

*The Budget—Appendix*TABLE 9
(in millions of dollars)

DEFENCE EXPENDITURE	Fiscal year ending March 31		Increase or decrease (—)
	1966 (estimated)	1965	
Department of National Defence—			
Naval services.....	266.3	272.5	—6.2
Army services.....	459.6	433.6	26.0
Air services.....	620.2	656.0	—35.8
Inspection services.....	7.3	7.1	0.2
	1,353.4	1,369.2	—15.8
Canadian forces superannuation account—			
Government's contribution.....	58.8	58.8	
Amortization of deferred charges.....	16.8	13.4	3.4
Defence research and development.....	73.0	54.5	18.5
Mutual aid to NATO countries including contributions towards military costs of NATO.....	18.6	27.5	—8.9
Defence Construction (1951) Limited.....	2.1	2.2	—0.1
Administration and general.....	14.0	12.2	1.8
	1,536.7	1,537.8	—1.1
Department of Industry ⁽¹⁾ —			
Technological capability.....	25.0	20.5	4.5
Department of Defence Production ⁽¹⁾ —			
Canadian Arsenals Limited.....	1.8	4.6	—2.8
Production capacity and capital assistance.....	2.4	0.7	1.7
Administration and general.....	10.4	14.4	—4.0
	14.6	19.7	—5.1
Emergency Measures Organization.....	8.4	7.7	0.7
	1,584.7	1,585.7	—1.0

⁽¹⁾See also under "All Other Departments" at the end of this section.

Mutual aid to NATO countries including contributions towards military costs of NATO at \$19 million are \$9 million less than the total of \$28 million in 1964–65.

Emergency Measures Organization

Expenditures of the Emergency Measures Organization amount to \$8 million, \$1 million more than in the previous fiscal year.

Defence Production

Defence expenditures of the Department of Defence Production including those for Canadian Arsenals Limited total \$15 million compared with \$20 million in 1964–65.

Industry

Defence expenditures of the Department of Industry are \$25 million, an increase of \$5 million over the previous year. The increase is due to higher outlays in connection with the government program instituted in 1959–60 of supporting selected defence development programs in order to sustain technological capability in Canada's industry.