

# Analysis of Federal Budgets

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**Comments solicited:**

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## Fiscal Reference Tables

September

- Public Accounts
- National Accounts
- Fiscal Thrust
- International G-7 Comparisons

## The Package

- Pamphlets
  - Highlights
  - Others
- Speech
- Budget Plan
- Miscellany
  - Bank of Canada – Finance Canada Memo
  - Implementing Department

## The Budget Plan

- Review of Economy
- Economic Forecasts
- Expenditure
- Revenue
- Balance
- Details on Specific Programs
- Statistical Annexes
- Notices of Ways and Means for Tax Measures

## Frameworks for Evaluation

- Budget as Economic Plan
  - Jobs??
  - Regional Effects
  - Income Distribution
    - Income Class
    - Gender
    - Age
- Other Economic Objectives/Goals - Stabilization

## Budget as Financial Plan

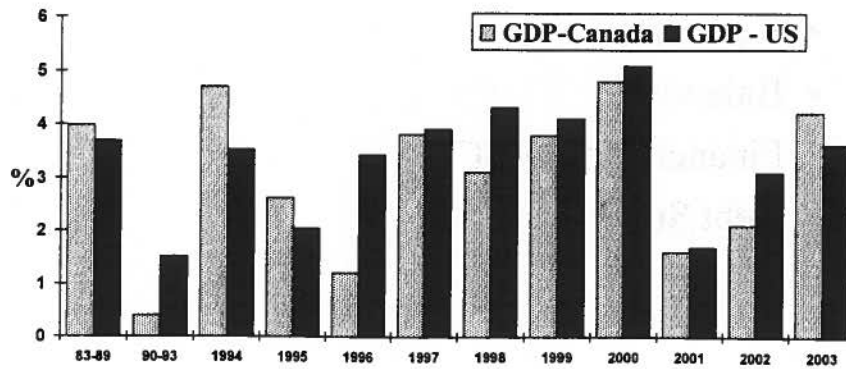
- Expenditures
- Revenues
- Balance
- Financing of Debt
- Debt Stability

## The Economic Outlook

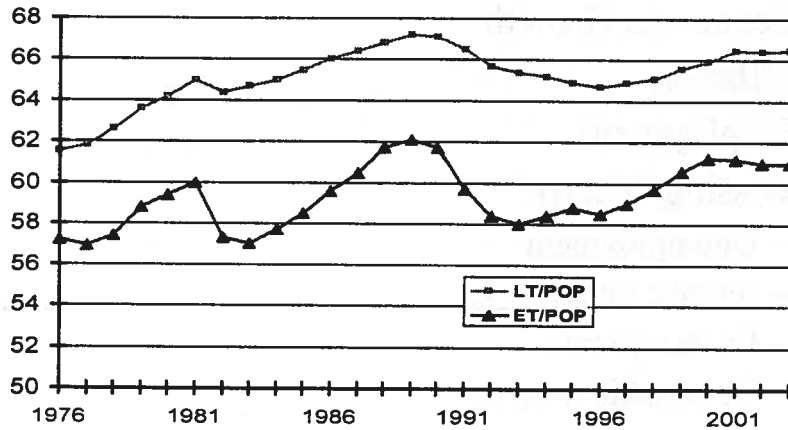
- Economic Growth
- Inflation
- Employment
- Missing Macro
  - Unemployment
  - Interest rates
  - Exchange rate
  - Disposable Income

# Real GDP - Canada & US

Gross Domestic Product  
(annual % growth)



