



1996-97 Estimates

Part I

The Government Expenditure Plan
and
Highlights by Ministry

The Estimates Documents

The Estimates of the Government of Canada are structured in three Parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending with Parliament will be asked to approve. The Part III documents provide additional detail on each department and its programs primarily in terms of the results expected for the money spent.

Instructions for obtaining each volume can be found on the order form enclosed with Part II.

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1996-97 Estimates

Part I The Government Expenditure Plan and Highlights by Ministry

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Preface

The government prepares the Estimates annually providing information in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of Appropriation Bills in Parliament.

The Estimates, tabled in the House of Commons by the President of the Treasury Board, consist of:

Part I — The Government Expenditure Plan and Highlights by Ministry;

Part II — The Main Estimates; and

Part III — Individual department and agency Expenditure Plans.

This year a new document, *Program Expenditure Detail: A Profile of Departmental Spending*, is being introduced as a supplement to the Estimates and Budget documents. This document combines federal program spending detail that was previously found in both the Budget and Part I of the Estimates.

These documents, along with Outlooks and the Minister of Finance's Budget, reflect the government's annual budget-planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts, these documents assist Parliament in holding the government to account for the allocation and management of public funds.

Part I provides an overview of federal spending. It describes the relationship of the Estimates to the Expenditure Plan (as set out in the Budget), summarizes key elements of The Main Estimates and highlights the major year-over-year changes by department, agency and Crown corporation.

Part II, known traditionally as the "Blue Book," directly supports the *Appropriation Act*. It provides a detailed listing of the resources required by individual departments and agencies for the upcoming fiscal year in order to deliver the programs for which they are responsible. This document identifies the spending authorities (votes) and the amounts to be included in subsequent Appropriation Bills that Parliament will be asked to approve to enable the government to proceed with its spending plans.

Individual **Part IIIs** are tabled by departments and agencies (excluding Crown corporations) of government. These Part IIIs are tabled in Parliament concurrently with Parts I and II by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Part II. There are 76 separate documents that elaborate on, and supplement, the information contained in Part II. This year, as part of the Improved Reporting to Parliament project, six departments (i.e., Agriculture, National Revenue, Transport,

Natural Resources, Fisheries and Oceans, and Indian Affairs and Northern Development) tabled modified Part IIIs, on a pilot basis, that include the departmental Outlook material reflecting planning and resource allocation decisions to 1998-99. The Part IIIs have a modular structure that provides increasing levels of detail on a program-by-program basis. They contain information on objectives, initiatives and planned and actual results including linkages to related resource requirements as well as objects of expenditure, human resource requirements, major capital projects, grants and contributions, and net program costs.

The purpose of these Estimates is to present to Parliament information in support of budgetary and non-budgetary (loans, investments and advances) authorities for the fiscal year 1996-97. These authorities are divided into two categories - Voted and Statutory. Voted authorities are those for which the government must seek Parliament's approval annually through an *Appropriation Act*. The wording and expenditure authority attributable to each vote appears in a Schedule attached to the *Appropriation Act*. Once approved, the vote wording and approved amounts become the governing conditions under which these expenditures may be made. Statutory authorities are those which Parliament has provided on an ongoing basis through other legislation and are included in the Estimates for information only.

Expenditure forecasts contained in the Estimates do not correspond with those set out in the Expenditure Plan as reported in the March 1996 Budget. This reflects the fundamental difference between the Expenditure Plan and the Estimates. The Expenditure Plan sets out the total amount that the government plans to spend in a given year and the Estimates identify the spending authorities that will be exercised or sought from Parliament via an *Appropriation Bill* to put the Plan into effect. The Estimates do not include funds that were set aside in reserves within the Expenditure Plan for operating contingency purposes or for items that are still subject to Treasury Board approval. Reserves provide for items that would appear in Supplementary Estimates which are tabled in Parliament during the course of the fiscal year. Some elements of planned expenditure reductions or other adjustments cannot be incorporated in the Estimates because they cannot be acted upon until new legislation is passed. Some spending authority provided in the Estimates is expected to lapse and is not included in the forecast of total budgetary expenditures.

The Estimates are presented on a consolidated basis, in line with an accounting policy adopted with the February 1986 Budget. This policy incorporates certain specified purpose accounts into the Government of Canada accounting entity. For the purpose of its summary level financial reporting, the Government of Canada reports the expenditures of these specified purpose accounts as part of its budgetary expenditures and the revenues of these accounts as part of budgetary revenues. The largest of these accounts is the Unemployment Insurance Account. A complete list of these accounts appears in Volume I of the *Public Accounts of Canada*.

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Chapter 1

The Expenditure Plan Overview

Budgetary Spending

The Minister of Finance's March 1996 Budget provided for planned budgetary spending of \$156.8 billion. Of that amount, \$47.8 billion is for public debt charges and \$109 billion for program spending. Details on federal program spending are provided in the document *Program Expenditure Detail: A Profile of Federal Departmental Spending*.

1996-97 Estimates

The Estimates provide current forecasts of the use of statutory spending authorities as well as information in support of voted appropriations to be sought from Parliament in the first part of fiscal year 1996-97.

The Estimates differ from the total budgetary expenditure forecast presented in the March 1996 Budget (see Table 1.1) in several ways:

- a number of elements included in the Budget do not appear in the Estimates because of the timing of the Budget decisions or because they depend on the passage of separate legislation. These adjustments, totaling some -\$1,361 million, are detailed in Table 1.2;
- the Estimates do not include funds that were set aside in reserves within the Expenditure Plan for operating contingency purposes or for items that are still subject to Treasury Board approval for inclusion in the Estimates. As such, these reserves provide for items that will appear in Supplementary Estimates and be tabled in Parliament during the 1996-97 fiscal year. A provision within the reserves has also been made for the revaluation of the government's assets and liabilities. The provision for valuation is intended to account for changes in the value of existing loans and investments as well as adjustments to liabilities with respect to accumulated employee severance and vacation benefits and certain other statutory programs; and
- some spending authority provided in the Main Estimates is expected to lapse and is not included in the forecast of total budgetary expenditures in the Budget. These lapses could occur for any number of reasons, ranging from contractual delays with outside parties to weather-induced delays on a construction project or the late delivery of ordered goods and services.

Table 1.1
The Expenditure Plan and Main Estimates

(\$ millions)	1996-97
Budgetary Main Estimates:	
Current appropriations	45,322
Statutory programs:	
- Public debt charges	47,800
- OAS/GIS/Spouses Allowances	21,907
- Unemployment Insurance: benefits	14,217
administration	1,148
- Fiscal Equalization	8,796
- Canada Health and Social Transfers	15,047
- Other statutory obligations	2,748
Total budgetary Main Estimates	156,985
Adjustments to items in the Main Estimates	-1,331
Reserves net of allowance for lapse	1,146
Total planned budgetary expenditures	156,800

Table 1.2 shows adjustments to items in the Main Estimates that form part of planned spending in the Budget. Spending authorities in the Main Estimates do not anticipate the passage of legislation whereas the Budget's Expenditure Plan forecasts expenditures assuming all the required legislative authority is in place. The Budget anticipates net savings of \$317 million in 1996-97 as a result of modernizing the Unemployment Insurance program to improve employment measures for unemployed workers.

Western Grain Transition, multilateral debt reduction and Early Departure Incentive and Early Retirement Incentive (EDI/ERI) payments are expenditures included in the Main Estimates, but in accounting terms they are charges to previous years. As a result, these expenditures do not appear in the Expenditure Plan for 1996-97.

