



1997-98 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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Preface

Each year, the government prepares the Estimates to provide information to support 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 three parts:

- **Part I** — The Government Expenditure Plan and Highlights by Ministry;
- **Part II** — The Main Estimates; and
- **Part III** — individual department and agency Expenditure Plans.

Included as a supplement to the Estimates and Budget documents is a document called *Program Expenditure Detail: A Profile of Departmental Spending*. It presents spending information by department and agency on a basis consistent with the Expenditure Plan contained in the Budget, together with capsule descriptions.

These documents, along with 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 help Parliament hold 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 lists in detail the resources that individual departments and agencies require for the upcoming fiscal year 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 expenditure plans for each department and agency (excluding Crown corporations). They 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 78 separate documents that elaborate on, and supplement, the

information contained in Part II. 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 links to related resource requirements. They provide details on objects of expenditure, human resource requirements, major capital projects, grants and contributions, and net program costs. This year, as part of the Improved Reporting to Parliament project, 16 pilot departments and agencies¹ tabled Reports on Plans and Priorities as their 1997-98 Main Estimates Part IIIs. These reports provide improved performance information and longer-term strategic planning information that is results oriented.

These Estimates give Parliament information to support budgetary and non-budgetary authorities for the fiscal year 1997-98 (non-budgetary authorities include loans, investments and advances). Both of 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 appear 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 that Parliament provides on an ongoing basis through other legislation. They are included in the Estimates for information only.

Expenditure forecasts in the Estimates do not correspond with those in the Expenditure Plan in the February 1997 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 within the Expenditure Plan for operating contingency purposes or for items that are still subject to Parliamentary or Treasury Board approval. These items appear in Supplementary Estimates that are tabled in Parliament during the course of the fiscal year.

The Estimates are presented on a consolidated basis, in line with an accounting policy adopted with the February 1986 Budget. For its summary-level financial reporting, the Government of Canada reports the expenditures of 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 Employment Insurance Account. A complete list of these accounts appears in Volume I of the *Public Accounts of Canada*.

¹ The pilot organizations are Agriculture and Agri-Food, Atlantic Canada Opportunities Agency, Environment, Fisheries and Oceans, Immigration and Refugee Board, Indian Affairs and Northern Development, National Energy Board, National Parole Board, National Revenue, Natural Resources, Royal Canadian Mounted Police, Statistics Canada, Status of Women, Transport, Treasury Board Secretariat and Veterans Affairs.

Chapter 1

The Expenditure Plan Overview

Budgetary Spending

The Minister of Finance's February 1997 Budget provided for planned budgetary spending of \$151.8 billion. Of that amount, \$46 billion is for public debt charges and \$105.8 billion for program spending. Details on federal program spending are provided in the document *Program Expenditure Detail: A Profile of Federal Departmental Spending*.

1997-98 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 1997-98.

The Estimates differ from the total budgetary expenditure forecast presented in the February 1997 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;
- the Estimates do not include funds that are set aside within the Expenditure Plan for operating contingency purposes or for items that are still subject to Parliamentary or Treasury Board approval for inclusion in the Estimates. As such, these funds provide for items that will appear in Supplementary Estimates and be tabled in Parliament during the 1997-98 fiscal year. A provision within the Expenditure Plan 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 1.2
Budgetary Main Estimates by Type of Payment

1997-98	(\$ millions)
Program spending in the Estimates	
Transfer Payments	
<i>Major transfers to other levels of government:</i>	
Fiscal Equalization	8,292
Canada Health and Social Transfers	12,500
Territorial governments	1,120
Alternative payments for standing programs	(2,131)
Other	22
<i>Subtotal: major transfers to other levels of government</i>	<u>19,803</u>
<i>Major transfers to persons:</i>	
Elderly Benefits	
- Old Age Security	17,140
- Guaranteed Income Supplement	4,778
- Spouses Allowance	390
Subtotal: elderly benefits	<u>22,308</u>
Employment Insurance	<u>13,460</u>
<i>Subtotal: major transfers to persons</i>	<u>35,768</u>
Other transfer payments and subsidies	<u>15,899</u>
Total transfer payments¹	71,470
Payments to Crown corporations	3,909
National Defence	9,916
Non-Defence operating and capital	17,899
<i>Program spending in the Estimates</i>	<u>103,194</u>
<i>Public debt charges</i>	<u>46,000</u>
Total budgetary Main Estimates	149,194

1. Excludes National Defence transfer payments.

Table 1.3
Planned Budgetary Spending by Ministry for 1997-98 (\$ millions)

Ministry	Statutory	Voted	Total Main Estimates (ME)	Planned Spending not in ME	Total Planned Budgetary Spending
Agriculture and Agri-Food	636	869	1,505	255	1,760
Canadian Heritage	68	2,457	2,524	24	2,549
Citizenship and Immigration	36	616	652	11	663
Environment	41	476	517	2	520
Finance	64,495	1,543	66,038	--	66,038
Fisheries and Oceans	77	1,000	1,077	19	1,096
Foreign Affairs and International Trade	354	2,870	3,224	56	3,280
Governor General	1	9	10	--	10
Health	49	1,726	1,776	117	1,892
Human Resources Development	23,170	1,736	24,906	70	24,976
Indian Affairs and Northern Development	183	4,125	4,308	84	4,392
Industry	316	2,921	3,237	693	3,930
Justice	249	487	736	135	871
National Defence	724	9,193	9,917	--	9,917
National Revenue	310	1,959	2,269	52	2,321
Natural Resources	57	639	697	(1)	696
Parliament	85	187	272	--	272
Privy Council	40	110	150	--	150
Public Works and Government Services	54	3,533	3,586	59	3,645
Solicitor General	323	2,212	2,535	86	2,620
Transport	767	987	1,754	38	1,792
Treasury Board	208	1,273	1,481	2	1,483
Veterans Affairs	24	1,897	1,922	7	1,928
Consolidated Specified Purpose Account - Employment Insurance	14,102	--	14,102	52	14,154
Other adjustments not allocated by Ministry ¹	--	--	--	845	845
Total budgetary spending	106,368	42,826	149,194	2,606	151,800²

1. Includes provision for the lapse, planned spending not yet specifically allocated by ministry and contingency provisions to cover a number of anticipated pressures.