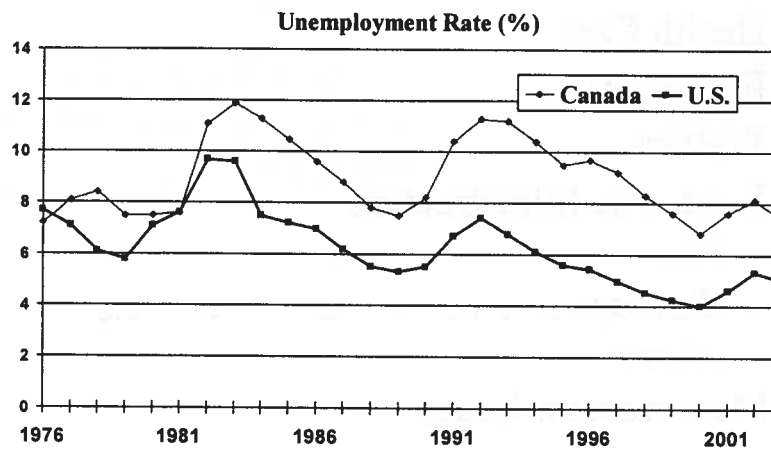
# Participation Rate & Employment Ratio



## Missing Items

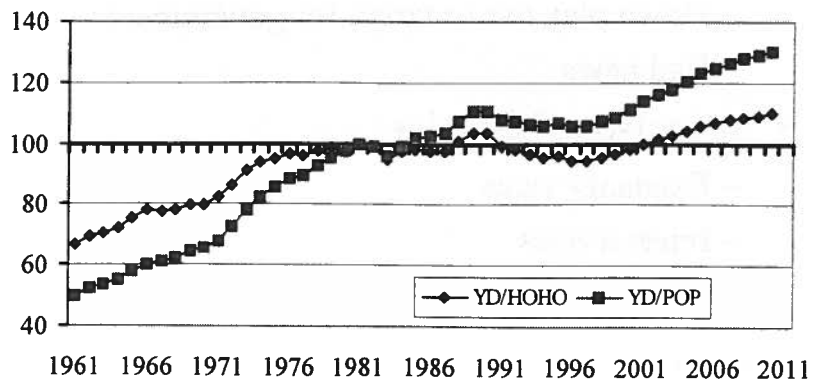
- Why Omitted?
  - Down play use as target for governments
  - Bad news
- Speculative behavior
  - Exchange rates
  - Interest rates

## Unemployment - Canada & US



## Real Incomes

Real Disposable Income, 1981=100



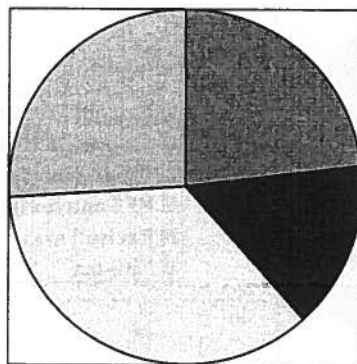
## Performance Measures of Public Goods

- Health Care
- Education
- Welfare
- Economic Infrastructure
  - Ports
  - Highways
  - Internet
- Measurement Issues

## Expenditure Changes

- Programs – Defence, Investment, Current Good and Services, Transfers to Corporations
- Transfers to People
- Transfers to Provinces – CHST, Equalization
- Interest on Debt

## Shares of Budgetary Expenditures, 2000-01

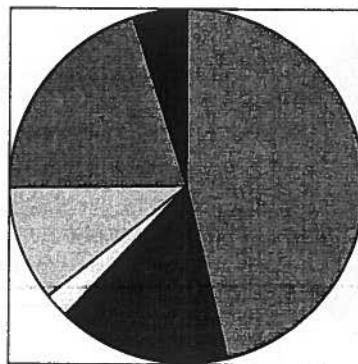


- Transfers to Persons
- Transfers to Other Governments
- Direct Program Spending
- Public debt charges

## Revenue Actions

- Corporate tax
- Personal Income tax
- Sales and Excise Taxes
- Payroll Taxes (CPP, EI contribution rate)
- Other Revenue

## Shares of Total Revenue



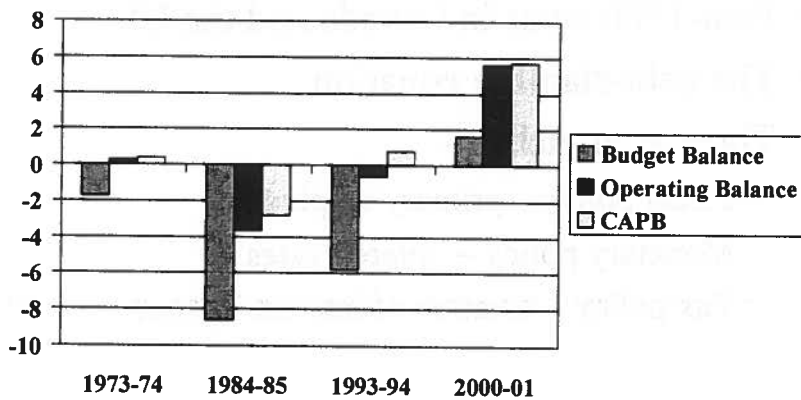
- Personal Income Tax
- Corporate Income Tax
- Other Income Tax
- EI Contributions
- Excise Taxes
- Non-tax

## Budget Balances

- Interest on the Public Debt
- Primary Balance
- Overall Balance
- Cyclically-adjusted Balances

## Fiscal Balances

(% of GDP)



## Fiscal Thrust

- Quantitative
  - Cyclically-adjusted Primary Balance (CAPB)
  - Change in Balance
- Qualitative
  - Rhetoric of Debt reduction
  - Other Emphasis?Table

## Stability of Debt Ratio

- Post-1980 issue in Canada and the US
- The debt-stability equation
- Three approaches –
  - Fiscal policy – primary surplus
  - Monetary policy – interest rates
  - Tax policy – taxation of interest income