Table 1.2
Adjustments to items in Main Estimates

(\$ millions)	1996-97
UI legislative changes	-317
Western Grain Transition payment	-400
Multilateral debt reduction payments	-403
EDI/ERI payments	-211
Total adjustments	-1,331

Budgetary Spending Authority

- The Main Estimates contain both statutory expenditures, which have been authorized by Parliament in previous years, and voted expenditures for which parliamentary authority is sought annually.
- Of the \$157 billion set out in the 1996-97 Main Estimates, \$111.7 billion or 71 per cent is statutory. These Estimates support the government's request for Parliament's authority to spend the remaining \$45.3 billion for those programs that rely on annual appropriations.
- Table 1.3 shows, in general, how the 1996-97 Main Estimates will be spent. The annex to this chapter gives further details on "Budgetary Main Estimates by Type of Payment."
- Statutory and voted expenditures are broken down in Table 1.4, "Planned Spending by Ministry."

Table 1.3
1996-97 Main Estimates by Type of Payment

	(\$ millions)
Transfer payments	76,132
Public debt charges	47,800
Other program spending ¹	33,053
Total Main Estimates	156,985

1. Other program spending includes payments to Crown corporations and all operating and capital expenditures, including Defence.

**Table 1.4
Planned Budgetary Spending by Ministry (1996-97)**

Ministry (\$ millions)	Statutory	Voted	Planned Spending (not in Main Estimates)	Total Planned Budgetary Spending
Agriculture and Agri-Food	1,082	910	332	2,324
Canadian Heritage	58	2,501	6	2,565
Citizenship and Immigration	38	654	6	698
Environment	38	516	3	557
Finance	69,511	1,636	1	71,148
Fisheries and Oceans	73	1,250	36	1,359
Foreign Affairs and International Trade	351	3,094	27	3,472
Governor General	1	9	--	10
Health	47	1,776	--	1,823
Human Resources Development Indian Affairs and Northern Development	22,753	1,586	--	24,339
Industry	165	4,025	25	4,215
Justice	251	3,433	317	4,001
National Defence	239	506	33	778
National Revenue	750	9,805	-1	10,554
Natural Resources	265	1,939	3	2,207
Parliament	57	714	--	771
Privy Council	82	192	--	274
Public Works and Government Services	40	120	3	163
Solicitor General	451	3,605	17	4,073
Transport	316	2,246	25	2,587
Treasury Board	113	1,661	63	1,837
Veterans Affairs	207	1,225	--	1,432
Total Departments and Agencies	96,908	45,322	931	143,161
Consolidated Specified Purpose Accounts	14,755	--	-317	14,438
Items charged to previous years	--	--	-1,014	-1,014
Other Adjustments not allocated by Ministry	--	--	215	215
Total Budgetary Spending	111,663	45,322	-185	156,800¹

1. As set out in the Expenditure Plan contained in the March 1996 Budget.

Note: Numbers may not add up to totals due to rounding.

Planned Budgetary Spending by Ministry

In a number of ministries planned spending differs from that shown in the Estimates (see Table 1.4). These differences are explained as follows:

Agriculture and Agri-Food

- reserves to develop federal farm "safety net" programming and adaptation and rural development initiatives

Canadian Heritage

- additional operating and capital requirements

Citizenship and Immigration

- funding to administer fees introduced in the 1995 Budget, to cover the estimated cost of loan write-offs and foregone interest costs, and implement new citizenship legislation, subject to its receiving Royal Assent

Environment

- funding to cover operational and maintenance costs related to the Canadian Meteorological Centre and to meet an additional contribution requirement

Finance

- funding for environmental auditing

Fisheries and Oceans

- funding for the Atlantic Groundfish Strategy (\$29 million) and the capital carry-forward entitlement

Foreign Affairs and International Trade

- funds to dispose of \$20 million in surplus properties abroad and for the capital carry-forward entitlement

Indian Affairs and Northern Development

- program spending contingency

Industry

- funds for initiatives related to the Action Plan for Building a More Innovative Economy, FEDNOR, and the Tri-University Meson Facility (\$49.5 million); repayable contributions (\$40 million); Industry Canada's new Revenue Investment Plan (up to

\$15 million); moving 1995-96 contribution funds to 1996-97 (\$111.8 million) primarily to manage cash flow changes within the Infrastructure Works Program and for FEDNOR projects; and a similar movement of funds to manage cash flow changes for the Canadian Space Agency's Long Term Space Plan program (\$92.6 million)

Justice

- funds to implement the Firearms Control Program and for proceeds of crime (money laundering) prosecutions

National Defence

- funding for the use of the Privy Council to cover costs associated with the Somalia Commission of Inquiry

National Revenue

- funds to cover the capital carry-forward entitlement and costs related to administering tax legislation

Privy Council

- additional resources for commissions of inquiry

Public Works and Government Services

- funds for accommodation, leasing, capital improvements, environmental assessment and costs related to disposing of surplus properties

Solicitor General

- funds to implement the Firearms Control Program

Transport

- funds are needed to cover adjustments related to highway contribution programs, implementing the new National Marine Policy and adjustments related to the Air Navigation System

Veterans Affairs

- funding to transfer departmental institutions (hospitals, long-term care facilities) in accordance with agreements

Budgetary Main Estimates by Type of Payment

\$ millions	1995-96	1996-97
<i>Program spending in the Estimates</i>		
Transfer Payments		
Major transfers to other levels of government:		
Fiscal Equalization	8,870	8,796
Canada Health and Social Transfers ¹	16,351	15,047
Territorial governments	1,216	1,129
Other	292	-2,014
<i>Subtotal: major transfers to other levels of government</i>	<i>26,729</i>	<i>22,958</i>
<i>Major transfers to persons:</i>		
Transfers to seniors		
- Old Age Security	16,024	16,743
- Guaranteed Income Supplement	4,694	4,745
- Spouses Allowance	436	419
<i>Subtotal: transfers to seniors</i>	<i>21,154</i>	<i>21,907</i>
Unemployment Insurance	14,256	14,217
Veterans Pensions and Allowances	1,255	1,222
<i>Subtotal: major transfers to persons</i>	<i>36,665</i>	<i>37,346</i>
<i>Other transfer payments and subsidies</i>	<i>17,468</i>	<i>15,828</i>
Total: transfer payments	80,862	76,132
Payments to Crown corporations		
- Canada Mortgage and Housing Corporation	2,026	1,973
- Canadian Broadcasting Corporation	1,065	963
- Other Crown corporations	1,437	1,299
Total: payments to Crown corporations	4,528	4,235
National Defence²	10,958	10,426
Non-Defence operating and capital		
- personnel	12,488	12,510
- other operating and capital	12,234	11,935
<i>Subtotal:</i>	<i>24,722</i>	<i>24,445</i>
less: revenues credited to the Vote	-6,379	-6,053
Total: non-Defence operating and capital	18,343	18,392
<i>Program spending in the Estimates</i>	<i>114,691</i>	<i>109,185</i>
<i>Public debt charges</i>	<i>49,500</i>	<i>47,800</i>
Total Budgetary Main Estimates	164,191	156,985

1. The 1995-96 figures include \$7,275 million for the Canada Assistance Plan (CAP) and \$9,076 million for Established Programs Financing (EPF) - Health, and Post Secondary Education.

2. Figures are restated to include Emergency Preparedness Canada, which has been incorporated in National Defence.

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Chapter 2

Highlights by Ministry

Introduction

This chapter summarizes the major year-over-year changes in the Main Estimates by department, agency and Crown corporation.

The Summary Tables section displays all departments, agencies and Crown corporations, listing budgetary items followed by non-budgetary (loans, investments and advances) items.

The Details section provides explanations for departments, agencies and Crown corporations that have major year-over-year changes. As only major changes are explained, their sum may not equal the net change stated in the opening paragraph.

