17	<b>Total direct and indirect debt less sinking funds</b> .....	<b>32,238,840</b>
18	<b>Direct debt (item 8) per capita<sup>3</sup></b> .....	<b>\$ 1,339</b>
19	<b>Indirect debt (item 16) per capita<sup>3</sup></b> .....	<b>\$ 337</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 \$840,037,000.

<sup>3</sup> Based on population at June 1, 1964, estimated by the Census Division to be 19,235,000.

TABLE 7. Assets Offsetting Direct Debt as at March 31, 1964

No.	Item	Thousands of dollars
1	Cash .....	1,011,481
2	Advances to the exchange fund account .....	2,601,000
Loans to and investments in:		
3	Own government enterprises .....	4,501,978
4	International organizations .....	702,129
5	Other investments .....	99,887
Other receivables:		
6	Provincial governments .....	158,261
7	Municipal governments .....	9,202
8	Foreign governments .....	1,275,965
9	Other .....	330,477
10	Other assets including prepaid and deferred charges .....	756,204
11	Deficit less surplus, reserves, unexpended balances and deferred revenue .....	14,304,019
12	<b>Total represented by direct debt</b> .....	<b>25,750,603</b>



**TABLE 8. Analysis of Indirect Debt by Issuing Authority as at March 31, 1964**

No.	Item	Thousands of dollars
	By issuing authority:	
	Bonds or debentures of:	
1	Own government enterprises .....	1,377,611
2	Other .....	—
	Bank loans of:	
3	Own government enterprises .....	151,313
4	Other .....	67,726
5	Other guarantees .....	4,891,587
6	<b>Total indirect debt less sinking funds per Table 6 item 16 .....</b>	<b>6,488,237</b>

**TABLE 9. Reconciliation of Total Direct Debt Less Sinking Funds with Total Liabilities per Public Accounts as at March 31, 1964**

No.	Item	Thousands of dollars
1	<b>Total liabilities per Public Accounts .....</b>	<b>25,923,732</b>
	Additions:	
2	Working capital fund liabilities .....	62,321
3	Special fund liabilities .....	7,218
4	Payables offset against assets .....	35,181
5	<b>Total additions .....</b>	<b>104,720</b>
	Deductions:	
6	Sinking funds and other investments held for retirement of unmatured bonded debt <sup>1</sup> .....	—
7	Trust fund assets <sup>1</sup> .....	38,882
	Other: <sup>2</sup>	
	Deferred revenue and reserves:	
8	Deferred credits .....	119,447
9	Suspense accounts .....	1,393
	Unexpended balances of special funds:	
10	Replacement of materiel account .....	1,012
11	Colombo plan fund .....	84,451
12	National capital fund .....	6,426
13	National centennial fund .....	3,000
14	Railway grade crossing fund .....	17,649
15	Defence research board — Extramural research grants .....	60
16	National research council — Special fund .....	2,276
17	Fraser River bridge — Maintenance account .....	421
18	Miscellaneous .....	154
19	Common school funds — Ontario and Quebec .....	2,678
20	<b>Total deductions .....</b>	<b>277,849</b>
21	<b>Total direct debt less sinking funds per Table 6 item 8 .....</b>	<b>25,750,603</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, 1963	Changes during fiscal year ended March 31, 1964		As at March 31, 1964
		New issues	Retirements	
		thousands of dollars		
Canada .....	15,385,847	3,257,021	2,509,176	16,133,692
New York .....	376,405	—	—	376,405
London (England) .....	34,584	—	34,584	—
<b>Total bonded debt .....</b>	<b>15,796,836</b>	<b>3,257,021</b>	<b>2,543,760</b>	<b>16,510,097</b>
Population (000's) .....	18,896 <sup>1</sup>	—	—	19,235 <sup>2</sup>
Bonded debt per capita (\$) .....	836	—	—	858

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

<sup>2</sup> As at June 1, 1964, per estimate made by Census Division.