## Stability of Debt Ratio

$$D = \frac{(1+i)}{(1+y)} D_{-1} + PD$$

$$\Delta D = (i - y) D_{-1} + PD$$

Stability Factor

Primary Deficit

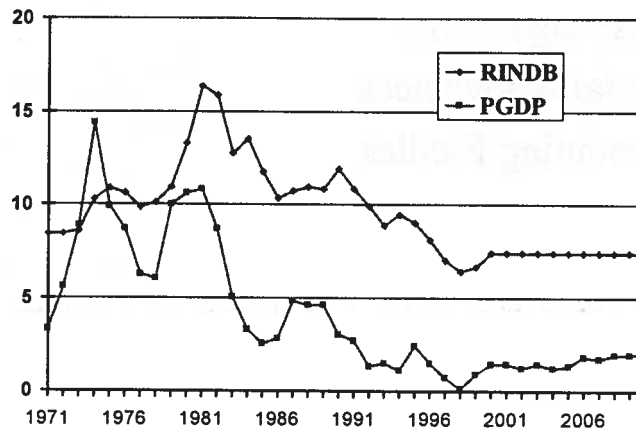
**D = Debt / Nominal GDP**

**i = interest rate (90-day T-Bills)**

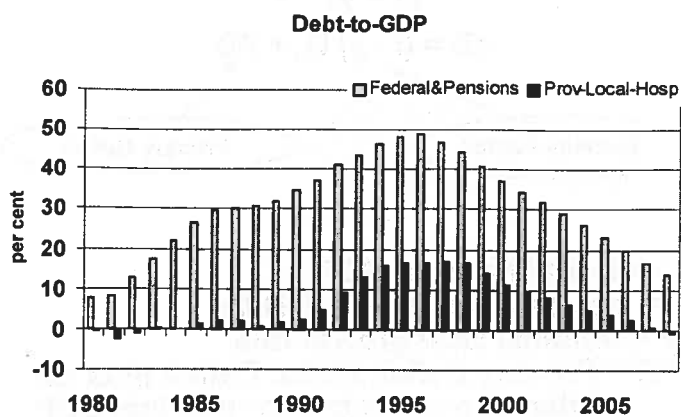
**y = Nominal GDP growth rate**

**PD = Primary Deficit Ratio: Deficit plus net interest payments over nominal GDP.**

## Interest Rates & Inflation



## Federal Debt Ratio



## Accuracy of Budget Forecasts?

- Percentage errors
- Special Allowances
- Accounting Fiddles

## Before a Budget?

- Current Economic Outlook
- Past Budget Tabulations
- Multipliers
- Special Themes - Trial Balloons?
  - Innovation
  - Security

## Budget Timing

- February Date
  - Coincident with Spending Estimates
  - Guide to Provinces
- Not February
  - Elections on Horizon (Feb 2000)
  - Nothing New to Say (Feb 2001, Feb 2002)
  - Need for Immediate Action (?)

## Provincial Budgets

- No Standards across Provinces
- Ontario – complicated with Crown corps
- Nova Scotia – net numbers, after federal transfers
- All Budgets are political documents
- Overall fiscal thrust combined with local governments and CPP/QPP

## Ontario Budget

- Contrast economic assumptions with federal budget
- Do expenditure changes meet needs?
- What tax changes are made? Who benefits? Who pays?
- Overall budget thrust?

## Fed-Prov Similarities

- Same taxpayers
- Same beneficiaries
- Politically-driven by desire for re-election
- Balancing conflicting demands
- Grab rents, push costs
- Short-term horizon (to next election)

## Fed-Prov Differences

- Feds transfer \$ to provinces
- Provinces deliver programs to people
- Provinces transfer \$ to local governments, hospitals, universities; Feds don't
- Cost of borrowing is higher for provinces
- Lower debt ratios in provinces than Feds



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Table 1  
Fiscal transactions