Summary Tables

Table 2.1
1996-97 Budgetary Main Estimates

Department/Agency	1995-96 (\$000)	1996-97 (\$000)	Change (\$000)	% Change
Agriculture and Agri-Food Department	1,762,933	1,989,219	226,286 *	12.8
Canadian Dairy Commission	2,468	2,426	(42)	(1.7)
Canadian Heritage Department	966,864	918,030	(48,834) *	(5.1)
Advisory Council on the Status of Women	3,026	0	(3,026) **	N/A
Canada Council	95,882	90,801	(5,081) *	(5.3)
Canadian Broadcasting Corporation	1,064,644	963,158	(101,486) *	(9.5)
Canadian Film Development Corporation	109,784	91,315	(18,469) *	(16.8)
Canadian Museum of Civilization	46,204	44,100	(2,104) *	(4.6)
Canadian Museum of Nature	24,988	24,145	(843)	(3.4)
Canadian Radio-television and Telecommunications Commission	21,246	3,271	(17,975) *	(84.6)
National Archives of Canada	58,319	49,827	(8,492) *	(14.6)
National Arts Centre Corporation	19,308	17,421	(1,887)	(9.8)
National Battlefields Commission	4,802	2,333	(2,469) *	(51.4)
National Capital Commission	82,889	76,194	(6,695) *	(8.1)
National Film Board	75,864	65,184	(10,680) *	(14.1)
National Gallery of Canada	33,411	31,823	(1,588)	(4.8)
National Library	34,391	31,548	(2,843) *	(8.3)
National Museum of Science and Technology	20,559	19,636	(923)	(4.5)
Public Service Commission	122,573	113,309	(9,264) *	(7.6)
Status of Women – Office of the Co-ordinator	15,216	16,563	1,347 *	8.9
Citizenship and Immigration Department	592,657	615,001	22,344 *	3.8
Immigration and Refugee Board of Canada	77,344	76,753	(591)	(0.8)

* Major changes are explained in the Details by Ministry section.

** Resources have been amalgamated with the Status of Women – Office of the Co-ordinator.

Table 2.1
1996-97 Budgetary Main Estimates

Department/Agency	1995-96 (\$000)	1996-97 (\$000)	Change (\$000)	% Change
Environment				
Department	629,882	546,356	(83,526) *	(13.3)
Canadian Environmental Assessment				
Agency	0	7,992	7,992 *	N/A
Finance				
Department	59,400,548	71,087,694	11,687,146 *	19.7
Auditor General	51,350	48,988	(2,362) *	(4.6)
Canadian International Trade Tribunal	8,085	7,957	(128)	(1.6)
Office of the Superintendent of Financial				
Institutions	2,543	2,538	(5)	(0.2)
Fisheries and Oceans				
Department	896,505	1,323,469	426,964 *	47.6
Foreign Affairs and International Trade				
Department	1,303,576	1,376,683	73,107 *	5.6
Canadian International Development				
Agency	1,715,054	1,830,289	115,235 *	6.7
Export Development Corporation	148,000	135,000	(13,000) *	(8.8)
International Development Research				
Centre	96,100	96,100	0	N/A
International Joint Commission	4,458	4,459	1	N/A
NAFTA Secretariat, Canadian Section	2,194	2,184	(10)	(0.5)
Northern Pipeline Agency	250	251	1	0.4
Governor General				
Department	10,061	9,830	(231)	(2.3)
Health				
Department	8,499,777	1,576,849	(6,922,928) *	(81.4)
Hazardous Materials Information Review				
Commission	1,353	1,218	(135)	(10.0)
Medical Research Council	250,034	242,324	(7,710) *	(3.1)
Patented Medicine Prices Review Board	3,138	2,969	(169)	(5.4)

* Major changes are explained in the Details by Ministry section.

Table 2.1
1996-97 Budgetary Main Estimates

Department/Agency	1995-96 (\$000)	1996-97 (\$000)	Change (\$000)	% Change
Human Resources Development				
Department	33,548,327	24,326,356	(9,221,971) *	(27.5)
Canada Labour Relations Board	9,051	8,805	(246)	(2.7)
Canadian Artists and Producers				
Professional Relations Tribunal	1,692	1,705	13	0.8
Canadian Centre for Occupational Health and Safety	2,026	1,770	(256)	(12.6)
Indian Affairs and Northern Development				
Department	5,261,684	4,189,214	(1,072,470) *	(20.4)
Canadian Polar Commission	1,051	986	(65)	(6.2)
Industry				
Department	1,269,378	966,909	(302,469) *	(23.8)
Atlantic Canada Opportunities Agency	371,223	354,951	(16,272) *	(4.4)
Business Development Bank of Canada	14,079	13,893	(186)	(1.3)
Canadian Space Agency	301,858	226,923	(74,935) *	(24.8)
Competition Tribunal	1,279	1,267	(12)	(0.9)
Copyright Board	943	840	(103)	(10.9)
Enterprise Cape Breton Corporation	17,538	11,200	(6,338) *	(36.1)
Federal Office of Regional Development – Quebec	471,375	369,234	(102,141) *	(21.7)
National Research Council of Canada	409,168	407,751	(1,417) *	(0.3)
Natural Sciences and Engineering				
Research Council	465,574	449,626	(15,948) *	(3.4)
Social Sciences and Humanities Research				
Council	96,960	91,245	(5,715) *	(5.9)
Standards Council of Canada	5,264	5,184	(80)	(1.5)
Statistics Canada	288,117	422,896	134,779 *	46.8
Western Economic Diversification	478,133	361,928	(116,205) *	(24.3)

* Major changes are explained in the Details by Ministry section.

Table 2.1
1996-97 Budgetary Main Estimates

Department/Agency	1995-96 (\$000)	1996-97 (\$000)	Change (\$000)	% Change
Justice				
Department	447,932	451,633	3,701 *	0.8
Canadian Human Rights Commission	16,415	15,717	(698)	(4.3)
Commissioner for Federal Judicial Affairs	209,541	215,858	6,317 *	3.0
Federal Court of Canada	30,969	29,771	(1,198)	(3.9)
Offices of the Information and Privacy				
Commissioners of Canada	6,186	6,262	76	1.2
Supreme Court of Canada	15,778	14,496	(1,282) *	(8.1)
Tax Court of Canada	10,276	10,992	716	7.0
National Defence				
Department	11,080,000	10,555,000	(525,000) *	(4.7)
Emergency Preparedness Canada	16,647	0	(16,647) **	N/A
National Revenue				
Department	2,136,998	2,204,222	67,224 *	3.1
Natural Resources				
Department	841,473	522,970	(318,503) *	(37.9)
Atomic Energy Control Board	41,974	43,923	1,949 *	4.6
Atomic Energy of Canada Limited	172,494	174,054	1,560 *	0.9
National Energy Board	30,271	30,117	(154)	(0.5)
Parliament				
The Senate	42,015	40,713	(1,302)	(3.1)
House of Commons	224,100	216,548	(7,552) *	(3.4)
Library of Parliament	15,716	16,954	1,238 *	7.9
Privy Council				
Department	75,431	71,604	(3,827) *	(5.1)
Canadian Centre for Management				
Development	10,848	17,616	6,768 *	62.4
Canadian Intergovernmental Conference				
Secretariat	3,133	3,115	(18)	(0.6)

* Major changes are explained in the Details by Ministry section.