2. As set out in the Expenditure Plan contained in the February 1997 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 1.3). These differences are explained as follows:

Agriculture and Agri-Food

- funds for farm “safety net” programming and for *Western Grain Transportation Act* adjustments

Canadian Heritage

- funding for Youth Employment Initiatives and for CBC Radio

Citizenship and Immigration

- funding to implement new citizenship legislation, to cover loan write-off and foregone interest costs, and to cover costs of employee reductions as a result of Program Review

Environment

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

Fisheries and Oceans

- funds for capital project delays and new revitalization initiatives

Foreign Affairs and International Trade

- funds to rationalize properties abroad and for capital project delays

Health

- funds for new tobacco control initiatives, for improvements to the regulatory and surveillance programs for blood, for a new Health Transition fund and a Health Information System, and for the Community Action and Pre-Natal Nutrition Programs for children

Human Resources Development

- funds for Youth Employment Initiatives and for child care initiatives

Indian Affairs and Northern Development

- funding for program expenditures announced in the 1996 Budget, including items such as Youth Initiatives and Davis Inlet, and for the Canada Infrastructure Works Program

Industry

- funds for the Canada Infrastructure Works Program; for tourism initiatives; for the Community Access Program; for initiatives related to the Action Plan for Building a More Innovative Economy, Jobs and Growth, and the Federal Economic Development Initiative in Northern Ontario; for Industry Canada's Revenue Investment Plan; for assistance to help communities adjust to loss of economic activity as a result of federal military base closures; for the Project to Improve Provincial Economic Statistics; and for managing cash-flow changes for the Canadian Space Agency's Long Term Space Plan

Justice

- funds to implement the Firearms Control Program and anticipated child support reforms

National Revenue

- funds to implement and administer child support reforms and the Firearms Control Program, to pursue the Anti-Smuggling Initiative and Canada's Drug Strategy, to administer charities and to implement the Transfer Pricing Initiative

Natural Resources

- funds to transfer to the National Research Council for the Condensed Matter Sciences Program

Public Works and Government Services

- funds for accommodation, leasing, capital improvements, environmental assessment, costs related to disposing of surplus properties and the Residential Rehabilitation Assistance Program

Solicitor General

- funds to continue the Anti-Smuggling Initiative and to manage capital project delays

Transport

- funds to cover adjustments related to the Confederation Bridge between New Brunswick and Prince Edward Island, and the costs of environmental remediations related to the sale of the Air Navigation System

Treasury Board

- funds for the Canada Infrastructure Works Program

Veterans Affairs

- funds for health and safety related improvements to Ste. Anne's Hospital

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. There are two subsections: the Summary Tables and Details by Ministry.

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

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.

Table 2.1
1997-98 Budgetary Main Estimates

Department/Agency	1996-97 (\$000)	1997-98 (\$000)	Change (\$000)	% Change
Agriculture and Agri-Food				
Department	1,989,219	1,502,608	(486,611) *	(24.5)
Canadian Dairy Commission	2,426	2,379	(47)	(1.9)
Canadian Heritage				
Department	918,030	995,045	77,015 *	8.4
Canada Council	90,801	88,668	(2,133)	(2.3)
Canada Information Office	0	19,916	19,916 *	N/A
Canadian Broadcasting Corporation	963,158	857,894	(105,264) *	(10.9)
Canadian Film Development Corporation	91,315	81,063	(10,252) *	(11.2)
Canadian Museum of Civilization	44,100	45,568	1,468	3.3
Canadian Museum of Nature	24,145	20,558	(3,587)	(14.9)
Canadian Radio-television and Telecommunications Commission	3,271	3,769	498 *	15.2
National Archives of Canada	49,827	46,163	(3,664)	(7.4)
National Arts Centre Corporation	17,421	19,573	2,152 *	12.4
National Battlefields Commission	2,333	6,393	4,060 *	174.0
National Capital Commission	76,194	71,109	(5,085) *	(6.7)
National Film Board	65,184	57,690	(7,494) *	(11.5)
National Gallery of Canada	31,823	32,483	660	2.1
National Library	31,548	29,661	(1,887)	(6.0)
National Museum of Science and Technology	19,636	19,187	(449)	(2.3)
Public Service Commission	113,309	112,206	(1,103) *	(1.0)
Status of Women -- Office of the Co- ordinator	16,563	17,111	548	3.3
Citizenship and Immigration				
Department	615,001	575,169	(39,832) *	(6.5)
Immigration and Refugee Board of Canada	76,753	77,027	274	0.4

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

Table 2.1
1997-98 Budgetary Main Estimates

Department/Agency	1996-97 (\$000)	1997-98 (\$000)	Change (\$000)	% Change
Environment				
Department	546,356	507,511	(38,845) *	(7.1)
Canadian Environmental Assessment Agency	7,992	9,842	1,850 *	23.1
Finance				
Department	71,087,694	65,977,574	(5,110,120) *	(7.2)
Auditor General	48,988	50,688	1,700 *	3.5
Canadian International Trade Tribunal	7,957	7,949	(8)	(0.1)
Office of the Superintendent of Financial Institutions	2,538	1,687	(851) *	(33.5)
Fisheries and Oceans				
Department	1,323,469	1,076,749	(246,720) *	(18.6)
Foreign Affairs and International Trade				
Department	1,376,683	1,299,301	(77,382) *	(5.6)
Canadian Commercial Corporation	10,948	10,742	(206)	(1.9)
Canadian International Development Agency	1,830,289	1,683,782	(146,507) *	(8.0)
Export Development Corporation	135,000	135,000	0 *	N/A
International Development Research Centre	96,100	88,111	(7,989) *	(8.3)
International Joint Commission	4,459	4,461	2	N/A
NAFTA Secretariat, Canadian Section	2,184	2,180	(4)	(0.2)
Northern Pipeline Agency	251	254	3	1.2
Governor General				
Department	9,830	10,488	658	6.7
Health				
Department	1,576,849	1,534,058	(42,791) *	(2.7)
Hazardous Materials Information Review Commission	1,218	1,163	(55)	(4.5)
Medical Research Council	242,324	237,566	(4,758)	(2.0)
Patented Medicine Prices Review Board	2,969	2,817	(152)	(5.1)

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

Table 2.1
1997-98 Budgetary Main Estimates

Department/Agency	1996-97 (\$000)	1997-98 (\$000)	Change (\$000)	% Change
Human Resources Development				
Department	24,326,356	24,893,732	567,376 *	2.3
Canada Labour Relations Board	8,805	8,901	96	1.1
Canadian Artists and Producers Professional Relations Tribunal	1,705	1,726	21	1.2
Canadian Centre for Occupational Health and Safety	1,770	1,356	(414)	(23.4)
Indian Affairs and Northern Development				
Department	4,189,214	4,307,113	117,899 *	2.8
Canadian Polar Commission	986	929	(57)	(5.8)
Industry				
Department	966,909	922,667	(44,242) *	(4.6)
Atlantic Canada Opportunities Agency	354,951	308,902	(46,049) *	(13.0)
Business Development Bank of Canada	13,893	0	(13,893) *	N/A
Canadian Space Agency	226,923	184,537	(42,386) *	(18.7)
Competition Tribunal	1,267	1,258	(9)	(0.7)
Copyright Board	840	841	1	0.1
Enterprise Cape Breton Corporation	11,200	8,654	(2,546) *	(22.7)
Federal Office of Regional Development - Quebec	369,234	296,407	(72,827) *	(19.7)
National Research Council of Canada	407,751	462,440	54,689 *	13.4
Natural Sciences and Engineering Research Council	449,626	433,855	(15,771) *	(3.5)
Social Sciences and Humanities Research Council	91,245	94,422	3,177	3.5
Standards Council of Canada	5,184	5,111	(73)	(1.4)
Statistics Canada	422,896	262,268	(160,628) *	(38.0)
Western Economic Diversification	361,928	255,938	(105,990) *	(29.3)

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

Table 2.1
1997-98 Budgetary Main Estimates

Department/Agency	1996-97 (\$000)	1997-98 (\$000)	Change (\$000)	% Change
Justice				
Department	451,633	433,926	(17,707) *	(3.9)
Canadian Human Rights Commission	15,717	14,175	(1,542) *	(9.8)
Commissioner for Federal Judicial Affairs	215,858	224,343	8,485 *	3.9
Federal Court of Canada	29,771	30,074	303	1.0
Human Rights Tribunal Panel	0	1,927	1,927 *	N/A
Offices of the Information and Privacy				
Commissioners of Canada	6,262	6,120	(142)	(2.3)
Supreme Court of Canada	14,496	14,435	(61)	(0.4)
Tax Court of Canada	10,992	10,916	(76)	(0.7)
National Defence				
Department	10,555,000	9,916,518	(638,482) *	(6.0)
National Revenue				
Department	2,204,222	2,268,861	64,639 *	2.9
Natural Resources				
Department	522,970	472,172	(50,798) *	(9.7)
Atomic Energy Control Board	43,923	42,243	(1,680)	(3.8)
Atomic Energy of Canada Limited	174,054	132,215	(41,839) *	(24.0)
Cape Breton Development Corporation	0	22,105	22,105 *	N/A
National Energy Board	30,117	28,014	(2,103)	(7.0)
Parliament				
The Senate	40,713	40,675	(38)	(0.1)
House of Commons	216,548	213,600	(2,948)	(1.4)
Library of Parliament	16,954	17,599	645	3.8
Privy Council				
Department	71,604	64,007	(7,597) *	(10.6)
Canadian Centre for Management				
Development	17,616	16,958	(658)	(3.7)
Canadian Intergovernmental Conference				
Secretariat	3,115	3,104	(11)	(0.4)

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

Table 2.1
1997-98 Budgetary Main Estimates

Department/Agency	1996-97 (\$000)	1997-98 (\$000)	Change (\$000)	% Change
Privy Council (<i>continued</i>)				
Canadian Transportation Accident Investigation and Safety Board	23,305	22,107	(1,198)	(5.1)
Chief Electoral Officer	23,822	23,854	32	0.1
Commissioner of Official Languages	10,509	9,962	(547)	(5.2)
National Round Table on the Environment and the Economy	3,270	3,310	40	1.2
Public Service Staff Relations Board	5,623	5,556	(67)	(1.2)
Security Intelligence Review Committee	1,403	1,406	3	0.2
Public Works and Government Services				
Department	2,058,438	1,708,634	(349,804) *	(17.0)
Canada Mortgage and Housing Corporation	1,972,803	1,863,667	(109,136) *	(5.5)
Canada Post Corporation	14,000	14,000	0	N/A
Solicitor General				
Department	73,742	72,534	(1,208)	(1.6)
Canadian Security Intelligence Service	165,554	161,380	(4,174)	(2.5)
Correctional Service	1,092,278	1,153,018	60,740 *	5.6
National Parole Board	23,855	23,656	(199)	(0.8)
Office of the Correctional Investigator	1,270	1,284	14	1.1
Royal Canadian Mounted Police	1,201,040	1,118,411	(82,629) *	(6.9)
Royal Canadian Mounted Police External Review Committee	788	788	0	N/A
Royal Canadian Mounted Police Public Complaints Commission	3,531	3,545	14	0.4
Transport				
Department	1,740,956	1,731,083	(9,873) *	(0.6)
Canadian Transportation Agency ¹	32,007	21,744	(10,263) *	(32.1)
Civil Aviation Tribunal	902	901	(1)	(0.1)

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

1. Appeared as the National Transportation Agency in the 1996-97 Main Estimates.

Table 2.1
1997-98 Budgetary Main Estimates

Department/Agency	1996-97 (\$000)	1997-98 (\$000)	Change (\$000)	% Change
Treasury Board Secretariat	1,432,346	1,481,295	48,949 *	3.4
Veterans Affairs Department	1,939,059	1,921,587	(17,472) *	(0.9)
Budgetary Main Estimates	142,230,904	135,091,929	(7,138,975)	(5.0)
Consolidated Specified Purpose Accounts	14,754,600	14,102,300	(652,300)	(4.4)
Total Budgetary Main Estimates	156,985,504	149,194,229	(7,791,275)	(5.0)
Less: Public Debt Charges	47,800,000	46,000,000	(1,800,000)	(3.8)
Program Spending	109,185,504	103,194,229	(5,991,275)	(5.5)