Year	Budgetary revenues	Program spending	Operating surplus or deficit (-)	Public debt charges	Budgetary surplus or deficit (-)	Net public debt	Non-budgetary transactions	Financial requirements (-)/ source (excl. foreign exchange)
(millions of dollars)								
1946-47	3,034	2,135	899	469	430	12,592	-896	-466
1947-48	2,884	1,713	1,171	457	714	11,878		
1948-49	2,790	1,644	1,146	463	683	11,195		
1949-50	2,600	1,997	603	437	166	11,029		
1950-51	3,153	2,452	701	423	278	10,751		
1951-52	4,101	3,252	849	512	337	10,414	83	420
1952-53	4,628	4,563	65	442	-377	10,790		
1953-54	4,737	4,666	71	470	-399	11,189		
1954-55	4,440	4,555	-115	476	-591	11,780		
1955-56	4,748	4,299	449	489	-40	11,819		
1956-57	5,582	4,757	825	508	317	11,502	138	455
1957-58	5,456	5,114	342	543	-201	11,703	-145	-346
1958-59	5,159	5,399	-240	636	-876	12,580	-602	-1,478
1959-60	5,896	5,788	109	776	-668	13,247	184	-484
1960-61	6,322	6,118	204	788	-584	13,831	260	-324
1961-62	6,468	6,630	-162	832	-994	14,825	141	-853
1962-63	6,662	6,595	67	915	-848	15,673	-91	-939
1963-64	7,099	7,304	-205	993	-1,198	16,871	939	-259
1964-65	8,220	7,542	678	1,050	-372	17,243	456	84
1965-66	9,063	7,933	1,131	1,110	21	17,223	77	98
1966-67	9,860	9,164	696	1,182	-486	17,708	-176	-662
1967-68	10,745	10,501	244	1,286	-1,042	18,750	-340	-1,382
1968-69	12,047	11,250	798	1,464	-666	19,417	-151	-817
1969-70	14,399	12,566	1,833	1,694	139	19,277	91	230
1970-71	14,982	14,111	871	1,887	-1,016	20,293	-17	-1,033
1971-72	16,619	16,295	324	2,110	-1,786	22,079	413	-1,373
1972-73	19,205	18,807	399	2,300	-1,901	23,980	586	-1,315
1973-74	22,430	22,076	354	2,565	-2,211	26,191	686	-1,525
1974-75	29,251	28,238	1,013	3,238	-2,225	28,416	77	-2,148
1975-76	31,657	33,892	-2,235	3,970	-6,205	34,620	1,421	-4,784
1976-77	34,408	36,596	-2,188	4,708	-6,896	41,517	1,338	-5,558
1977-78	34,626	39,974	-5,348	5,531	-10,879	52,396	2,418	-8,461
1978-79	36,974	42,980	-6,005	7,024	-13,029	65,425	1,805	-11,224
1979-80	42,029	45,502	-3,473	8,494	-11,967	77,392	1,818	-10,149
1980-81	48,867	52,765	-3,898	10,658	-14,556	91,948	4,639	-9,917
1981-82	60,307	60,867	-560	15,114	-15,674	107,622	6,410	-9,264
1982-83	60,662	72,808	-12,146	16,903	-29,049	136,671	5,230	-23,819
1983-84	64,168	78,968	-14,800	18,077	-32,877	169,549	7,658	-25,219
1984-85	71,056	87,100	-16,044	22,393	-38,437	207,986	8,613	-29,824
1985-86	76,933	86,106	-9,173	25,422	-34,595	242,581	4,085	-30,510
1986-87	85,931	90,005	-4,074	26,668	-30,742	273,323	7,824	-22,918
1987-88	97,612	96,453	1,159	28,953	-27,794	301,117	8,945	-18,849
1988-89	104,067	99,688	4,379	33,152	-28,773	329,890	6,349	-22,424
1989-90	113,707	103,848	9,859	38,789	-28,930	358,820	8,400	-20,530
1990-91	119,353	108,765	10,588	42,588	-32,000	390,820	7,462	-24,538
1991-92	122,032	115,215	6,817	41,174	-34,357	425,177	2,557	-31,800
1992-93	120,380	122,576	-2,196	38,825	-41,021	466,198	6,524	-34,497
1993-94	115,984	120,014	-4,030	37,982	-42,012	508,210	12,162	-29,850
1994-95	123,323	118,739	4,584	42,046	-37,462	545,672	11,620	-25,842
1995-96	130,301	112,013	18,288	46,905	-28,617	574,289	11,434	-17,183
1996-97	140,896	104,820	36,076	44,973	-8,897	583,186	10,162	1,265
1997-98	153,162	108,753	44,409	40,931	3,478	579,708	9,251	12,729
1998-99	155,671	111,393	44,278	41,394	2,884	576,824	8,607	11,491
1999-00	165,708	111,763	53,945	41,647	12,298	564,526	2,268	14,566
2000-01	178,590	119,348	59,242	42,094	17,148	547,378	1,843	18,991