** Resources have been amalgamated with the Department of National Defence.

Table 2.1
1996-97 Budgetary Main Estimates

Department/Agency	1995-96 (\$000)	1996-97 (\$000)	Change (\$000)	% Change
<i>Privy Council (continued)</i>				
Canadian Transportation Accident Investigation and Safety Board	24,609	23,305	(1,304)	(5.3)
Chief Electoral Officer	22,684	23,822	1,138 *	5.0
Commissioner of Official Languages	11,130	10,509	(621)	(5.6)
National Round Table on the Environment and the Economy	3,279	3,270	(9)	(0.3)
Public Service Staff Relations Board	5,953	5,623	(330)	(5.5)
Security Intelligence Review Committee	1,415	1,403	(12)	(0.8)
<i>Public Works and Government Services</i>				
Department	2,187,197	2,058,438	(128,759) *	(5.9)
Canada Mortgage and Housing Corporation	2,025,649	1,972,803	(52,846) *	(2.6)
Canada Post Corporation	14,000	14,000	0	N/A
Canadian Commercial Corporation	11,859	10,948	(911)	(7.7)
<i>Solicitor General</i>				
Department	74,301	73,742	(559)	(0.8)
Canadian Security Intelligence Service	182,753	165,554	(17,199)	(9.4)
Correctional Service	1,076,470	1,092,278	15,808 *	1.5
National Parole Board	25,163	23,855	(1,308)	(5.2)
Office of the Correctional Investigator	1,262	1,270	8	0.6
Royal Canadian Mounted Police	1,207,356	1,201,040	(6,316) *	(0.5)
Royal Canadian Mounted Police External Review Committee	792	788	(4)	(0.5)
Royal Canadian Mounted Police Public Complaints Commission	3,527	3,531	4	0.1
<i>Transport</i>				
Department	1,805,192	1,740,956	(64,236) *	(3.6)
Civil Aviation Tribunal	905	902	(3)	(0.3)
Grain Transportation Agency Administrator	7,932	0	(7,932) **	N/A
National Transportation Agency	709,640	32,007	(677,633) *	(95.5)

* Major changes are explained in the Details by Ministry section.

** Resources have been amalgamated with the Department of Transport.

Table 2.1
1996-97 Budgetary Main Estimates

Department/Agency	1995-96 (\$000)	1996-97 (\$000)	Change (\$000)	% Change
Treasury Board Secretariat	1,271,416	1,432,346	160,930 *	12.7
Veterans Affairs Department	1,997,736	1,939,059	(58,677) *	(2.9)
Budgetary Main Estimates	149,373,417	142,230,904	(7,142,513)	(4.8)
Consolidated Specified Purpose Accounts	14,818,000	14,754,600	(63,400)	(0.4)
Total Budgetary Main Estimates	164,191,417	156,985,504	(7,205,913)	(4.4)
Less: Public Debt Charges	49,500,000	47,800,000	(1,700,000)	(3.4)
Program Spending in the Estimates	114,691,417	109,185,504	(5,505,913)	(4.8)

* Major changes are explained in the Details by Ministry section.

Table 2.2
1996-97 Non-Budgetary Main Estimates

Department/Agency	1995-96 (\$000)	1996-97 (\$000)	Change (\$000)	% Change
Canadian Heritage Department	10	10	0	N/A
Finance Department	334,850	283,200	(51,650) *	(15.4)
Foreign Affairs and International Trade Canadian International Development Agency	14,691	11,202	(3,489) *	(23.7)
Export Development Corporation	280,800	309,400	28,600 *	10.2
Indian Affairs and Northern Development Department	75,503	38,953	(36,550) *	(48.4)
Industry Department	800	800	0	N/A
Natural Resources Department	66,000	66,000	0	N/A
Public Works and Government Services Canada Mortgage and Housing Corporation	(142,300)	(270,900)	(128,600) *	90.4
Total Non-Budgetary Main Estimates	630,354	438,665	(191,689)	(30.4)

* Major changes are explained in the Details by Ministry section.

Details by Ministry

Agriculture and Agri-Food

Department

The budgetary Main Estimates for the Department of Agriculture and Agri-Food are \$1,989.2 million, a net increase of \$226.3 million.

The major changes are:

- an increase of \$400 million to complete the \$1.6 billion payment to landowners associated with terminating transportation subsidies under the *Western Grain Transportation Act*;
- an increase of \$8.4 million associated with agricultural initiatives under the *Farm Income Protection Act*; in particular, a decrease of \$137 million under the Gross Revenue Insurance program due to most provinces moving away from revenue insurance programs, an increase of \$27 million for the Crop Insurance program due to higher insurable values based on significantly higher market price forecasts, and increases of \$104.5 million and \$19.6 million, respectively, for the Crop Sector Companion program and the Agri-Food Innovation program, which were both initiated in 1995-96;
- an increase of \$5.9 million due to the transfer of responsibility for retail food inspection from Industry Canada;
- a decrease of \$65.7 million due to expenditure reduction measures, including \$34.2 million in subsidies on industrialized milk;
- a decrease of \$39.6 million due to establishing a revolving fund for the Canadian Grain Commission;
- a decrease of \$30.7 million associated with the completion and reduced requirements of various programs, including federal-provincial shared cost programs;
- a decrease of \$24 million for the Cash Flow Enhancement program for the 1995-96 crop year;
- a net decrease of \$15 million associated with transferring pest management responsibilities to Health Canada;
- a net decrease of \$14.1 million in major capital costs due primarily to reduced forecast requirements of \$12.2 million for the Winnipeg Laboratory project (joint with Health Canada); and
- a decrease of \$10 million in forecast defaults under the *Prairie Grain Advance Payments Act* due to improved administration of loan guarantees.

Canadian Heritage

Department

The Main Estimates for the Department of Canadian Heritage are \$918 million, a net decrease of \$48.8 million.

The major changes are:

- an increase of \$9.9 million representing a change in cash flow for the School Management program under the Official Languages Activity;
- an increase of \$7.4 million for the Gulf Islands Land Acquisition program in Parks Canada;
- an increase of \$5.9 million for funding of the 1999 Pan-American Games in Winnipeg;
- an increase of \$3.1 million due to the transfer of funding for the National Schools (Ballet, Circus, Theater) from Canada Council;
- a decrease of \$65.4 million primarily due to previous reduction initiatives, which consist of a Program Review reduction of \$37.3 million and a 1993 Budget reduction of \$28.1 million;
- a decrease of \$3.5 million for planned reductions to funding cultural infrastructure initiatives under agreements with the Quebec and Alberta governments;
- a decrease of \$2.6 million due to the completion of the South Moresby Development program within Parks Canada; and
- a decrease of \$1.9 million in cash requirements for the Hot Springs Enterprise Unit Revolving Fund within Parks Canada.

Canada Council

The budgetary Main Estimates for the Canada Council are \$90.8 million, a net decrease of \$5.1 million.

The major changes are:

- a decrease of \$3.1 million as a result of transferring annual contributions to National Schools to Canadian Heritage; and
- a decrease of \$2 million primarily due to previous reduction initiatives.

Canadian Broadcasting Corporation

The budgetary Main Estimates for the Canadian Broadcasting Corporation are \$963.2 million, a net decrease of \$101.5 million. This decrease is primarily due to previous reduction initiatives, \$50 million was announced in the 1993 Budget and \$52.9 million is related to anticipated Program Review decisions introduced in the 1995 Budget.

Canadian Film Development Corporation

The budgetary Main Estimates for the Canadian Film Development Corporation are \$91.3 million, a net decrease of \$18.5 million, primarily due to previous reduction initiatives.

Canadian Museum of Civilization

The budgetary Main Estimates for the Canadian Museum of Civilization are \$44.1 million, a net decrease of \$2.1 million. The major change is a decrease of \$2.2 million primarily due to previous reduction initiatives.

Canadian Radio-television and Telecommunications Commission

The budgetary Main Estimates for the Canadian Radio-television and Telecommunications Commission are \$3.3 million, a net decrease of \$18 million.

The major changes are:

- a decrease of \$16.7 million due to introducing vote netting of some broadcast licence fees; and
- a decrease of \$1.2 million primarily due to previous reduction initiatives.

National Archives of Canada

The budgetary Main Estimates for the National Archives of Canada are \$49.8 million, a net decrease of \$8.5 million.

The major changes are:

- a decrease of \$4.5 million in cash flow requirements for the completion of the Archives' accommodation project in Gatineau, Quebec; and
- a decrease of \$3.6 million primarily due to previous reduction initiatives.

National Battlefields Commission

The budgetary Main Estimates for the National Battlefields Commission are \$2.3 million, a net decrease of \$2.5 million due to terminating a temporary ex gratia payment for grants to municipalities in lieu of taxes.

National Capital Commission

The budgetary Main Estimates for the National Capital Commission are \$76.2 million, a net decrease of \$6.7 million, primarily due to previous reduction initiatives.

