

ANALYSIS OF EXPENDITURES

24. According to preliminary calculations, grand total expenditures during the fiscal year 1947-48 were \$2,199,451,000, a decline of \$434,776,000 from the previous year. Demobilization and reconversion expenditures contracted still further, counterbalanced by some increase in ordinary expenditures and other items.

ANALYSIS OF EXPENDITURES

(Thousands of Dollars)

	1947-48				Change in Total from 1946-47
	Ordinary Expenditures	Demob. and Reconversion Expenditures	Total	%	
Public Debt charges.....	466,422	8	466,430	21.21	— 10,386
Subsidies and Payments to Provinces under Tax Agreements.....	155,891		155,891	7.09	+ 47,128
Family Allowances.....	263,165		263,165	11.97	+ 18,024
Old Age Pensions and Pensions for Blind Persons.....	58,090	997	59,087	2.68	+ 13,642
Unemployment Insurance Act ⁽¹⁾	35,124		35,124	1.60	+ 1,198
Veterans Benefits Pensions and aftercare ⁽²⁾	96,219	230,325	236,544	14.85	—265,186
Agricultural Subsidies and Assistance.....		33,313	33,313	1.51	— 37,803
Wartime Prices and Trade Board and Subsidies Related to Price Control.....		57,560	57,560	2.62	— 69,956
National Defence.....	637	194,553	195,190	8.87	—192,421
Reconstruction and Supply.....	12,087	63,235	75,322	3.42	— 63,750
Other Ordinary and Demobilization and Reconversion Expenditures.....	294,910	54,677	349,587	15.89	+ 25,690
TOTAL.....	1,382,545	634,668	2,017,213	91.71	—533,820
Capital Expenditure.....			16,461	0.75	+ 5,261
Special Expenditure.....			63,540	2.89	+ 31,614
Government Owned Enterprises.....			18,697	0.85	+ 8,015
Other Charges.....			83,540	3.80	+ 54,154
GRAND TOTAL EXPENDITURES.....			2,199,451	100.00	—434,776

⁽¹⁾ Administration and Government Contributions.

⁽²⁾ Includes Veterans Land Act but not additions, alterations and improvements to departmental hospitals.

25. The principal changes in expenditures are summarized in the above table which, for purposes of comparison with the previous year, combined ordinary and demobilization and reconversion expenditures.

26. For the first time in ten years, interest charges on the public debt fell below the previous year, a direct result of the reduction in debt during the year. The decline in interest charges alone was \$8,940,000 to which have been added other savings in public debt charges amounting to \$1,446,000, to give the total reduction shown above of \$10,386,000.

27. The largest single increase during the year—\$47,128,000—was in the total of payments to Provinces, including statutory subsidies and payments under the tax agreements. The increase in the tax agreement payments, amounting to \$28,117,000, is a result of the payment during 1947-48 of \$63,000,000 due under the wartime tax agreements. The remainder is largely attributable to the payment of \$8,031,250 to each of the Provinces of Alberta and Saskatchewan arising out of the Natural Resources settlement.

[Mr. Abbott.]