Table 2  
Fiscal transactions

Year	Budgetary revenues	Program spending	Operating surplus or deficit (-)	Public debt charges	Budgetary surplus or deficit (-)	Net public debt	Non-budgetary transactions	Financial requirements (-)/ source (excl. foreign exchange)
					(per cent of GDP)			
1946-47	24.9	17.5	7.4	3.9	3.5	103.5	-7.4	-3.8
1947-48	20.7	12.3	8.4	3.3	5.1	85.2		
1948-49	17.5	10.3	7.2	2.9	4.3	70.1		
1949-50	15.0	11.5	3.5	2.5	1.0	63.6		
1950-51	16.5	12.8	3.7	2.2	1.5	56.2		
1951-52	18.4	14.6	3.8	2.3	1.5	46.7	0.4	1.9
1952-53	18.4	18.1	0.3	1.8	-1.5	42.9		
1953-54	17.9	17.7	0.3	1.8	-1.5	42.4		
1954-55	16.7	17.2	-0.4	1.8	-2.2	44.4		
1955-56	16.2	14.7	1.5	1.7	-0.1	40.4		
1956-57	17.0	14.5	2.5	1.5	1.0	35.0	0.4	1.4
1957-58	15.8	14.8	1.0	1.6	-0.6	34.0	-0.4	-1.0
1958-59	14.5	15.1	-0.7	1.8	-2.5	35.2	-1.7	-4.1
1959-60	15.6	15.3	0.3	2.0	-1.8	35.0	0.5	-1.3
1960-61	16.0	15.5	0.5	2.0	-1.5	35.1	0.7	-0.8
1961-62	15.7	16.1	-0.4	2.0	-2.4	35.9	0.3	-2.1
1962-63	14.9	14.7	0.1	2.0	-1.9	35.0	-0.2	-2.1
1963-64	14.8	15.2	-0.4	2.1	-2.5	35.1	2.0	-0.5
1964-65	15.6	14.3	1.3	2.0	-0.7	32.7	0.9	0.2
1965-66	15.6	13.7	1.9	1.9	0.0	29.7	0.1	0.2
1966-67	15.2	14.1	1.1	1.8	-0.7	27.3	-0.3	-1.0
1967-68	15.4	15.0	0.3	1.8	-1.5	26.8	-0.5	-2.0
1968-69	15.8	14.7	1.0	1.9	-0.9	25.5	-0.2	-1.1
1969-70	17.1	15.0	2.2	2.0	0.2	22.9	0.1	0.3
1970-71	16.6	15.6	1.0	2.1	-1.1	22.5	0.0	-1.1
1971-72	16.9	16.5	0.3	2.1	-1.8	22.4	0.4	-1.4
1972-73	17.4	17.1	0.4	2.1	-1.7	21.8	0.5	-1.2
1973-74	17.4	17.1	0.3	2.0	-1.7	20.3	0.5	-1.2
1974-75	19.0	18.3	0.7	2.1	-1.4	18.4	0.0	-1.4
1975-76	18.2	19.5	-1.3	2.3	-3.6	19.9	0.8	-2.8
1976-77	17.2	18.3	-1.1	2.4	-3.4	20.7	0.7	-2.8
1977-78	15.6	18.1	-2.4	2.5	-4.9	23.7	1.1	-3.8
1978-79	15.1	17.5	-2.4	2.9	-5.3	26.6	0.7	-4.6
1979-80	15.0	16.2	-1.2	3.0	-4.3	27.6	0.6	-3.6
1980-81	15.5	16.7	-1.2	3.4	-4.6	29.2	1.5	-3.1
1981-82	16.7	16.9	-0.2	4.2	-4.3	29.9	1.8	-2.6
1982-83	16.0	19.2	-3.2	4.5	-7.6	36.0	1.4	-6.3
1983-84	15.6	19.2	-3.6	4.4	-8.0	41.2	1.9	-6.1
1984-85	15.8	19.4	-3.6	5.0	-8.6	46.3	1.9	-6.6
1985-86	15.9	17.7	-1.9	5.2	-7.1	50.0	0.8	-6.3
1986-87	16.8	17.6	-0.8	5.2	-6.0	53.4	1.5	-4.5
1987-88	17.4	17.2	0.2	5.2	-5.0	53.7	1.6	-3.4
1988-89	16.9	16.2	0.7	5.4	-4.7	53.7	1.0	-3.6
1989-90	17.2	15.8	1.5	5.9	-4.4	54.4	1.3	-3.1
1990-91	17.5	16.0	1.6	6.2	-4.7	57.3	1.1	-3.6
1991-92	17.8	16.8	1.0	6.0	-5.0	61.9	0.4	-4.6
1992-93	17.1	17.5	-0.3	5.5	-5.8	66.4	0.9	-4.9
1993-94	15.9	16.4	-0.6	5.2	-5.8	69.7	1.7	-4.1
1994-95	16.0	15.4	0.6	5.4	-4.8	70.6	1.5	-3.3
1995-96	16.0	13.8	2.3	5.8	-3.5	70.7	1.4	-2.1
1996-97	16.8	12.5	4.3	5.4	-1.1	69.5	1.2	0.2
1997-98	17.3	12.3	5.0	4.6	0.4	65.5	1.0	1.4
1998-99	17.0	12.2	4.8	4.5	0.3	63.0	0.9	1.3
1999-00	17.0	11.5	5.5	4.3	1.3	57.9	0.2	1.5
2000-01	16.9	11.3	5.6	4.0	1.6	51.8	0.2	1.8