National Film Board

The budgetary Main Estimates for the National Film Board are \$65.2 million, a net decrease of \$10.7 million.

The major changes are:

- a decrease of \$8.2 million primarily due to previous reduction initiatives; and
- a decrease of \$2.5 million related to terminating a special capital fund.

National Library

The budgetary Main Estimates for the National Library are \$31.5 million, a net decrease of \$2.8 million.

The major changes are:

- a decrease of \$1.6 million primarily due to previous reduction initiatives; and
- a decrease of \$1.1 million due to the sunseting of the National Library's systems upgrade project.

Public Service Commission

The budgetary Main Estimates for the Public Service Commission are \$113.3 million, a net decrease of \$9.3 million.

The major changes are:

- an increase of \$1.1 million due to an increased share of employees' benefit costs;
- an increase of \$1 million for the Special Measures Initiatives program;
- a decrease of \$8.5 million primarily due to previous reduction initiatives; and
- a decrease of \$1.2 million due to a decline in enrolment in official language training.

Status of Women – Office of the Co-ordinator

The budgetary Main Estimates for Status of Women – Office of the Co-ordinator are \$16.6 million, a net increase of \$1.3 million due to the transfer of the research function from the Canadian Advisory Council on the Status of Women.

Citizenship and Immigration

Department

The budgetary Main Estimates for the Department of Citizenship and Immigration are \$615 million, a net increase of \$22.3 million.

The major changes are:

- an increase of \$15 million for additional resources for the Interim Federal Health program;
- an increase of \$8.6 million for additional resources required for business process re-engineering and investments in technology;
- an increase of \$8.1 million for additional resources required for Citizenship Delivery and Promotion;
- a decrease of \$5 million due to resources committed to the Computer Assisted Immigration Processing System now completed;
- a decrease of \$4.1 million for completing the headquarters accommodation project; and
- a decrease of \$3.3 million primarily due to previous reduction initiatives.

Environment

Department

The budgetary Main Estimates for the Department of the Environment are \$546.4 million, a net decrease of \$83.5 million.

The major changes are:

- an increase of \$3.8 million due to an increased share of employees' benefit costs;
- an increase of \$2.2 million for new program initiatives such as support for the Canadian Environmental Industry Strategy, the National Biotechnology Strategy Fund and the Yukon Indian Land Claims Settlement;
- a decrease of \$78.2 million primarily due to previous reduction initiatives, of which \$54.6 million is due to Program Review reductions for Environment Canada and \$0.4 million for Canadian Environmental Assessment Agency; the remaining \$23.2 million is due to a reduction requirement in various programs such as the Great Lakes Action Plan and the Canada/Nova Scotia Agreement on Sustainable Development;
- a decrease of \$8 million due to the transferring of funds to create the Canadian Environmental Assessment Agency; and
- a net decrease of \$3.3 million due to the transferring of funds to Health Canada to create the Pest Management Regulatory System Agency.

Canadian Environmental Assessment Agency

The budgetary Main Estimates for the Canadian Environmental Assessment Agency are \$8 million. The increase of \$8 million is due to creating the Agency and transferring resources from the Department of Environment.

Finance

Department

The Main Estimates for the Department of Finance are \$71,370.9 million, a net increase of \$11,635.5 million.

The major changes are:

- an increase of \$15,047 million resulting from establishing the Canada Health and Social Transfer payment, which encompasses transfer payments traditionally displayed under Health Canada and Human Resources Development Canada;
- an increase of \$1,129 million, resulting from the transfer of responsibilities for the Transfer Payments to the Territorial Governments Program from Indian Affairs and Northern Development, at an amount consistent with the 1995 Budget decision to reduce the Gross Expenditure Base by 5 per cent;
- an increase of \$24 million in Domestic Coinage;
- a decrease of \$2,031 million, resulting from an increase in recoveries related to the Alternative Payments for Standing programs (APSP). The APSP represents the value of the Quebec tax abatement for the Established Programs Financing (EPF) and Canada Assistance Plan (CAP). The APSP appears in the 1996-97 Main Estimates as a separate item for the first time. Traditionally, the APSP has been netted off the display for EPF and CAP;
- a decrease of \$1,700 million in public debt interest and servicing costs;
- a decrease of \$429 million in budgetary payments to various international financial institutions;
- a decrease of \$263 million due to terminating payments under the *Public Utilities Income Tax Transfer Act*;
- a decrease of \$74 million in fiscal equalization payments to the provinces;
- a decrease of \$27 million in non-budgetary payments to various international financial institutions;

- a decrease of \$25 million to fund Canada's equity interest in Hibernia;
- a decrease of \$12 million resulting from an increase in Youth Allowances Recovery; and
- a decrease of \$4 million due to previous reduction initiatives.

Auditor General

The budgetary Main Estimates for the Office of the Auditor General are \$49 million, a net decrease of \$2.4 million.

The major changes are:

- an increase of \$0.5 million in requirements for special examinations of Crown corporations;
- an increase of \$0.4 million due to an increased share of employees' benefit costs; and
- a decrease of \$3.3 million primarily due to voluntary participation in general government initiatives to reduce expenditures.

Fisheries and Oceans

Department

The budgetary Main Estimates for the Department of Fisheries and Oceans are \$1,323.5 million, a net increase of \$427 million.

The major changes are:

- an increase of \$548.8 million due to integrating the operations and fleet of the Canadian Coast Guard within the Department of Fisheries and Oceans as a result of the government's Program Review. This includes resources for the Canadian Coast Guard proper (\$505.8 million) and resources for corporate services previously provided by Transport Canada in support of the Canadian Coast Guard (\$43 million);
- an increase of \$7.5 million due to an increased share of employees' benefit costs;
- an increase of \$1.1 million for various initiatives under Canada's Green Plan;
- a decrease of \$106.3 million due to cash flow changes under the Atlantic Groundfish Strategy;
- a decrease of \$22 million primarily due to previous reduction initiatives; and
- a decrease of \$4 million due to the sunseting of the Canada/New Brunswick Economic and Regional Development Agreement for Recreational Fisheries Development.

Foreign Affairs and International Trade

Department

The budgetary Main Estimates for Foreign Affairs and International Trade are \$1,376.7 million, a net increase of \$73.1 million.

The major changes are:

- an increase of \$63.2 million in assessed contributions to the United Nations for peacekeeping operations;
- an increase of \$29.1 million to compensate for the effects of foreign inflation and currency exchange losses on the costs of operations abroad;
- an increase of \$9.4 million for Canada's membership costs in international organizations;
- an increase of \$5.8 million due to an increased share of employees' benefit costs; and
- a decrease of \$34.4 million primarily due to previous reduction initiatives.

Canadian International Development Agency

The Main Estimates for the Canadian International Development Agency are \$1,841.5 million, a net increase of \$111.7 million.

The major changes are:

- an increase of \$108 million for the program for Countries in Transition, Central and Eastern Europe and the former Soviet Union;
- an increase of \$11 million in statutory payments to the International Financial Institution Fund Accounts;
- a decrease of \$3 million in non-budgetary payments for the purpose of capital subscriptions in International Financial Institutions; and
- a decrease of \$2 million in the operating budget for Official Development Assistance programs.

Export Development Corporation

The Main Estimates for the Export Development Corporation are \$444.4 million, a net increase of \$15.6 million.

The major changes are:

- an increase of \$151 million in potential non-budgetary loans for China/Atomic Energy of Canada Limited (\$150 million) and Turkey/Atomic Energy of Canada Limited (\$1 million);
- a decrease of \$74 million in special non-budgetary loans for China/Northern Telecom (\$32 million); Romania/Atomic Energy of Canada Limited (\$38 million) and China (\$4 million);
- a decrease of \$48.4 million resulting from an equivalent increase in anticipated repayments under Canada Account loan agreements; and
- a decrease of \$13 million in the forecast loan disbursements for budgetary account loans. The 1995-96 amount included loans reprofiled from the previous year.

