

Notes to Fiscal Tables

Status of 1977-78 Figures

Although the fiscal year ends on March 31, the books remain open for some time to permit payments made up to April 30 in discharge of debts incurred before March 31, together with receipts in transit at March 31, to be included in the accounts for the fiscal year. Since the books are not yet closed, the 1977-78 figures in the fiscal tables should be regarded as estimates. The government's preliminary financial statement for 1977-78 will be published this summer in The Canada Gazette.

Fiscal year-end levels of cash balances are already known and the preliminary data on debt and foreign exchange transactions should be subject to only minor revisions. Thus, close to final figures for "Total Financial Requirements" and "Financial Requirements (excluding foreign exchange transactions)" may be derived. Budgetary revenues and expenditures, the resulting budgetary deficit, and the figures for non-budgetary transactions are based on actual data for the first 11 months of the fiscal year, estimates for March, and forecasts for the supplementary period.

Differences from Forecast in October Economic and Fiscal Statement

The current estimate of 1977-78 budgetary revenues is \$350 million lower than the forecast provided in the October 20, 1977 Economic and Fiscal Statement of the Minister of Finance. The individual revenue category showing the largest difference is personal income tax revenue which is \$525 million below the October forecast. Of this reduction, \$260 million reflects a transfer to the provincial tax collection account in respect of 1976 assessments. Adjustments in respect of prior years' entries to this account are calculated every January when data from individual tax returns for the taxation year which ended 13 months earlier become available. While reducing budgetary revenues, this transfer does not increase financial requirements as it constitutes a non-budgetary source of funds. The remaining part of the reduction in personal income tax revenues reflects a slightly lower tax base growth than expected earlier and the latest available collections information.

Total outlays, i.e., budgetary expenditures and non-budgetary loans, investments and advances, are now estimated to total \$200 million less than the target level of \$44,450 million established last March and restated in October. Budgetary expenditures on certain statutory programs, such as public debt charges and payments to provinces under the new Established Programs Financing arrangements, were higher than originally expected but more than offsetting reductions occurred in the loans, investments and advances categories. In addition, it was decided to provide budgetary appropriations to write off loans totalling \$444 million to the Canadian Dairy Commission and Atomic Energy of Canada Limited, and to forgive