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

Table 2.2
1997-98 Non-Budgetary Main Estimates

Department/Agency	1996-97 (\$000)	1997-98 (\$000)	Change (\$000)	% Change
Canadian Heritage Department	10	10	0 *	N/A
Finance Department	283,200	249,500	(33,700) *	(11.9)
Foreign Affairs and International Trade Canadian International Development Agency	11,202	13,938	2,736 *	24.4
Export Development Corporation	309,400	263,700	(45,700) *	(14.8)
Indian Affairs and Northern Development Department	38,953	46,543	7,590 *	19.5
Industry Department	800	800	0 *	N/A
Natural Resources Department	66,000	17,200	(48,800) *	(73.9)
Public Works and Government Services Canada Mortgage and Housing Corporation	(270,900)	(230,600)	40,300 *	(14.9)
Total Non-Budgetary Main Estimates	438,665	361,091	(77,574)	(17.7)

* 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 \$1,502.6 million, a net decrease of \$486.6 million.

The major changes are

- an increase of \$18.8 million related to access to the central downsizing fund for Early Departure and Early Retirement incentives;
- an increase of \$17 million due to the introduction of grants to encourage rural development and adaptation within the agriculture and agri-food sector;
- an increase of \$13.9 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- an increase of \$10 million due to the introduction of the Canadian Farm Business Management Program;
- an increase of \$9.3 million from Health Canada to establish the Canada Food Inspection Agency;
- an increase of \$5.9 million due to the introduction of the National Hazard Analysis and Critical Control Point (HACCP) Adaptation Contribution Program;
- a decrease of \$400 million because the Department has completed the \$1.6 billion payment to landowners associated with the termination of transportation subsidies under the *Western Grain Transportation Act*;
- a decrease of \$92.1 million primarily due to previous reduction initiatives, including a \$32.7 million drop in subsidies on industrialized milk;
- a decrease of \$37.8 million because Green Plan funding has ended;

- a net decrease of \$31.9 million for agricultural initiatives under the *Farm Income Protection Act*. This net decrease includes a decrease of \$104.4 million in the Crops Sector Companion Program due to the termination of the program for certain producers; a decrease of \$63 million due to the termination of the Gross Revenue Insurance Program; an increase of \$92.4 million to introduce the Safety Net Companion Programs; an increase of \$22.9 million for the Net Income Stabilization Account (NISA) due to an increase in the federal contribution rate; and an increase of \$20.2 million for the Crop Insurance Program due to increased participation in the two-tier system; and
- a decrease of \$9.7 million due to near completion of the Winnipeg Laboratory for Disease Control, which is a joint project with Health Canada.

Canadian Heritage

Department

The Main Estimates for the Department of Canadian Heritage are \$995 million, a net increase of \$77 million.

The major changes are

- an increase of \$100 million for the Canada Television and Cable Production Fund;
- an increase of \$14 million for initiatives to strengthen and celebrate Canada, including increased opportunities for youth exchanges, expanded celebrations for Canada Day and other national events, and initiatives highlighting Canadian achievements;
- an increase of \$9.4 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- a decrease of \$34.2 million because Green Plan funding has ended;
- a decrease of \$6.6 million primarily due to previous reduction initiatives; and
- a decrease of \$3.9 million due to reduced funding for certain cultural initiatives and infrastructure projects as these items near completion.

Canada Information Office

The budgetary Main Estimates for the Canada Information Office are \$19.9 million. The Office was established in July 1996 with a budget of \$19.6 million for 1996-97.

Canadian Broadcasting Corporation

The budgetary Main Estimates for the Canadian Broadcasting Corporation are \$857.9 million, a net decrease of \$105.3 million, primarily due to previous reduction initiatives.

Canadian Film Development Corporation

The budgetary Main Estimates for the Canadian Film Development Corporation are \$81.1 million, a net decrease of \$10.3 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 \$3.8 million, a net increase of \$0.5 million, due to increases in the Commission's share of contributions to employee benefit plans.

National Arts Centre Corporation

The budgetary Main Estimates for the National Arts Centre Corporation are \$19.6 million, a net increase of \$2.2 million.

The major changes are

- an increase of \$4.2 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf; and
- a decrease of \$2 million primarily due to previous reduction initiatives.

National Battlefields Commission

The budgetary Main Estimates for the National Battlefields are \$6.4 million, a net increase of \$4.1 million. The major change is an increase of \$3.7 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf.

National Capital Commission

The budgetary Main Estimates for the National Capital Commission are \$71.1 million, a net decrease of \$5.1 million, primarily due to previous reduction initiatives.

National Film Board

The budgetary Main Estimates for the National Film Board are \$57.7 million, a net decrease of \$7.5 million, primarily due to previous reduction initiatives.

Public Service Commission

The budgetary Main Estimates for the Public Service Commission are \$112.2 million, a net decrease of \$1.1 million.

The major changes are

- an increase of \$10 million for the La Relève initiative, which is studying ways to address the aging of the public service's workforce and the anticipated leadership shortage at the executive management level;
- an increase of \$1.6 million due to increases in the Commission's share of contributions to employee benefit plans; and
- a decrease of \$12.6 million primarily due to previous reduction initiatives.

Citizenship and Immigration

Department

The budgetary Main Estimates for the Department of Citizenship and Immigration are \$575.2 million, a net decrease of \$39.8 million.

The major changes are

- an increase of \$8.2 million for the Interim Federal Health Program (Quebec portion);
- an increase of \$5 million due to increases in the Department's share of contributions to employee benefit plans;
- an increase of \$3.4 million for citizenship delivery and promotion; and
- a decrease of \$39.4 million due to previous reduction initiatives and completion of business process re-engineering and investments in technology initiatives.

Environment

Department

The budgetary Main Estimates for the Department of the Environment are \$507.5 million, a net decrease of \$38.8 million.