Health

Department

The budgetary Main Estimates for the Department of Health are \$1,576.8 million, a net decrease of \$6,922.9 million.

The major changes are:

- an increase of \$55 million for programs aimed at helping children, consistent with government priorities, including Brighter Futures, Aboriginal Head Start, Canada Prenatal Nutrition program and the Community Action program for Children;
- an increase of \$21 million for Non-Insured Health Benefits for status Indians and Inuit and other workload increases in Indian and Inuit health programs;
- an increase of \$19 million due to consolidating responsibilities and resources into the Pest Management Regulatory Agency;
- an increase of \$9 million relating to various initiatives such as the pay equity settlement for nursing, nutrition and dietetics, and occupational and physical therapy groups; the Long Range Strategic Accommodation Plan; and the Centres of Excellence for Women's Health;
- an increase of \$5 million for the construction costs of the Whitehorse General Hospital;

- a decrease of \$6,891 million due to the ending of provincial transfers under the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977*. The 1995 Budget announced its replacement by the Canada Health and Social Transfer, which is reported in the Estimates of the Department of Finance;
- a decrease of \$35 million related to reprofiling resources to be used in future years to fund Population Health strategies;
- a decrease of \$32 million due to implementing new cost recovery initiatives primarily in the area of evaluating drugs and medical devices;
- a decrease of \$29 million due to sunsetting funds for time-limited initiatives including the Tobacco Demand Reduction Strategy, the Family Violence initiative and other activities;
- a decrease of \$20 million due to completing construction of the Disease Control Centres in Ottawa and Winnipeg;
- a decrease of \$15 million primarily due to previous reduction initiatives; and
- a decrease of \$10 million due to transferring resources to Justice for administering the Drug Prosecution Fund.

Medical Research Council

The budgetary Main Estimates for the Medical Research Council are \$242.3 million, a net decrease of \$7.7 million.

The major changes are:

- a decrease of \$4 million primarily due to previous reduction initiatives; and
- a decrease of \$3 million due to the partial sunsetting of the Canadian Genome Analysis and Technology program.

Human Resources Development

Department

The budgetary Main Estimates for the Department of Human Resources Development are \$24,326.4 million, a net decrease of \$9,222 million.

The major changes are:

- an increase of \$753 million in Income Security statutory programs – Old Age Security, Guaranteed Income Supplement and Spouse's Allowance;
- an increase of \$122 million due to payments for interest relief, risk premiums payable to lenders and alternative payments to Québec and Northwest Territories under the Canada Student Loans program;

- an increase of \$33.4 million to fund redesigned technology through Service Delivery Vision, the purpose of which is to improve service to Canadians;
- an increase of \$32 million to fund the First Nations and Inuit Child Care Initiative (\$26 million), which provides new and upgraded child care spaces in Aboriginal communities and Child Care Visions (\$6 million), which supports innovations in child care;
- a decrease of \$9,460 million due to ending two provincial transfer programs: the Canada Assistance Plan and Established Programs Financing - Post Secondary Education. The 1995 Budget announced that these programs would be replaced in 1996-97 by the Canada Health and Social Transfer (CHST). The CHST is administered by the Department of Finance;
- a decrease of \$471.6 million primarily due to previous reduction initiatives;
- a decrease of \$84.8 million in the Atlantic Groundfish Strategy as a result of the expiry of some participants' eligibility to receive income support benefits;
- a decrease of \$61.7 million related to savings achieved through Unemployment Insurance investigation and control activities;
- a decrease of \$54.5 million for the Community Futures program as the program has been transferred from Human Resources Development to Industry Canada (\$12.1 million), Atlantic Canada Opportunities Agency (\$9.5 million), Federal Office of Regional Development – Quebec (\$13.8 million), Western Economic Diversification (\$18.2 million) and Transfer Payments to the Territorial Governments Program (\$0.9 million); and
- a decrease of \$32.6 million associated with the Income Security Program Redesign Project, which is a major business re-engineering initiative aimed at producing more efficient and cost-effective operations as well as improved service to clients.

Indian Affairs and Northern Development

Department

The Main Estimates for the Department of Indian Affairs and Northern Development are \$4,228.2 million, a net decrease of \$1,109 million.

The major changes are:

- an increase of \$128.5 million in Indian and Inuit Programming to support First Nations and Inuit in achieving their self-government, economic, educational, cultural, social and community development needs and aspirations; and to fulfil Canada's constitutional and statutory obligations and responsibilities to First Nations and Inuit people;

- an increase of \$25.5 million for settling and implementing comprehensive and specific claims;
- a decrease of \$1,216.4 million due to transferring the Payments to the Territorial Governments Program to the Department of Finance;
- a decrease of \$36.5 million in loans, primarily reflecting the reduced loan requirements of the Inuvialuit Regional Corporation; and
- a decrease of \$10.5 million in the Northern Affairs Program, primarily related to reducing Economic Development Agreements and the completion of projects under the Canada Infrastructure Works program.

Industry

Department

The Main Estimates for the Department of Industry are \$967.7 million, a net decrease of \$302.5 million.

The major changes are:

- an increase of \$74.5 million resulting from the government's *Building a More Innovative Economy* document for initiatives such as SchoolNet; Canadian Network for the Advancement of Research, Industry and Education Phase II (CANARIE); Canadian Tourism Commission; Canada Business Service Centres (CBSC); and the Canada Community Investment Plan (CCIP);
- an increase of \$27.8 million for adjustments in existing programs such as *Small Business Loans Act*, International Telecommunications Union and employee departure programs;
- an increase of \$12.1 million resulting from transferring the Community Futures program from Human Resources Development Canada;
- a decrease of \$211.8 million due to decreasing activity under the Canada Infrastructure Works program in Ontario;
- a decrease of \$77.5 million for adjustments in existing programs, sunsetting initiatives and vote-netted revenue;
- a decrease of \$66.3 million due to decreasing activity under the MSAT and Techsource major capital projects;
- a decrease of \$55 million primarily due to previous reduction initiatives; and
- a decrease of \$6.3 million due to transferring Retail Food Inspection to Agriculture and Agri-Food Canada, *Tax Rebate Discounting Act* to National Revenue and funds for the Pan-American Games to Canadian Heritage.

Atlantic Canada Opportunities Agency

The budgetary Main Estimates for the Atlantic Canada Opportunities Agency are \$355 million, a net decrease of \$16.3 million.

The major changes are:

- an increase of \$15 million for the Business Development and Cooperation programs;
- an increase of \$9.5 million due to transferring the Community Futures program from Human Resources Development Canada;
- an increase of \$7 million for the Borden/Tormentine Redevelopment Initiative; and
- a decrease of \$47 million due to decreasing activity under the Canada Infrastructure Works program.

Canadian Space Agency

The budgetary Main Estimates for the Canadian Space Agency are \$226.9 million, a net decrease of \$74.9 million.

The major changes are:

- a decrease of \$51 million primarily due to previous reduction initiatives;
- a decrease of \$22 million due to completing the construction, testing and launching of RADARSAT I; and
- a decrease of \$3 million due to completing construction of the Space Centre at St. Hubert.

Enterprise Cape Breton Corporation

The budgetary Main Estimates for the Enterprise Cape Breton Corporation are \$11.2 million, a net decrease of \$6.3 million. The reduction is a result of the Corporation previously having a one-time increase in funding, sourced from the Atlantic Canada Opportunities Agency to address Cape Breton's high unemployment rate.

Federal Office of Regional Development – Québec

The budgetary Main Estimates for the Federal Office of Regional Development – Québec are \$369.2 million, a net decrease of \$102.1 million.

