the making of expenditures in the strict or narrow accounting or budgetary meaning of those terms. While a substantial part of all governmental activities is directly reflected in the budgetary accounts, large amounts of cash are received and disbursed in connection with extra-budgetary transactions and these receipts and disbursements must be taken into account when measuring the impact of the Government's financial operations upon the economy or analyzing the implications of Government spending and the methods by which that spending is financed.

Consequently in determining the over-all cash surplus or deficit for the fiscal year, the cash available from or required for non-budgetary as well as budgetary transactions must be taken into account.

The non-budgetary receipts and disbursements relate to transactions which result in increases or decreases in the Government's assets and liabilities. They do not appear in the Government's income account nor do they enter into the calculation of the annual budgetary surplus or deficit. On the assets side, they consist, for the most part, of advances to and repayments of loans by Crown corporations and other government agencies, foreign, provincial and municipal governments and other borrowers, investments in government securities and outlays for the acquisition of inventories of materials which will be used in the future, and for services rendered in one year but applicable to the accounts of subsequent years. On the liabilities side, the transactions relate primarily to receipts and payments in connection with the numerous deposit and trust, and annuity, insurance and pension funds held or administered by the Government.

The following summary shows how the non-budgetary transactions and the budgetary surplus affect the Government's funded debt and cash position in 1952-53. For purposes of comparison the corresponding figures for 1951-52 are also shown: