



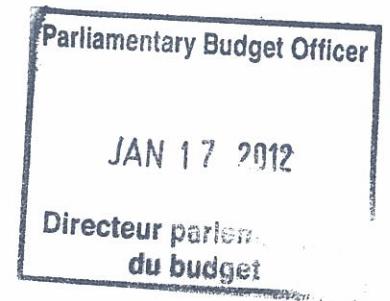
Department of Finance  
Canada

Deputy Minister

Ottawa, Canada  
K1A 0G5

Ministère des Finances  
Canada

Sous-ministre



2012FIN362833

JAN 12 2012

Mr. Kevin Page  
Parliamentary Budget Officer  
Library of Parliament  
Ottawa ON K1A 0A9

Dear Mr. Page:

I am writing with regard to your request for the details of the Government's program expense outlook presented in Table 3.5 of the 2011 Update of Economic and Fiscal Projections. In particular, you asked for the outlook to be broken down into the subcategories of expenses listed in Table 3 of the Fiscal Monitor.

Table 3.5 of the Update of Economic and Fiscal Projections is completed by type of expenditure, which does not include the departmental details listed in Table 3 of the Fiscal Monitor. The tables correspond in the following manner:

- Transfer Payments in Table 3.5 in the 2011 Update of Economic and Fiscal Projections corresponds to the total of other transfer payments for Aboriginal Affairs, Agriculture, Foreign Affairs and International Trade, Health, Human Resources and Skills Development, Industry, and Other in Table 3 of the Fiscal Monitor.
- The total of Capital Amortization, Other Operating Expenses, and Operating Expenses Subject to Freeze in Table 3.5 in the 2011 Update of Economic and Fiscal Projections corresponds to the total of Other Program Expenses for Crown Corporations, Defence, and all other departments and agencies in Table 3 of the Fiscal Monitor.

Information from Table 3 in the Fiscal Monitor is based on year-to-date expense information recorded by departments and collected by the Receiver General of Canada as part of the Government's Monthly Statement of Financial Operations. In contrast, the program expense outlook in Table 3.5 of the 2011 Update of Economic and Fiscal Projections is a forecast of future government spending levels based on various sources of information. Certain aspects of the projections, such as capital amortization and pensions and benefits expense, are forecast on a categorical basis and are not allocated on the same basis as the *Fiscal Monitor*. For this reason, the subcategories from Table 3 in the Fiscal Monitor are not available for the program expense outlook.

Thank you for your correspondence.

Yours sincerely,

A handwritten signature in cursive script that reads "Michael Horgan". The signature is written in black ink and is positioned above the printed name.

Michael Horgan