

EXPENDITURES, 1939-40

12. The comments which follow will deal with expenditures classified by the usual main categories: Ordinary Expenditures, Capital Expenditures, Special Expenditures (including relief and war), Operating Deficits of and Non-active Advances to Government Owned Enterprises, and Other Charges. All disbursements under these categories are included as expenditure in arriving at the over-all deficit or increase in net debt.

ORDINARY EXPENDITURES

13. Ordinary expenditures, which include interest on the public debt and the general administrative expenses of the Government totalled \$397,996,000, a decrease of \$15,036,000 from the previous fiscal year.

The largest decrease in ordinary expenditures is in the Department of National Defence where by reason of the war a change in policy was instituted as from September 1, 1939 which involved the charging of certain expenditures of this department to War Expenditures. These are included in the totals shown under section 15. Certain Defence Expenditures, totalling \$3,770,000, originally set up as Capital have been charged to Ordinary Account pursuant to Item 205 of the Main Estimates, 1940-41. Ordinary expenditures of the Public Works Department

decreased approximately \$2,400,000 and special grants to provinces were reduced by \$2,000,000.

There were no very large increases in the ordinary expenditures of any particular department. Expenditures of the Department of Agriculture increased by \$2,290,000. Interest on public debt was up by \$1,319,000. The dominion's share of Old Age Pensions, including pensions to blind persons was \$933,000 higher than last fiscal year. Payments in connection with the movement of coal under the Department of Mines and Resources increased by \$2,611,000. The only other increase of any considerable amount was for the treatment and after-care of returned soldiers which increased by \$1,325,000.

CAPITAL EXPENDITURES

14. Total expenditures charged to capital amounted to \$7,029,000 compared with \$5,424,000 in the previous year. The main items in this category are expenditures arising out of dredging the St. Lawrence Ship Channel and the construction and improvements of airways and airports.

SPECIAL EXPENDITURES

War Expenditures—

15. Expenditures arising out of the war are treated as special expenditures. The amount actually expended and charged to the fiscal year 1939-40 was \$118,340,000 divided by departments and services as follows:

Agriculture—			
Purchase of Apples.....	\$	1,302,000	
Purchase of Fibre Flax Seed.....		1,000	
Programme to encourage production of essential agricultural war supplies		39,000	
Sundry.		35,000	
			\$ 1,377,000
Auditor General's Office—			
Audit of War Expenditure.....			8,000
Civil Service Commission—			
Additional War Expenses.....			6,000
External Affairs—			
Establishment of new offices abroad.....		47,000	
Sundry.		29,000	
			76,000
Finance—			
Comptroller of the Treasury—			
Dependents' Allowance Office and Outside Establishments.		358,000	
War Supply Board Administration.....		215,000	
			573,000
Justice—			
Prize Court.....		1,000	
Defence of Canada regulations.....		13,000	
			14,000
Labour—			
Wartime Prices and Trade Board.....			55,000
Mines and Resources—			
Repatriation of distressed Canadians abroad.....			18,000