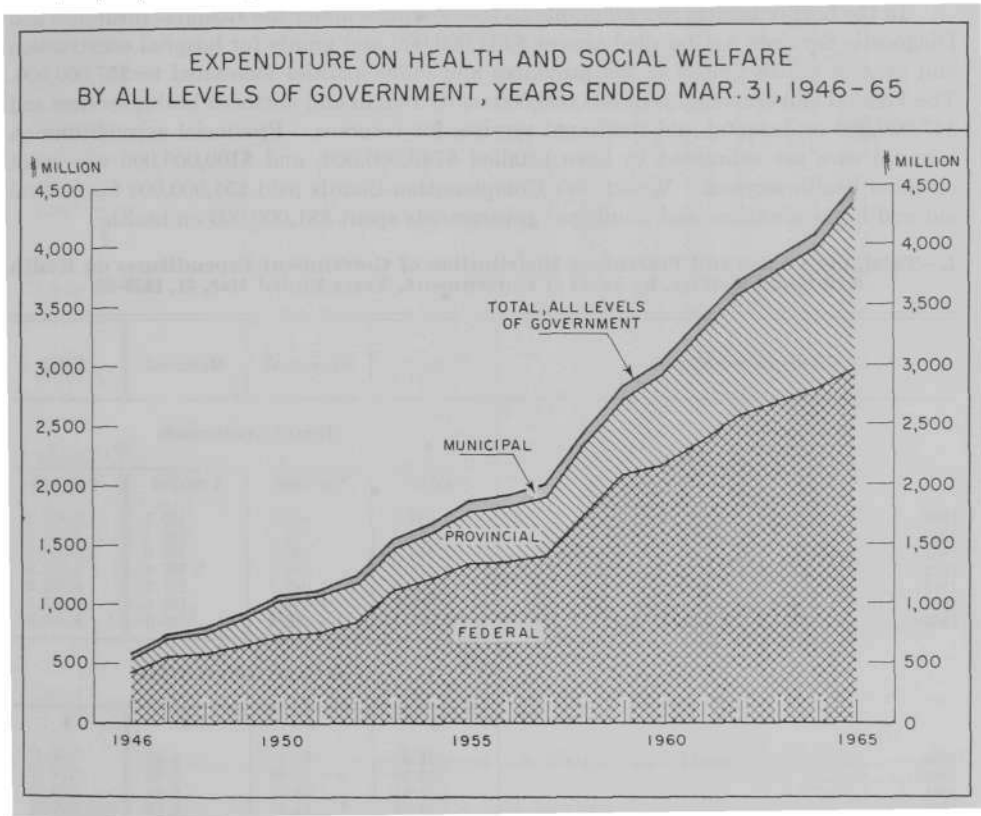


government expenditures on health and social welfare rose over the 1959-65 period from 11.1 p.c. to 12.5 p.c. of net national income and from 8.4 p.c. to 9.3 p.c. of gross national product. The federal share of health and social welfare expenditures fell from 73.9 p.c. in 1958-59 to 66.4 p.c. in 1964-65, the provincial share rose from 22.2 p.c. to 30.7 p.c. and municipal outlays declined from 3.9 p.c. to 2.9 p.c. Compared with the previous year, 1963-64, health and social welfare expenditures by all levels of government increased by \$379,000,000 or 9 p.c. Although outlays by all governments increased, provincial expenditures showed the greatest gain.

Of considerable interest is the growing proportion of government expenditures on health and social welfare taken up by health programs; in 1958-59 such programs accounted for \$624,000,000 or 22 p.c. and in 1964-65 for \$1,573,000,000 or 35 p.c.



An outline of the principal components for 1964-65 shows the magnitude of the major programs and services—family allowances payments amounted to \$546,000,000, old age security payments to \$885,000,000, unemployment insurance benefits to \$335,000,000, veterans' pensions and allowances to \$180,000,000 and \$93,000,000, respectively, and payments from the Prairie Farm Emergency Fund to \$11,000,000. These income-maintenance programs were entirely the responsibility of the Federal Government. In addition, payments under the youth allowances program, which commenced in September 1964, amounted to \$27,000,000. The Province of Quebec had instituted a program of schooling allowances three years prior to the introduction of the federal program. This necessitated a special arrangement with Quebec whereby that province continued its program, but with appropriate fiscal arrangements with the Federal Government.