The major changes are:

- an increase of \$22 million in statutory payments under the *Small Business Loans Act*;
- an increase of \$13.8 million due to transferring the Community Futures program from Human Resources Development Canada;

- an increase of \$7.6 million subsequent to two new programs, namely the Special Fund for the Economic Development and Adjustment of Quebec Fishing Communities and the Innovation, Development of Entrepreneurship and Access program (IDEA), aimed at small businesses;
- a decrease of \$102.4 million due to decreasing activity under the Canada Infrastructure Works program;
- a decrease of \$24.2 million subsequent to completing a number of programs and reduced requirements of others; and
- a decrease of \$19 million primarily due to previous reduction initiatives.

National Research Council of Canada

The budgetary Main Estimates for the National Research Council of Canada are \$407.8 million, a net decrease of \$1.4 million.

The major changes are:

- an increase of \$2.3 million due to an increased share of employees' benefit costs; and
- a decrease of \$4 million primarily due to previous reduction initiatives.

Natural Sciences and Engineering Research Council

The budgetary Main Estimates for the Natural Sciences and Engineering Research Council are \$449.6 million, a net decrease of \$15.9 million.

The major changes are:

- an increase of \$1.3 million for Phase II of the Networks of Centres of Excellence program; and
- a decrease of \$17 million primarily due to previous reduction initiatives.

Social Sciences and Humanities Research Council

The budgetary Main Estimates for the Social Sciences and Humanities Research Council are \$91.2 million, a net decrease of \$5.7 million.

The major changes are:

- an increase of \$3.9 million for Phase II of the Networks of Centres of Excellence program; and
- a decrease of \$9.9 million primarily due to previous reduction initiatives.

Statistics Canada

The budgetary Main Estimates for Statistics Canada are \$422.9 million, a net increase of \$134.8 million.

The major changes are:

- an increase of \$131.8 million for the 1996 Censuses of Agriculture and Population;
- an increase of \$7.5 million for three major programs, namely the Preservation of Statistical programs, the Family Expenditure Survey, and Statistical Program Gaps, and miscellaneous adjustments;
- an increase of \$3.2 million due to an increased share of employees' benefit costs;
- a decrease of \$6.4 million primarily due to previous reduction initiatives; and
- a decrease of \$1.3 million due to winding down work on the 1991 Census of Population.

Western Economic Diversification

The budgetary Main Estimates for Western Economic Diversification are \$361.9 million, a net decrease of \$116.2 million.

The major changes are:

- an increase of \$55 million for refunds from repayable contributions;
- an increase of \$18.2 million due to transferring the Community Futures program from Human Resources Development Canada;
- an increase of \$17.4 million for reprofiling 1995-96 lapsing grants and contributions resources to 1996-97;
- an increase of \$7 million in statutory payments under the *Small Business Loans Act*;
- an increase of \$8.9 million for funding the Partnership Agreement and the Canada Business Service Centres;
- an increase of \$1.5 million for constructing and operating a small craft harbour on South Moresby Island, British Columbia;
- a decrease of \$135.2 million due to decreasing activity under the Canada Infrastructure Works program;
- a decrease of \$86.9 million primarily due to previous reduction initiatives; and
- a decrease of \$2 million for the department's contribution to Canadian Heritage for the Pan-American Games.

Justice

Department

The budgetary Main Estimates for the Department of Justice are \$451.6 million, a net increase of \$3.7 million.

The major changes are:

- an increase of \$19.9 million for the administration of the Drug Prosecution Fund, including \$10 million transferred from Health Canada;
- an increase of \$3.9 million for the Firearms Control program (including \$3.6 million not required in 1995-96 reprofiled into 1996-97);
- a decrease of \$8.3 million primarily due to previous reduction initiatives;
- a decrease of \$5 million due to reduced requirements for implementing the department's Information Management Technology program; and
- a decrease of \$5 million in the Aboriginal Justice initiative.

Commissioner for Federal Judicial Affairs

The budgetary Main Estimates for the Commissioner for Federal Judicial Affairs are \$215.9 million, a net increase of \$6.3 million. The major increase of \$6.7 million for judges' salaries, allowances and annuities is to allow for an increase in the number of judicial appointments as well as an increase in the overall average in the amount of pensions being paid to pensioners in accordance with the *Judges Act*.

Supreme Court of Canada

The budgetary Main Estimates for the Supreme Court of Canada are \$14.5 million, a net decrease of \$1.3 million. The major decrease of \$1 million is due to completing the 1995 Seventh International Appellate Judges and Sixth Commonwealth Chief Justices Conference.

National Defence

Department

The budgetary Main Estimates for the Department of National Defence are \$10,555 million, a net decrease of \$525 million.

The major changes are:

- an increase of \$15 million due to Emergency Preparedness Canada's transfer to National Defence;
- an increase of \$3 million due to an increased share of employees' benefit costs;

- a decrease of \$235 million due to personnel reductions;
- a decrease of \$190 million in capital expenditures;
- a decrease of \$116 million in other operating expenditures; and
- a decrease of \$2 million in grants and contributions reflecting declining contributions to NATO.

National Revenue

Department

The budgetary Main Estimates for National Revenue are \$2,204.2 million, a net increase of \$67.2 million.

The major changes are:

- an increase of \$42 million due to transferring the Children's Special Allowance payments from Human Resources Development Canada;
- an increase of \$27.8 million to implement a series of measures announced in the February 1995 Budget such as reporting requirements for the construction industry, elimination of tax deferral on business income, increase in corporate tax rate, changes to contribution limits for retirement savings plans, new requirements to file tax returns involving foreign transactions, a requirement for non-residents to pay withholding tax on Old Age Security payments, changes to Scientific Research and Experimental Development, tax shelter deductions and tax incentive for eligible Canadian films;
- an increase of \$22.6 million due to an increased share of employees' benefit costs;
- an increase of \$19 million to audit and collection activities;
- an increase of \$9 million to offset cost increases in paper, printing and postage;
- an increase of \$8 million due to transferring the eligibility component of the Child Tax Benefit program and the Children's Special Allowance payments program from Human Resources Development Canada;
- an increase of \$3 million in major capital funding approved for renovating Customs facilities;
- a decrease of \$54.5 million primarily due to previous reduction initiatives; and
- a decrease of \$5.8 million in the resource level approved for Anti-Smuggling Initiatives.

Natural Resources

Department

The Main Estimates for the Department of Natural Resources are \$589 million, a net decrease of \$318.5 million.

The major changes are:

- an increase of \$4.3 million relating to implementing Aboriginal Land Claim Agreements;
- an increase of \$3.2 million due to an increased share of employees' benefit costs;
- an increase of \$2.4 million in Green Plan funds;
- an increase of \$1.4 million in funding the National Biotechnology Strategy Fund;
- a decrease of \$171.6 million due to the Hibernia Development Project, reflecting the fact the government made its final payment in October 1995;
- a decrease of \$64.6 million in Forestry and Mineral Development Agreements;
- a decrease of \$59.8 million primarily due to previous reduction initiatives;
- a decrease of \$24 million in statutory payments resulting from adjustments related to the Interprovincial Pipeline;
- a decrease of \$4.6 million in major capital projects; and
- a decrease of \$4 million in statutory payments resulting from adjustments to the Canada-Nova Scotia and Canada-Newfoundland Offshore Development Funds and the Nova Scotia and Newfoundland Offshore Revenue Accounts.

Atomic Energy Control Board

The budgetary Main Estimates for the Atomic Energy Control Board are \$43.9 million, a net increase of \$1.9 million. The increase is due to the study of CANDU 9 engineering designs.

Atomic Energy of Canada Limited

The budgetary Main Estimates for Atomic Energy of Canada Limited are \$174.1 million, a net increase of \$1.6 million. The major increase of \$1.7 million in nuclear Research and Development (R&D) program funding reflects an escalation adjustment to the CANDU Owners Group's jointly funded R&D programs, in accordance with the agreement.

Parliament

House of Commons

The budgetary Main Estimates for the House of Commons are \$216.5 million, a net decrease of \$7.6 million.