Table 4  
Budgetary revenues

Year	Tax revenues						Non-tax revenues			Total budgetary revenues
	Personal income tax	Corporate income tax	Other income tax	Employment insurance premiums	Excise taxes and duties	Total tax revenues	Return on investments	Other	Total non-tax revenues	
	(per cent of GDP)									
1961-62	5.0	3.2	0.5	0.7	5.3	14.6	0.7	0.3	1.1	15.7
1962-63	4.5	2.9	0.5	0.6	5.4	13.9	0.7	0.3	1.0	14.9
1963-64	4.5	2.9	0.4	0.6	5.3	13.7	0.8	0.3	1.1	14.8
1964-65	4.8	3.2	0.4	0.6	5.5	14.5	0.8	0.3	1.1	15.6
1965-66	4.5	3.0	0.5	0.6	5.8	14.4	0.8	0.5	1.2	15.6
1966-67	4.7	2.7	0.5	0.5	5.6	14.0	0.8	0.4	1.2	15.2
1967-68	5.2	2.6	0.5	0.5	5.3	14.1	0.9	0.4	1.3	15.4
1968-69	5.7	2.9	0.4	0.6	4.9	14.5	0.9	0.4	1.3	15.8
1969-70	6.7	3.4	0.4	0.6	4.8	15.8	1.0	0.3	1.3	17.1
1970-71	7.1	2.7	0.4	0.5	4.5	15.2	1.1	0.3	1.4	16.6
1971-72	7.3	2.4	0.4	0.6	4.7	15.5	1.1	0.2	1.4	16.9
1972-73	7.6	2.7	0.3	0.7	4.8	16.0	1.1	0.2	1.4	17.4
1973-74	7.1	2.9	0.3	0.8	4.9	16.0	1.1	0.3	1.4	17.4
1974-75	7.6	3.1	0.3	1.0	5.5	17.5	1.2	0.2	1.4	19.0
1975-76	7.3	3.3	0.3	1.2	4.7	16.8	1.2	0.3	1.5	18.2
1976-77	7.3	2.7	0.3	1.2	4.3	15.8	1.2	0.2	1.4	17.2
1977-78	6.3	2.4	0.3	1.1	4.1	14.2	1.2	0.2	1.4	15.6
1978-79	6.0	2.3	0.3	1.1	3.9	13.6	1.2	0.2	1.4	15.1
1979-80	6.0	2.5	0.3	1.0	3.6	13.4	1.3	0.3	1.6	15.0
1980-81	6.3	2.6	0.3	1.0	3.7	13.9	1.4	0.2	1.6	15.5
1981-82	6.7	2.3	0.3	1.3	4.4	15.0	1.4	0.3	1.8	16.7
1982-83	6.9	1.9	0.3	1.3	4.2	14.6	1.2	0.2	1.4	16.0
1983-84	6.6	1.8	0.3	1.8	3.9	14.3	1.0	0.3	1.3	15.6
1984-85	6.5	2.1	0.3	1.7	4.0	14.6	1.0	0.3	1.2	15.8
1985-86	6.8	1.9	0.2	1.8	4.0	14.8	0.8	0.3	1.1	15.9
1986-87	7.4	1.9	0.3	1.9	4.1	15.6	0.8	0.4	1.2	16.8
1987-88	8.1	1.9	0.2	1.9	4.1	16.2	0.8	0.4	1.2	17.4
1988-89	7.5	1.9	0.3	1.8	4.2	15.7	0.9	0.3	1.2	16.9
1989-90	7.9	2.0	0.2	1.6	4.3	16.0	0.9	0.4	1.3	17.2
1990-91	8.5	1.7	0.2	1.9	3.8	16.1	1.0	0.4	1.4	17.5
1991-92	8.9	1.4	0.2	2.2	3.7	16.4	0.9	0.4	1.4	17.8
1992-93	8.3	1.0	0.2	2.5	3.7	15.7	1.0	0.4	1.4	17.1
1993-94	7.0	1.3	0.2	2.5	3.7	14.7	0.8	0.3	1.2	15.9
1994-95	7.3	1.5	0.2	2.4	3.5	15.0	0.6	0.3	1.0	16.0
1995-96	7.4	2.0	0.3	2.3	3.3	15.2	0.6	0.3	0.9	16.0
1996-97	7.5	2.0	0.3	2.4	3.5	15.7	0.5	0.6	1.1	16.8
1997-98	8.0	2.5	0.3	2.1	3.5	16.5	0.5	0.3	0.8	17.3
1998-99	7.9	2.4	0.3	2.1	3.4	16.1	0.5	0.3	0.9	17.0
1999-00	8.1	2.4	0.4	1.9	3.4	16.1	0.5	0.3	0.8	17.0
2000-01	7.8	2.7	0.4	1.8	3.4	16.1	0.6	0.3	0.8	16.9