The major changes are

- an increase of \$5.8 million due to increases in the Department's share of contributions to employee benefit plans;
- an increase of \$2.8 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- an increase of \$2.8 million for a grant to the Wildlife Habitat Canada Foundation to implement its habitat conservation initiatives across Canada;
- a decrease of \$44.9 million primarily due to previous reduction initiatives; and
- a decrease of \$5.4 million reflecting a transfer to Natural Resources Canada for the Program on Energy Research and Development (PERD).

Canadian Environmental Assessment Agency

The budgetary Main Estimates for the Canadian Environmental Assessment Agency are \$9.8 million, a net increase of \$1.9 million, primarily due to reprofiled resources for public environmental assessment reviews.

Finance

Department

The Main Estimates for the Department of Finance are \$66,227.1 million, a net decrease of \$5,143.8 million.

The major changes are

- an increase of \$40 million for a grant to the Province of Newfoundland, part of an accelerated payment plan that replaces an \$8 million annual statutory subsidy;
- a decrease of \$2,547 million for the Canada Health and Social Transfer payment;
- a decrease of \$1,800 million in public debt interest and servicing costs;

- a decrease of \$504 million in fiscal equalization payments to the provinces;
- a decrease of \$139 million in budgetary and \$25 million in non-budgetary payments to various international financial institutions;
- a decrease of \$100 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 provided in lieu of direct transfers for standing programs;
- a decrease of \$22 million resulting from an increase in Youth Allowances Recovery;
- a decrease of \$20 million in Domestic Coinage due to the elimination of costs associated with introducing the \$2 coin in 1996-97;
- a decrease of \$9 million for the Transfer Payments to the Territorial Governments Program due to changes in tax bases, population and territorial revenues;
- a decrease of \$9 million in funding for Canada's equity interest in Hibernia because the project has shifted from a construction phase to an operational phase; and
- a decrease of \$8 million as an accelerated payment plan to the Province of Newfoundland replaces statutory subsidies.

Auditor General

The budgetary Main Estimates for the Office of the Auditor General are \$50.7 million, a net increase of \$1.7 million.

The major changes are

- an increase of \$3 million for the function of Commissioner of the Environment and Sustainable Development;
- an increase of \$1.6 million for the third cycle of special examinations of Crown corporations;
- an increase of \$0.7 million due to increases in the Office's share of contributions to employee benefit plans; and
- a decrease of \$3.6 million primarily due to previous reduction initiatives.

Office of the Superintendent of Financial Institutions

The budgetary Main Estimates for the Office of the Superintendent of Financial Institutions (OSFI) are \$1.7 million, a net decrease of \$0.9 million resulting from the transfer of OSFI's pension advice section to Revenue Canada.

Fisheries and Oceans

Department

The budgetary Main Estimates for the Department of Fisheries and Oceans are \$1,076.7 million, a net decrease of \$246.7 million.

The major changes are

- an increase of \$9.1 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- an increase of \$3.9 million due to increases in the Department's share of contributions to employee benefit plans;
- a decrease of \$173.3 million due to the sunsetting of the Licence Retirement Program of the Atlantic Groundfish Strategy (\$115.1 million) and the Green Plan, and to the completion of Economic and Regional Development Agreements, and the Northern Cod Early Retirement Program;
- a decrease of \$74.8 million primarily due to previous reduction initiatives;
- a decrease of \$8.7 million reflecting a transfer to Natural Resources Canada for the Program on Energy Research and Development (PERD); and
- a decrease of \$3 million because of a transfer to Indian and Northern Affairs Canada for a contribution to the Province of Saskatchewan for the construction of a seasonal road between Points North Landing and Black Lake, Saskatchewan.

Foreign Affairs and International Trade

Department

The budgetary Main Estimates for the Department of Foreign Affairs and International Trade are \$1,299.3 million, a net decrease of \$77.4 million.

The major changes are

- an increase of \$28.1 million to compensate for the effects of foreign inflation and currency exchange losses (\$17.2 million) and revisions to salaries for locally engaged staff at missions abroad (\$10.9 million);
- an increase of \$8.5 million due to increases in the Department's share of contributions to employee benefit plans;

- an increase of \$7.1 million for various international obligations, including membership costs, expenses for accommodations for the International Civil Aviation Organization and costs of the United Nations Convention on Biological Diversity;
- an increase of \$5.1 million for the Passport Revolving Fund to implement the Technology Enhancement Plan;
- a decrease of \$77.6 million in assessed contributions to the United Nations for peacekeeping operations; and
- a decrease of \$48.6 million primarily due to previous reduction initiatives.

Canadian International Development Agency

The Main Estimates for the Canadian International Development Agency are \$1,697.7 million, a net decrease of \$143.8 million.

The major changes are

- an increase of \$3 million in non-budgetary payments for capital subscriptions in international financial institutions;
- a decrease of \$135 million for Geographic programs (\$61 million), Multilateral programs (\$37 million), the Partnership Program (\$24 million) and payments to the International Financial Institutions Fund Accounts (\$13 million);
- a decrease of \$8 million for the Countries in Transition Program; and
- a decrease of \$2 million in the operating budget.

Export Development Corporation

The Main Estimates for the Export Development Corporation are \$398.7 million, a net decrease of \$45.7 million.

The major changes are

- an increase of \$200 million in the expected loan disbursements for regular non-budgetary account loans as a result of reprofiling loans and related disbursements;
- an increase of \$10.7 million in anticipated repayments under Canada Account loan agreements;
- an increase of \$8 million in special non-budgetary loans for Turkey/Atomic Energy of Canada Limited (AECL); and
- a decrease of \$243 million in special non-budgetary loans for China/Northern Telecom (\$53 million), Romania/AECL (\$6 million), China (\$19 million), Russia Health and Education (\$15 million) and China/AECL (\$150 million).

International Development Research Centre

The budgetary Main Estimates for the International Development Research Centre are \$88.1 million, a net decrease of \$8 million, primarily due to previous reduction initiatives.

Health

Department

The budgetary Main Estimates for the Department of Health are \$1,534.1 million, a net decrease of \$42.8 million.