The major changes are:

- an increase of \$1.5 million due to an increased share of employees' benefit costs;
- a decrease of \$4.5 million in the House's cost for the members' pension plan;
- a decrease of \$1.8 million due to streamlining operations and reducing overhead as set out in the Outlook on Program Priorities and Expenditures document;
- a decrease of \$1.5 million due to transferring the Public Information Office and Parliamentary Guide program to the Library of Parliament; and
- a decrease of \$1.2 million due to the partial pay back of the one-time cost for Phase III of the OASIS Network Upgrade Project.

Library of Parliament

The budgetary Main Estimates for the Library of Parliament are \$17 million, a net increase of \$1.2 million.

The major changes are:

- an increase of \$1.5 million due to transferring the Public Information Office and Parliamentary Guide program from the House of Commons;
- an increase of \$0.2 million due to an increased share of employees' benefit costs;
- a decrease of \$0.4 million primarily due to voluntary participation in general government initiatives to reduce expenditures;
- a decrease of \$0.2 million due to transferring the Information Systems Unit to the House of Commons.

Privy Council

Department

The budgetary Main Estimates for the Privy Council are \$71.6 million, a net decrease of \$3.8 million.

The major changes are:

- an increase of \$5 million for managing matters related to federal-provincial relations;

- an increase of \$0.5 million due to an increased share of employees' benefit costs;
- a decrease of \$6.4 million in requirements for Commissions of Inquiry; and
- a decrease of \$2.9 million primarily due to previous reduction initiatives.

Canadian Centre for Management Development

The budgetary Main Estimates for the Canadian Centre for Management Development are \$17.6 million, a net increase of \$6.8 million. The major increase of \$6.8 million is primarily due to a technical change in the method of reporting revenue starting in 1996-1997.

Chief Electoral Officer

The budgetary Main Estimates for the Chief Electoral Officer are \$23.8 million, a net increase of \$1.1 million. The major increase of \$1.2 million relates to training newly appointed Returning Officers.

Public Works and Government Services

Department

The budgetary Main Estimates for the Department of Public Works and Government Services are \$2,058.4 million, a net decrease of \$128.8 million.

The major changes are:

- an increase of \$19 million as a result of the approval of the National Investment Strategy and change in project cash flows;
- an increase of \$8 million for transition costs of the Translation Bureau Revolving Fund;
- an increase of \$6 million to cover the Queens Quay West Land Corporation for a subsidy payment to the Harbourfront Centre;
- a decrease of \$115 million primarily due to previous reduction initiatives such as departmental efficiency reviews, the merger of Public Works Canada and Supply and Services Canada, and Program Review I reductions; and
- a decrease of \$47 million in funding due to cancelling the Public Service Compensation system and reprofiling other projects to future fiscal years.

Canada Mortgage and Housing Corporation

The Main Estimates for the Canada Mortgage and Housing Corporation are \$1,701.9 million, a net decrease of \$181.4 million.

The major changes are:

- a decrease of \$128.6 million in non-budgetary funding due to an increase in the Corporation's repayments of loans to the Consolidated Revenue Fund;
- a decrease of \$42.2 million primarily due to previous reduction initiatives; and
- a decrease of \$10.6 million to reflect a reduction in costs due to declining interest rates.

Solicitor General

Correctional Service

The budgetary Main Estimates for Correctional Service are \$1,092.3 million, a net increase of \$15.8 million.

The major changes are:

- an increase of \$19.8 million for implementing the National Capital and Accommodation Plan including various measures related to managing offenders;
- an increase of \$7.8 million due to an increased share of employees' benefit costs;
- an increase of \$5.1 million in payments to employees following the pay equity settlement for the nursing, occupational and physiotherapy, and home economics groups;
- a decrease of \$9.9 million primarily due to previous reduction initiatives;
- a decrease of \$5.9 million in transitional costs for the operations of new facilities for federally sentenced women; and
- a decrease of \$1.1 million in the net cash requirement for operating the CORCAN Revolving Fund.

Royal Canadian Mounted Police

The budgetary Main Estimates for the Royal Canadian Mounted Police are \$1,201 million, a net decrease of \$6.3 million.

The major changes are:

- an increase of \$10.4 million related to pension adjustments;
- an increase of \$10 million for constructing a new division headquarters building in Edmonton;

- an increase of \$3 million to implement the bilingualism bonus;
- a decrease of \$18.3 million primarily due to previous reduction initiatives;
- a decrease of \$8 million due to terminating the peacekeeping operations in Haiti; and
- a decrease of \$3 million to reflect the termination of funding for NCR Laboratory – Phase 2.

Transport

Department

The budgetary Main Estimates for the Department of Transport are \$1,741 million, a net decrease of \$64.2 million.

The major changes are:

- an increase of \$689 million due to a change in treatment of the Air Transportation tax revenues, which are no longer credited directly against departmental expenditures;
- an increase of \$78 million for transition payments as a result of eliminating the *Atlantic Region Freight Assistance Act* and the *Maritime Freight Rates Act* as announced in the February 1995 Budget;
- an increase of \$8 million due to transferring the Grain Transportation Agency Administrator to Transport Canada;
- a decrease of \$549 million due to transferring the Canadian Coast Guard to the Department of Fisheries and Oceans;
- a decrease of \$192 million primarily due to previous reduction initiatives related to:
 - Program Review initiatives such as implementing the National Airports Policy and
 - departmental initiatives to increase revenues such as introducing the new overflight fee announced in the February 1995 Budget;
- a decrease of \$40 million for payments to VIA Rail primarily due to previous years' Budget cuts;
- a decrease of \$25 million for payments to Marine Atlantic as a result of rationalizing service levels (including transferring a service to the province of Newfoundland), vessel rescheduling, reduced administration costs and greater cost recovery;
- a decrease of \$21 million due to transferring Arctic A airports to the Government of the Northwest Territories; and
- a decrease of \$4 million for payments to pilotage authorities.

National Transportation Agency

The budgetary Main Estimates for the National Transportation Agency are \$32 million, a net decrease of \$677.6 million.

The major changes are:

- a decrease of \$559 million in statutory payments to railway companies under the *Western Grain Transportation Act* due to eliminating the Western Grain Transportation subsidy, as announced in the February 1995 Budget;
- a decrease of \$90 million in statutory payments to railway, marine and trucking companies under the *Atlantic Region Freight Assistance Act* due to eliminating this subsidy, as announced in the February 1995 Budget;
- a decrease of \$13 million in statutory payments to railway companies under the *National Transportation Act, 1987* to reflect the elimination of this subsidy;
- a decrease of \$9 million in statutory payments to railway, marine and trucking companies under the *Maritime Freight Rates Act* due to eliminating this subsidy, as announced in the February 1995 Budget; and
- a decrease of \$5 million primarily due to previous reduction initiatives.

Treasury Board

Secretariat

The budgetary Main Estimates for the Treasury Board Secretariat are \$1,432.3 million, a net increase of \$160.9 million.

The major changes are:

- an increase of \$200 million for contributions under the new *Special Retirement Arrangements Act* associated with the Early Retirement Initiative;
- an increase of \$10 million for establishing a central vote to assist departments with the cost of retraining employees who have been, or will be, declared surplus;
- a decrease of \$44.2 million to reflect reduced costs for insurance premiums in the Contributions to Insurance Plans Program; and
- a decrease of \$4.9 million primarily due to previous reduction initiatives.

Veterans Affairs

Department

The budgetary Main Estimates for the Department of Veterans Affairs are \$1,939.1 million, a net decrease of \$58.7 million.

The major changes are:

- a net increase of \$7.4 million due to inflationary adjustments in disability pensions under existing legislation;
- a net decrease of \$40.3 million in War Veterans Allowances due to a decline in the number of eligible clients;
- a net decrease of \$13.9 million in capital contributions to provinces in accordance with transfer agreements for departmental institutions;
- a net decrease of \$6 million in other purchased health services due to efficiency measures and improved client delivery; and
- a decrease of \$5.5 million in the Veterans Independence program due to focusing program delivery on client needs.