TABLE 11. Bonded Debt by Interest Rate

Rate of interest %	As at March 31, 1963	Changes during fiscal year ended March 31, 1964		As at March 31, 1964
		New issues	Retirements	
thousands of dollars				
2¾ .....	989,716	—	575,000	414,716
3 .....	555,667	—	255,465	300,202
3¼ .....	1,044,797	825,000	380,133	1,489,664
3½ .....	775,000	170,000	—	945,000
3¾ .....	1,854,449	—	296,357	1,558,092
3⅞ .....	—	29,000	29,000	—
4 .....	900,000	—	300,000	600,000
4¼ .....	1,667,203	455,000	—	2,122,203
4½ .....	—	36,500	36,500	—
4½ .....	2,167,679	75,000	—	2,242,679
5 .....	270,270	466,000	—	736,270
5½ .....	11,500	—	11,500	—
5½ .....	1,139,361	—	12,802	1,126,559
3¼ - 4¹ .....	66,216	—	10,335	55,881
3¼ - 4¾² .....	503,901	—	69,279	434,622
3½ - 4¼³ .....	160,807	—	31,863	128,944
4 - 5⁴ .....	1,542,185	—	123,592	1,418,593
4¼ - 5⁵ .....	514,276	—	109,733	404,543
4½ - 5½⁶ ⁷ .....	1,633,809	1,200,521	302,201	2,532,129
Total bonded debt .....	15,796,836	3,257,021	2,543,760	16,510,097
Average interest rate (%) .....	4.13	—	—	4.27

<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 4¼% 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 4½% 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.

<sup>7</sup> Canada Savings Bonds issued in 1963. Interest is payable at the rate of 4½% per annum to November 1, 1965, thereafter at 5% per annum to November 1, 1971 and thereafter at 5½% per annum to maturity in 1975.

TABLE 12. Bonded Debt by Term of Issue

Term in years <sup>1</sup>	As at March 31, 1963	Changes during fiscal year ended March 31, 1964		As at March 31, 1964
		New Issues	Retirements	
thousands of dollars				
1 .....	525,000	890,000	765,000	650,000
1½ .....	175,000	90,000	175,000	90,000
2 .....	350,000	165,000	—	515,000
2½ .....	50,000	—	—	50,000
3 .....	1,387,802	75,000	312,802	1,150,000
4 .....	—	305,000	—	305,000
5 .....	425,000	316,000	—	741,000
5½ .....	100,000	—	—	100,000
6 .....	100,000	—	—	100,000
6½ .....	100,000	—	—	100,000
7 .....	1,345,891	—	266,000	1,079,891
9 .....	1,108,555	—	62,299	1,046,256
10 .....	1,027,906	—	171,026	856,880
11 .....	19,203	—	19,203	—
12 .....	341,763	1,097,477	24,148	1,415,092
12½ .....	66,216	—	10,335	55,881
13 .....	503,901	—	69,279	434,622
14 .....	2,901,012	103,044	302,201	2,701,855
15 .....	160,807	—	31,863	128,944
16 .....	746,559	—	—	746,559
18 .....	651,601	—	223,020	428,581
20 .....	150,000	—	—	150,000
21 .....	245,202	—	—	245,202
22 .....	247,047	—	—	247,047
24 .....	—	50,000	—	50,000
25 .....	2,772,381	100,000	2,139	2,870,242
30 .....	32,445	—	32,445	—
41½ .....	197,045	—	—	197,045
Perpetual <sup>2</sup> .....	55,000	—	—	55,000
On demand <sup>2,3</sup> .....	11,500	65,500	77,000	—
Total bonded debt .....	15,796,836	3,257,021	2,543,760	16,510,097
Average term of issue (years) .....	13.36	—	—	13.09

<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, 1963	Changes during fiscal year ended March 31, 1964		As at March 31, 1964
		New issues	Retirements	
		thousands of dollars		
1964 .....	1,289,609	240,000	1,529,609	—
1965 .....	1,200,000	650,000	—	1,850,000
1966 .....	1,605,290	255,000	277,154	1,583,136
1967 .....	459,602	75,000	6,575	528,027
1968 .....	487,964	305,000	6,419	786,545
1969 .....	1,337,136	316,000	62,299	1,590,837
1970 .....	326,216	—	10,335	315,881
1971 .....	1,217,531	—	130,572	1,086,959
1972 .....	514,276	—	109,733	404,543
1973 .....	1,267,203	—	—	1,267,203
1974 .....	160,807	—	31,863	128,944
1975 .....	65,087	—	—	65,087
1976 .....	351,409	1,097,477	—	1,448,886
1977 .....	2,317,054	103,044	302,201	2,117,897
1978 .....	207,911	—	—	207,911
1980 .....	343,247	—	—	343,247
1981 .....	120,000	—	—	120,000
1984 .....	1,992,679	—	—	1,992,679
1988 .....	270,270	—	—	270,270
1989 .....	—	150,000	—	150,000
1998 .....	197,045	—	—	197,045
Perpetual .....	55,000	—	—	55,000
On demand .....	11,500	65,500	77,000	—
Total bonded debt .....	15,796,836	3,257,021	2,543,760	16,510,097