Table 8  
Budgetary expenditures

Year	Major transfers to persons	Major transfers to other levels of government	Direct program spending		Program spending	Public debt charges	Total budgetary expenditures
			National defence	Other			
(per cent of GDP)							
1961-62	3.9	1.6	3.9	6.7	16.1	2.0	18.1
1962-63	3.7	1.6	3.5	5.8	14.7	2.0	16.8
1963-64	3.6	1.7	3.5	6.5	15.2	2.1	17.3
1964-65	3.4	1.7	2.9	6.3	14.3	2.0	16.3
1965-66	3.1	1.4	2.7	6.4	13.7	1.9	15.6
1966-67	3.1	1.6	2.5	7.0	14.1	1.8	15.9
1967-68	3.4	2.1	2.5	7.0	15.0	1.8	16.9
1968-69	3.4	2.4	2.3	6.6	14.7	1.9	16.7
1969-70	3.4	2.7	2.1	6.7	15.0	2.0	17.0
1970-71	3.6	3.3	2.0	6.7	15.6	2.1	17.7
1971-72	4.0	3.7	1.9	7.0	16.5	2.1	18.7
1972-73	4.7	3.8	1.8	6.9	17.1	2.1	19.2
1973-74	4.7	3.5	1.7	7.1	17.1	2.0	19.1
1974-75	4.9	3.8	1.6	7.9	18.3	2.1	20.4
1975-76	5.3	4.0	1.7	8.5	19.5	2.3	21.8
1976-77	4.9	4.2	1.7	7.5	18.3	2.4	20.6
1977-78	5.0	3.8	1.7	7.5	18.1	2.5	20.6
1978-79	4.9	3.9	1.7	7.0	17.5	2.9	20.4
1979-80	4.3	3.8	1.6	6.6	16.2	3.0	19.3
1980-81	4.4	3.7	1.6	7.1	16.7	3.4	20.1
1981-82	4.5	3.6	1.6	7.2	16.9	4.2	21.1
1982-83	5.7	3.7	1.7	8.0	19.2	4.5	23.6
1983-84	5.5	4.2	1.9	7.7	19.2	4.4	23.6
1984-85	5.3	4.1	1.9	8.0	19.4	5.0	24.4
1985-86	5.2	3.9	1.8	6.9	17.7	5.2	23.0
1986-87	5.2	3.8	1.9	6.7	17.6	5.2	22.8
1987-88	4.9	3.7	1.8	6.8	17.2	5.2	22.4
1988-89	4.7	3.6	1.7	6.2	16.2	5.4	21.6
1989-90	4.6	3.6	1.7	5.9	15.8	5.9	21.6
1990-91	5.1	3.4	1.7	5.8	16.0	6.2	22.2
1991-92	5.7	3.6	1.6	5.8	16.8	6.0	22.8
1992-93	5.7	3.8	1.6	6.4	17.5	5.5	23.0
1993-94	5.1	3.7	1.5	6.1	16.4	5.2	21.7
1994-95	4.6	3.4	1.4	6.0	15.4	5.4	20.8
1995-96	4.2	3.2	1.2	5.1	13.8	5.8	19.6
1996-97	4.1	2.6	1.0	4.8	12.5	5.4	17.9
1997-98	3.8	2.3	1.0	5.1	12.3	4.6	16.9
1998-99	3.8	2.8	1.0	4.6	12.2	4.5	16.7
1999-00	3.6	2.4	1.0	4.5	11.5	4.3	15.7
2000-01	3.5	2.3	0.9	4.5	11.3	4.0	15.3

Table 46

**Actual, cyclically adjusted and primary-cyclically adjusted budget balances  
as a percentage of gross domestic product at market prices<sup>(1)</sup>**