The major changes are

- an increase of \$50 million for the Population Health Strategy, which replaces a number of sunsetted health promotion programs;
- an increase of \$30 million for First Nation health programs;
- an increase of \$10 million to establish the Health Services Research Fund announced in the 1996 Budget;
- an increase of \$8 million for the ongoing operating costs of the new Winnipeg Laboratory for Disease Control, which opens in 1997;
- an increase of \$6 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- a decrease of \$83 million due to the completion of several initiatives including the Green Plan, the Tobacco Demand Reduction Strategy and the Seniors Strategy;
- a decrease of \$39 million primarily due to previous reduction initiatives;
- a decrease of \$16 million due to the completion of the Ottawa Disease Control Centre and the near completion of the Whitehorse General Hospital and the Winnipeg Laboratory for Disease Control; and
- a decrease of \$9.3 million because of a transfer to Agriculture and Agri-Food Canada to establish the Canada Food Inspection Agency.

Human Resources Development

Department

The budgetary Main Estimates for the Department of Human Resources Development are \$24,893.7 million, a net increase of \$567.4 million.

The major changes are

- an increase of \$401 million for the Income Security programs—Old Age Security, Guaranteed Income Supplement and Spouse’s Allowance;
- an increase of \$160 million for the Transitional Jobs Fund to support job creation in high unemployment areas;
- an increase of \$50 million related to Employment Insurance investigation and control activities;
- an increase of \$49 million to deliver Income Security programs, including \$17 million for the project to redesign the program delivery system;
- an increase of \$45 million to implement the new *Employment Insurance (EI) Act* and to deliver Human Resources Investment activities;
- an increase of \$39 million to provide income support to fishers and plant workers affected by the East Coast groundfish crisis, under the Atlantic Groundfish Strategy;
- a decrease of \$80 million in operating resources primarily due to streamlining of Human Resources Investment and Insurance activities;
- a decrease of \$55 million for the Strategic Initiatives program announced in the 1994 Budget; and
- a decrease of \$44 million for Service Delivery Network resources, which fund technology redesigns to improve service to Canadians.

Indian Affairs and Northern Development

Department

The Main Estimates for the Department of Indian Affairs and Northern Development are \$4,353.7 million, a net increase of \$125.5 million.

The major changes are

- an increase of \$84 million in Indian and Inuit programming to help Indians and Inuit achieve their self-government, economic, educational, cultural, social and community development aspirations; to fulfil Canada's constitutional and statutory responsibilities to Indian and Inuit people; and to meet the demand for basic services generated by a young and growing population;
- an increase of \$35.8 million in the Northern Affairs Program primarily due to the establishment of the Government of Nunavut, offset in part by the sunsetting of the Arctic Environmental Strategy;
- an increase of \$7.6 million in loans, primarily due to increased loan requirements for providing negotiation support funding for British Columbia First Nations; and
- a decrease of \$2.9 million for settling and implementing comprehensive and specific claims related to cash-flow provisions of signed settlement agreements.

Industry

Department

The Main Estimates for the Department of Industry are \$923.5 million, a net decrease of \$44.2 million.

The major changes are

- an increase of \$112.5 million for the new Technology Partnerships Canada Program;
- an increase of \$39.9 million for adjustments in existing programs, such as the *Small Business Loans Act* and the Canada Community Investment Plan (CCIP), and for increases in the Department's share of contributions to employee benefit plans;
- an increase of \$15.8 million for the renewed Federal Economic Development Initiative for Northern Ontario (FedNor);
- a decrease of \$119 million due to decreasing activity under the Canada Infrastructure Works Program in Ontario;
- a decrease of \$64 million primarily due to previous reduction initiatives; and
- a decrease of \$29.4 million for adjustments to existing programs, completed initiatives and vote-netted revenue.

Atlantic Canada Opportunities Agency

The budgetary Main Estimates for the Atlantic Canada Opportunities Agency are \$308.9 million, a net decrease of \$46 million.

The major changes are

- an increase of \$30.6 million for the economic renewal component of the Atlantic Groundfish Strategy;
- a decrease of \$41.8 million in contributions under the Business Development and Federal-Provincial Cooperation programs, primarily due to previous reduction initiatives; and
- a decrease of \$34.9 million due to decreasing activity under the Canada Infrastructure Works Program.

Business Development Bank of Canada

There are no budgetary Main Estimates for the Business Development Bank of Canada. This represents a net decrease of \$13.9 million. The Bank's net income will cover net operating costs for its Management Services Division in 1997-98.

Canadian Space Agency

The budgetary Main Estimates for the Canadian Space Agency are \$184.5 million, a net decrease of \$42.4 million.

The major changes are

- an increase of \$2 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf; and
- a decrease of \$45.1 million for the Space Station Program (\$23.1 million), Radarsat (\$10.9 million), the Space Science activity (\$3.6 million), the European Space Agency (\$2.9 million), the Earth Observation Program (\$2.8 million) and the Astronauts Program (\$1.8 million).

Enterprise Cape Breton Corporation

The budgetary Main Estimates for the Enterprise Cape Breton Corporation are \$8.7 million, a net decrease of \$2.5 million, due to the reprofiling of project funding from 1995-96 to 1996-97.

Federal Office of Regional Development — Quebec

The budgetary Main Estimates for the Federal Office of Regional Development — Quebec are \$296.4 million, a net decrease of \$72.8 million.

The major changes are

- an increase of \$41.8 million for the Innovation, Development of Entrepreneurship and Access Program, aimed at small business, and for the Special Fund for the Economic Development and Adjustment of Quebec Fishing Communities;
- an increase of \$13.4 million in statutory payments under the *Small Business Loans Act*;
- a decrease of \$86.9 million due to decreasing activity under the Canada Infrastructure Works Program; and
- a decrease of \$41.1 million primarily due to previous reduction initiatives.

National Research Council of Canada

The budgetary Main Estimates for the National Research Council of Canada are \$462.4 million, a net increase of \$54.7 million.

The major changes are

- an increase of \$40.1 million due to the conversion from vote-netted revenue to statutory revenue under section 5.1(e) of the *National Research Council Act* (\$38.5 million) and to an increase in projected statutory revenue (\$1.6 million);
- an increase of \$13.7 million for the contribution to the Tri-University Meson Facility;
- an increase of \$6.4 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- an increase of \$3.6 million due to increases in the agency's share of contributions to employee benefit plans;
- an increase of \$2.1 million for the Industrial Research Assistance Program; and
- a decrease of \$9.8 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 \$433.9 million, a net decrease of \$15.8 million due to previous reduction initiatives and decreasing activity under Phase II of the Networks of Centres of Excellence Program.