TABLE 14. Redemption Features of Bonded Debt

Fiscal year ending March 31	As at March 31, 1964			
	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				
1965 .....	—	1,850,000	—	351,337
1966 .....	53,245	1,529,891	—	—
1967 .....	32,825	250,000	245,202	55,000
1968 .....	31,545	755,000	—	308,581
1969 .....	966,256	316,000	308,581	—
1970 .....	55,881	260,000	—	—
1971 .....	886,959	200,000	—	—
1972 .....	404,543	—	—	—
1973 .....	—	1,267,203	—	—
1974 .....	128,944	—	—	—
1975 .....	—	—	65,087	454,958
1976 .....	1,097,477	310,361	41,048	—
1977 .....	1,434,652	436,198	247,047	—
1978 .....	—	—	207,911	270,270
1980 .....	—	343,247	—	—
1981 .....	—	120,000	—	—
1984 .....	—	1,992,679	—	—
1988 .....	—	—	270,270	—
1989 .....	—	150,000	—	—
1997 .....	—	—	—	197,045
1998 .....	—	—	197,045	—
Perpetual .....	—	—	55,000	—
<b>Sub-totals .....</b>	<b>5,092,327</b>	<b>9,780,579</b>	<b>1,637,191</b>	
<b>Total bonded debt .....</b>		<b>16,510,097</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.

**TABLE 15. Functional-economic Cross-classification of Gross General Expenditure  
for Fiscal Year Ended March 31, 1964**

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 .....	1,719,023	784,277 <sup>1</sup>	855,019	163	—	1,800	77,764
2	Veterans' pensions and other benefits .....	335,902	51,744	23,923	253,755	—	—	6,480
General government:								
3	Executive and administrative .....	259,238	133,079	125,159	6	—	—	994
4	Legislative .....	25,656	4,179	21,477	—	—	—	—
5	Research, planning and statistics....	13,808	10,330	3,117	—	—	—	361
6	Total general government .....	298,702	147,588	149,753	6	—	—	1,355
Protection of persons and property:								
7	Law enforcement .....	10,595	7,638	2,952	5	—	—	—
8	Corrections .....	26,800	13,718	12,746	—	—	—	336
9	Police protection .....	52,892	41,374	11,502	1	—	—	15
10	Other .....	9,594	6,689	2,856	31	—	18	—
11	Total protection of persons and property .....	99,881	69,419	30,056	37	—	18	351
Transportation:								
12	Air .....	66,787	25,692	39,319	273	229	232	1,042
13	Road .....	81,565	2,307	16,924	2	9	56,548	5,775
14	Rail .....	118,503	1,116	350	—	114,049	—	2,988
15	Water .....	147,940	24,874	72,937	12	49,425	86	606
16	Other .....	3,650	2,770	880	—	—	—	—
17	Total transportation .....	418,445	56,759	130,410	287	163,712	56,866	10,411
18	Communications (telephone, telegraph and wireless).....	32,008	13,967	18,041	—	—	—	—
Health:								
19	General .....	10,433	2,015	4,535	—	—	3,883	—
20	Public health .....	40,505	4,679	2,375	63	—	33,388	—
21	Medical, dental and allied services..	11,481	—	9,697	35	—	1,749	—
22	Hospital care .....	430,140	8,015	2,983	4,598	—	414,544	—
23	Total health .....	492,559	14,709	19,590	4,696	—	453,564	—
Social welfare:								
24	Aid to aged persons.....	847,792	140	53	808,391	—	39,208	—
25	Aid to blind persons .....	5,057	—	—	69	—	4,988	—
26	Aid to unemployed employables and unemployables .....	127,577	—	—	—	—	127,577	—
27	Family allowances.....	541,321	2,599	410	538,312	—	—	—
28	Labour .....	4,229	2,289	1,830	15	95	—	—
29	National employment and unemploy- ment insurance services .....	110,290	41,471	9,485	2	—	—	59,332 <sup>2</sup>
30	Other .....	30,012	5,183	19,755	4,250	—	819	5
31	Total social welfare .....	1,666,278	51,682	31,533	1,351,039	95	172,592	59,337
Recreational and cultural services:								
32	Archives, art galleries, museums and libraries .....	5,206	1,779	3,427	—	—	—	—
33	Parks .....	17,465	10,366	6,733	15	—	266	85
34	Other .....	11,829	5,017	3,792	2,672	—	268	80
35	Total recreational and cultural services.....	34,500	17,162	13,952	2,687	—	534	165
Education:								
36	Indian and Eskimo schools .....	38,668	9,264	14,068	13,364	—	1,972	—
37	Universities, colleges and other schools .....	163,679	190	—	26,884	—	136,605	—
38	Other .....	3,979	—	43	3,675	—	261	—
39	Total education .....	206,326	9,454	14,111	43,923	—	138,838	—

See footnotes at end of table.





