

## NET LOANS TO PROVINCES UNDER RELIEF ACTS CLASSIFIED AS TO PURPOSE

	Loans Specifically to meet Maturing Obligations and Interest	Loans Specifically for Agricultural Relief, Including Purchase of Seed Grain	Loans for Provincial Purposes Generally Including Direct Relief and Public Works	Total
	\$	\$	\$	\$
Manitoba.....	1,139,455	234,819	25,003,762	26,378,036
Saskatchewan.....	3,934,341	15,509,871	69,487,611	88,931,823
Alberta.....	8,577,000	3,149,050	14,299,450	26,025,500
British Columbia.....	9,818,845	—	24,684,917	34,503,762
	23,469,641	18,893,740	133,475,740	175,839,121
Less write-offs as shown in the preceding table; Manitoba \$804,897; Saskatchewan \$19,056,138				19,861,035
				155,978,086

## CANADIAN NATIONAL RAILWAYS

35. In addition to paying the net income deficit of the Canadian National Railways, the

Dominion made advances to the Railway for capital purposes amounting to \$22,979,000, classified as follows:

Under Canadian National Railways Financing and Guarantee Act, 1939 (capital expenditures and retirement of miscellaneous obligations).....	\$12,443,000
Under Canadian National Railways Refunding Act, 1938.....	9,761,000
Construction of Senneterre-Rouyn Branch Line.....	325,000
Purchase of Trans-Canada Air Lines Capital Stock.....	450,000
	<b>\$22,979,000</b>

A loan of \$1,500,000 made in the fiscal year 1938-39 in anticipation of the passing of the 1939 budget of the railway company was repaid in the fiscal year ended March 31, 1940.

The dominion purchased under authority of the War Measures Act and the War Appropriation Act approximately \$15,000,000 of railway equipment for the Canadian National Railways. As of the close of the fiscal year, equipment to the amount of \$6,189,000 had been paid for and delivered. This equipment is being leased to the railway company under a hire-purchase agreement extending over a period of fifteen years.

The railway company paid the second instalment of \$517,000 under the terms of a hire-purchase agreement relating to certain equipment purchased by the government in 1935-36 and 1936-37 at a cost of \$6,723,000 and leased to the railway.

## OTHERS LOANS AND INVESTMENTS

36. During the fiscal year the government purchased a further \$188,000 of the capital stock of the Canadian Farm Loan Board and an additional \$2,100,000 of the Board's 3½ per cent bonds. Capital stock in the amount of \$11,000 was cancelled and written off. As at March 31, 1940, the total investment in the Canadian Farm Loan Board was \$36,695,000.

37. In the fiscal year under review, 4,936 loans were approved under the National Housing Act in the amount of \$21,924,000,

bringing the total to March 31, 1940, to \$52,553,000. During the year, the dominion's share of loans actually paid out, less repayments by borrowers, was \$4,393,000. The net amount of loans outstanding at the close of the fiscal year made under the authority of the National Housing Act and the Dominion Housing Act was \$9,805,000. Loans under the National Housing Act are made jointly by the Government and approved lending institutions and are secured by first mortgage or hypothec, running jointly to the government and an approved lending institution. Loans are normally made not in excess of 80 per cent of the cost or appraised value of the completed property, whichever is the lesser. However, in the case of owner-occupied houses where the lending value does not exceed \$2,500, a loan may be made up to 90 per cent of the said lending value. Since January 1, 1940, new applications for loans are received only in respect of the construction of houses containing one self-contained dwelling place and where the loan does not exceed \$4,000.

38. To March 31, 1940, the government has approved loans to the amount of \$5,272,000 under the Municipal Improvements Assistance Act, 1938 to municipalities to enable them to finance the construction of municipal self-liquidating projects. During the fiscal year under review, the amount actually paid out on such loans, less repayments, was \$3,111,000.