Statistics Canada

The budgetary Main Estimates for Statistics Canada are \$262.3 million, a net decrease of \$160.6 million.

The major changes are

- an increase of \$6.8 million for initial preparations for the 2001 Censuses of Agriculture and Population;
- an increase of \$5.2 million due to increases in the agency's share of contributions to employee benefit plans;
- an increase of \$2.6 million for the Preservation of Statistical Programs initiative;
- an increase of \$2.4 million for the 1997 Standard Industrial Classification System;
- a decrease of \$168.8 million that had been provided for the 1996 Censuses of Agriculture and Population;
- a decrease of \$5.7 million primarily due to previous reduction initiatives;
- a decrease of \$3.5 million for the Family Expenditure Survey; and
- a decrease of \$1 million because Green Plan funding has ended.

Western Economic Diversification

The budgetary Main Estimates for Western Economic Diversification are \$255.9 million, a net decrease of \$106 million.

The major changes are

- an increase of \$15 million tied to the repayment of contributions previously advanced to businesses. The agency's budget partly depends on its success in recovering these contributions;
- an increase of \$14 million in funding for Western Partnership agreements;
- a decrease of \$70.9 million primarily due to previous reduction initiatives; and
- a decrease of \$64.1 million due to decreasing activity under the Canada Infrastructure Works Program.

Justice

Department

The budgetary Main Estimates for the Department of Justice are \$433.9 million, a net decrease of \$17.7 million.

The major changes are

- an increase of \$2.5 million related to the reprofiling of funds for the Firearms Control Program;
- an increase of \$1.9 million for informal appeals under the *Income Tax Act*;
- a decrease of \$5.8 million due to reduced requirements for implementing the department's Information Management Technology Program;
- a decrease of \$5.1 million for payments to the provinces and territories under the previous Firearms Control Program, which is scheduled to end on March 31, 1997;
- a decrease of \$4.5 million primarily due to previous reduction initiatives;
- a decrease of \$1.9 million because the Department has finished the first phase of harmonizing federal legislation with the *Quebec Civil Code*;
- a decrease of \$1.4 million due to the completion of the Environmental Assessment Review Program;
- a decrease of \$1.3 million because the Brighter Futures Initiative has been completed; and
- a decrease of \$1 million in funding for Canada's Drug Strategy, which the government recently announced would be continued.

Canadian Human Rights Commission

The budgetary Main Estimates for the Canadian Human Rights Commission are \$14.2 million, a net decrease of \$1.5 million, primarily due to the transfer of funding to the Human Rights Tribunal Panel.

Commissioner for Federal Judicial Affairs

The budgetary Main Estimates for the Commissioner of Federal Judicial Affairs are \$224.3 million, a net increase of \$8.5 million. The major increase of \$8.2 million, for judges' salaries, allowances and annuities, will allow for an increase in the number of judicial appointments, an increase in the average pension being paid to pensioners in accordance with the *Judges Act*, and a salary increase for all federally appointed judges.

Human Rights Tribunal Panel

The budgetary Main Estimates for the Human Rights Tribunal Panel are \$1.9 million. In previous years, these requirements were included within the Canadian Human Rights Commission.

National Defence

Department

The budgetary Main Estimates for the Department of National Defence are \$9,916.5 million, a net decrease of \$638.5 million.

The major changes are

- a decrease of \$366 million in capital expenditures due to the cancellation of the EH-101 helicopter project;
- a net decrease of \$240 million in operating expenditures resulting from a decrease of \$366 million due to workforce and associated reduction initiatives, offset by an increase of \$126 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- a decrease of \$27 million in contributions to employee benefit plans due to reduced personnel levels; and
- a decrease of \$6 million in contributions to NATO.

National Revenue

Department

The budgetary Main Estimates for the Department of National Revenue are \$2,268.9 million, a net increase of \$64.6 million.

The major changes are

- an increase of \$108.7 million for enforcement programs and due to increases in the Department's share of contributions to employee benefit plans;
- an increase of \$12.6 million due to the reinstatement of salary increments;
- an increase of \$10.6 million for policy and legislative initiatives, such as child tax benefits and changes to personal and business income tax, announced in the 1996 Budget;

- an increase of \$10.6 million for non-discretionary programs, such as returns and payments processing and public enquiries;
- a decrease of \$78 million primarily due to previous reduction initiatives;
- a decrease of \$30.1 million in funding for the Anti-Smuggling Initiative and for Canada's Drug Strategy, which the government recently announced would be continued; and
- a decrease of \$6.6 million for major capital projects.

Natural Resources

Department

The Main Estimates for the Department of Natural Resources are \$489.4 million, a net decrease of \$99.6 million.

The major changes are

- an increase of \$23.8 million because of the funds transferred from other government departments for the Program on Energy Research and Development (PERD);
- an increase of \$17.2 million for the loan to Nordion International Inc. to construct two nuclear reactors and related processing facilities to produce medical isotopes;
- an increase of \$5.7 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- an increase of \$4.7 million due to increases in the Department's share of contributions to employee benefit plans;
- a decrease of \$66 million due to completion of the loan instalments for implementing the Hibernia Development Project;
- a decrease of \$55.2 million primarily due to previous reduction initiatives including Green Plan adjustments, and reduced contributions to Forintek Canada Corp. and to Prosperity Initiatives;
- a decrease of \$12.1 million as a result of the authority to use revenues to offset expenditures;
- a decrease of \$9.2 million in mineral and forest development agreements;
- a decrease of \$5.4 million in major capital projects; and
- a decrease of \$3.7 million in statutory payments resulting from adjustments to the Interprovincial Pipeline and to the Canada-Nova Scotia and Newfoundland Offshore Development Funds.

Atomic Energy of Canada Limited

The budgetary Main Estimates for Atomic Energy of Canada Limited are \$132.2 million, a net decrease of \$41.8 million.