1010465038

- 32 -

**TABLE 15. Functional-economic Cross-classification of Gross General Expenditure  
for Fiscal Year Ended March 31, 1964 - Concluded**

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)				
			(a)	(b)	(c)	(d)	(e)	(f)
			thousands of dollars					
	Natural resources and primary industries:							
40	Fish and game .....	24,662	12,319	10,238	652	783	670	-
41	Forests .....	19,004	6,306	4,436	49	-	8,139	74
42	Lands: settlement and agriculture ....	296,132	46,501	40,043	11,717	190,778	6,159	934
43	Minerals and mines .....	49,957	9,400	5,013	120	35,424	-	-
44	Water resources .....	10,323	1,406	1,317	-	-	7,600	-
45	Other .....	22,275	12,178	9,925	104	-	38	30
46	<b>Total natural resources and primary industries .....</b>	<b>422,353</b>	<b>88,110</b>	<b>70,972</b>	<b>12,642</b>	<b>226,985</b>	<b>22,606</b>	<b>1,038</b>
47	Trade and industrial development .....	18,937	7,146	10,136	51	1,604	-	-
48	National capital area planning and development .....	22,705	2,575	5,944	-	-	99	14,087
49	Loss on foreign exchange .....	-	-	-	-	-	-	-
	Debt charges (excluding debt retirement):							
50	Commission on bond or debenture sales and other management charges .....	16,623	-	979	-	-	-	15,644
51	Amortization of bond discount .....	20,669	-	-	-	-	-	20,669
52	Interest .....	954,542	-	-	954,542	-	-	-
53	Other .....	4,025	-	4,025	-	-	-	-
54	<b>Total debt charges (excluding debt retirement) .....</b>	<b>995,859</b>	<b>-</b>	<b>5,004</b>	<b>954,542</b>	<b>-</b>	<b>-</b>	<b>36,313</b>
55	Payments to government enterprises ....	149,475	-	-	-	-	-	149,475 <sup>1</sup>
	Payments to provincial and municipal governments (unconditional):							
	Provincial:							
56	Federal-provincial fiscal arrangements .....	182,329	-	-	-	-	182,329	-
57	Share of income tax on power utilities .....	9,868	-	-	-	-	9,868	-
58	Subsidies .....	66,525	-	-	-	-	66,525	-
	Municipal:							
59	Grants in lieu of taxes .....	31,920	-	-	-	-	31,920	-
60	<b>Total payments to provincial and municipal governments .....</b>	<b>290,642</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290,642</b>	<b>-</b>
	Other expenditure:							
61	Citizenship and immigration .....	17,365	10,258	5,229	1,878	-	-	-
62	External affairs .....	25,258	10,219	15,039	-	-	-	-
63	International co-operation and assistance .....	74,621	741	73,784	51	-	-	45
64	Postal service .....	241,942	-	-	-	-	-	241,942 <sup>2</sup>
65	Royal Canadian Mint .....	2,675	1,298	1,377	-	-	-	-
66	Housing research and slum clearance .....	4,864	-	172	-	-	4,692	-
67	Civil defence .....	10,170	957	4,789	-	-	4,424	-
68	Winter works projects .....	26,824	-	180	-	-	26,644	-
69	Other .....	121,042	79,364 <sup>3</sup>	25,486	15,327	87	188	590
70	<b>Total other expenditure .....</b>	<b>524,761</b>	<b>102,837</b>	<b>126,056</b>	<b>17,256</b>	<b>87</b>	<b>35,948</b>	<b>242,577</b>
71	<b>Sub-totals .....</b>	<b>7,728,356</b>	<b>1,417,429</b>	<b>1,504,500</b>	<b>2,641,084</b>	<b>392,483</b>	<b>1,173,507</b>	<b>599,353</b>
	Non-expense and surplus payments:							
72	Refunds of previous years' revenue ....	159	-	-	-	-	-	159
73	Other .....	266	-	-	31	-	-	235
74	<b>Total gross general expenditure .....</b>	<b>7,728,781</b>	<b>1,417,429</b>	<b>1,504,500</b>	<b>2,641,115</b>	<b>392,483</b>	<b>1,173,507</b>	<b>599,747</b>

<sup>1</sup> Includes 573,333 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 146,332 is offset against revenue in the economic analysis.<sup>6</sup> Includes overtime earnings 14,833, and retroactive payments 14,784, which cannot be classified functionally.