## National Economic and Financial Accounts

Year	Federal government			Total government		
	Actual	Cyclically adjusted	Primary-cyclically adjusted	Actual	Cyclically adjusted	Primary-cyclically adjusted
	(per cent of GDP)					
1970	-0.5	-0.6	1.0	-0.4	-0.5	1.4
1971	-0.9	-1.0	0.3	-1.0	-1.1	0.7
1972	-1.2	-1.4	0.0	-1.0	-1.3	0.5
1973	-0.1	-1.0	0.4	0.6	-0.6	1.1
1974	0.0	-0.6	0.7	1.1	0.2	1.6
1975	-3.0	-3.1	-1.6	-3.5	-3.6	-2.0
1976	-2.4	-2.8	-1.2	-2.8	-3.3	-1.5
1977	-4.3	-4.6	-3.0	-4.1	-4.6	-2.7
1978	-5.5	-5.9	-3.9	-4.8	-5.3	-3.1
1979	-4.0	-4.5	-2.2	-3.4	-4.1	-1.8
1980	-4.0	-4.0	-1.5	-4.1	-4.1	-1.6
1981	-2.8	-2.7	0.5	-2.8	-2.7	0.4
1982	-5.6	-4.1	-0.3	-7.0	-4.8	-1.0
1983	-6.8	-5.4	-1.7	-8.2	-6.1	-2.2
1984	-7.5	-6.9	-2.8	-7.8	-7.0	-2.4
1985	-7.8	-7.8	-3.2	-8.6	-8.6	-3.5
1986	-5.6	-5.8	-1.1	-7.1	-7.3	-2.0
1987	-4.6	-5.3	-0.7	-5.4	-6.4	-1.1
1988	-4.3	-5.5	-0.6	-4.3	-6.1	-0.6
1989	-4.2	-5.3	0.1	-4.6	-6.3	-0.3
1990	-4.9	-5.3	0.6	-5.8	-6.4	0.2
1991	-5.4	-4.5	1.2	-8.3	-7.0	-0.5
1992	-5.1	-3.9	1.5	-9.1	-7.2	-0.8
1993	-5.4	-4.4	0.8	-8.7	-7.0	-0.6
1994	-4.5	-4.1	0.9	-6.7	-6.0	0.5
1995	-3.9	-3.5	2.0	-5.3	-4.6	2.4
1996	-2.0	-1.3	3.9	-2.8	-1.7	5.0
1997	0.7	1.1	5.8	0.2	0.8	6.9
1998	1.0	1.3	5.8	0.5	1.0	7.0
1999	0.9	0.9	5.1	1.6	1.6	7.3
2000	1.8	1.7	5.7	3.2	3.0	8.3

Source: Statistics Canada, *National Economic and Financial Accounts* (13-001); Department of Finance.

<sup>(1)</sup> GDP at factor cost was previously used. However, following several changes made by Statistics Canada with the first quarter release of 2001, the GDP at factor cost measure will not be available for some time.

Table 47

**Change in actual, cyclically adjusted and primary-cyclically adjusted budget balances as a percentage of gross domestic product at market prices<sup>(1)</sup>**

## National Economic and Financial Accounts

Year	Federal government			Total government		
	Actual	Cyclically adjusted	Primary-cyclically adjusted	Actual	Cyclically adjusted	Primary-cyclically adjusted
	(per cent of GDP)					
1971	-0.48	-0.41	-0.64	-0.65	-0.60	-0.75
1972	-0.22	-0.40	-0.35	0.04	-0.21	-0.18
1973	1.06	0.46	0.37	1.57	0.73	0.64
1974	0.12	0.32	0.30	0.50	0.76	0.48
1975	-3.02	-2.43	-2.26	-4.63	-3.80	-3.65
1976	0.59	0.28	0.40	0.75	0.32	0.53
1977	-1.88	-1.85	-1.80	-1.31	-1.28	-1.23
1978	-1.22	-1.23	-0.93	-0.67	-0.69	-0.34
1979	1.53	1.40	1.75	1.36	1.15	1.27
1980	0.00	0.42	0.71	-0.65	-0.02	0.18
1981	1.21	1.37	2.00	1.23	1.47	2.00
1982	-2.84	-1.45	-0.82	-4.19	-2.09	-1.36
1983	-1.16	-1.27	-1.38	-1.14	-1.32	-1.20
1984	-0.71	-1.56	-1.08	0.40	-0.89	-0.25
1985	-0.33	-0.90	-0.43	-0.81	-1.67	-1.10
1986	2.17	2.07	2.13	1.44	1.29	1.50
1987	0.99	0.44	0.36	1.72	0.90	0.97
1988	0.36	-0.17	0.07	1.08	0.29	0.42
1989	0.08	0.18	0.71	-0.26	-0.11	0.40
1990	-0.69	0.03	0.51	-1.23	-0.19	0.40
1991	-0.53	0.79	0.62	-2.52	-0.51	-0.63
1992	0.32	0.66	0.31	-0.77	-0.27	-0.28
1993	-0.35	-0.50	-0.73	0.42	0.22	0.19
1994	0.90	0.27	0.11	2.00	1.04	1.08
1995	0.64	0.63	1.11	1.37	1.37	1.87
1996	1.88	2.13	1.86	2.52	2.94	2.65
1997	2.75	2.46	1.92	2.98	2.49	1.88
1998	0.25	0.16	0.06	0.29	0.14	0.07
1999	-0.13	-0.43	-0.77	1.14	0.65	0.27
2000	0.98	0.86	0.58	1.61	1.41	1.02

Source: Statistics Canada, *National Economic and Financial Accounts* (13-001); Department of Finance.

Note: A positive sign indicates a move towards smaller deficits or larger surpluses; a negative sign indicates a move towards larger deficits or smaller surpluses.

<sup>(1)</sup> GDP at factor cost was previously used. However, following several changes made by Statistics Canada with the first quarter release of 2001, the GDP at factor cost measure will not be available for some time.