The major changes are

- a decrease of \$23.1 million in funding for nuclear research and development programs;
- a decrease of \$10.2 million in funding for decommissioning programs; and
- a decrease of \$8.6 million reflecting a transfer to Natural Resources Canada for the Program on Energy Research and Development (PERD).

Cape Breton Development Corporation

The budgetary Main Estimates for the Cape Breton Development Corporation are \$22.1 million for net capital and operating requirements. In 1996-97, these requirements were funded through Supplementary Estimates of \$43.5 million.

Privy Council

Department

The budgetary Main Estimates for the Privy Council are \$64 million, a net decrease of \$7.6 million, due to decreased requirements for Commissions of Inquiry and previous reduction initiatives.

Public Works and Government Services

Department

The budgetary Main Estimates for the Department of Public Works and Government Services are \$1,708.6 million, a net decrease of \$349.8 million.

The major changes are

- an increase of \$21 million due to the sale of the Printing Services and Distribution Logistics Services divisions of the Canada Communication Group, as announced in the 1995 Budget;
- an increase of \$21 million for transition costs of the Translation Bureau Revolving Fund;

- a decrease of \$309 million relating to payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- a decrease of \$80.4 million primarily due to previous reduction initiatives; and
- a decrease of \$2.4 million in the payment to the Queens Quay West Land Corporation as a subsidy to the Harbourfront Centre.

Canada Mortgage and Housing Corporation

The Main Estimates for the Canada Mortgage and Housing Corporation are \$1,633.1 million, a net decrease of \$68.8 million.

The major changes are

- an increase of \$40.3 million in non-budgetary because the Corporation's loan repayment to the Consolidated Revenue Fund has decreased;
- a decrease of \$94.1 million primarily related to previous reduction initiatives; and
- a decrease of \$15 million resulting from operational savings.

Solicitor General

Correctional Service

The budgetary Main Estimates for the Correctional Service are \$1,153 million, a net increase of \$60.7 million.

The major changes are

- an increase of \$39.8 million to implement the National Capital Accommodation and Operations Plan, including various measures related to managing offenders;
- an increase of \$21.4 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- an increase of \$13.4 million due to increases in the agency's share of contributions to employee benefit plans;
- a decrease of \$11.5 million primarily due to previous reduction initiatives; and
- a decrease of \$2.4 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 \$1,118.4 million, a net decrease of \$82.6 million.

The major changes are

- an increase of \$18.2 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- a decrease of \$67.3 million in funding for the Anti-Smuggling Initiative, which the government recently announced would be continued;
- a decrease of \$21.1 million primarily due to previous reduction initiatives;
- a decrease of \$5.8 million in funding for Canada's Drug Strategy, which the government recently announced would be continued;
- a decrease of \$5 million relating to the construction of a new division headquarters building in Edmonton; and
- a decrease of \$2.3 million because the relocation of "O" Division Headquarters in western Ontario has been completed.

Transport

Department

The budgetary Main Estimates for the Department of Transport are \$1,731.1 million, a net decrease of \$9.9 million.

The major changes are

- an increase of \$716 million for statutory transition payments to NAV Canada under the *Civil Air Navigation Services Commercialization Act*;
- an increase of \$46.7 million in contributions relating to non-VIA rail passenger services, the Airports Capital Assistance Program and the Port Divestiture Fund, and in payments to Crown corporations, specifically Marine Atlantic Inc.;
- an increase of \$19.6 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- a net decrease of \$582 million for commercializing the air navigation system (a decrease of \$814 million in expenditures offset by a decrease of \$232 million in revenues);

- a decrease of \$170.3 million in operating and capital expenditures reflecting a smaller Transport Canada, the divestiture of airports to local entities, increased efficiencies and cost-reduction measures, and reduced payments to VIA Rail, Canada Ports Corporation, and the Jacques Cartier and Champlain Bridges Inc.; and
- a decrease of \$39.9 million in grants and contributions due to cash-flow changes in various highway contribution programs and to the end of buyout payments for the South Coast of Newfoundland and the Great Northern Peninsula ferry services.

Canadian Transportation Agency

The budgetary Main Estimates for the Canadian Transportation Agency are \$21.7 million, a net decrease of \$10.3 million.

The major changes are

- a decrease of \$7.3 million due to the transfer of statutory payments to Transport Canada for railway and transportation companies under the *Railway Act*; and
- a decrease of \$3 million in operating expenditures due to the new *Canadian Transportation Act*.

Treasury Board

Secretariat

The budgetary Main Estimates for the Treasury Board Secretariat are \$1,481.3 million, a net increase of \$48.9 million.

The major changes are

- an increase of \$46.9 million for insurance premiums in the Contributions to Insurance Plans Program, which are forecast to increase by 7 per cent. Payments under this program are a function of premium rates and of growth or shrinkage within the insured population;
- an increase of \$5 million for the La Relève initiative and related Public Service Reforms. The La Relève initiative is studying ways to address the aging of the public service's workforce and the anticipated leadership shortage at the executive management level;
- an increase of \$1.2 million for shared systems initiatives with other government departments. Initiatives include the Automated Materiel Management Information System and the Integrated Financial and Materiel Management System;
- an increase of \$1.1 million due to increases in the department's share of contributions to employee benefit plans; and
- a decrease of \$5.5 million primarily due to previous reduction initiatives.

Veterans Affairs

Department

The budgetary Main Estimates for the Department of Veterans Affairs are \$1,921.6 million, a net decrease of \$17.5 million.

The major changes are

- an increase of \$20.6 million in purchased health services due to provincial changes in health-care coverage for veterans;
- an increase of \$3.5 million due to increases in the Department's share of contributions to employee benefit plans;
- an increase of \$1.8 million for payments in lieu of taxes to municipalities and other taxing authorities. Custodial departments now reimburse Public Works and Government Services Canada, which makes the payments for real property holdings on their behalf;
- a decrease of \$19 million in Disability Pensions, due primarily to a decrease in the number of recipients;
- a decrease of \$17.7 million in War Veterans Allowances, due to a decrease in the number of eligible clients;
- a decrease of \$3.5 million in the Veterans Independence Program due to improved focus on client needs and a predicted decrease in the number of recipients; and
- a decrease of \$2.3 million primarily due to previous reduction initiatives.