

loans totalling \$232 million to least developed countries under the foreign aid program. These additional increases in budgetary expenditures resulted in no increase in total outlays, as they gave rise to corresponding reductions in net loan requirements.

The decrease in budgetary revenues and the increase in budgetary expenditures resulted in an estimated budgetary deficit which is \$1.1 billion higher than the deficit forecast in October. The reduction in loan requirements and the increase in non-budgetary receipts turned out to balance this increase in the budgetary deficit, leaving financial requirements at the same level as in the October forecast.

Foreign Borrowing, Foreign Exchange Transactions and Domestic Borrowing

There was a significant amount of foreign borrowing in 1977-78 for the first time in several years. The following table shows how such borrowing is reflected in the Summary Statement of Transactions (Table 1), and also provides summary information on the domestic borrowing record.

Financial Requirements and Debt Transactions

	1976-77	1977-78
	(\$ millions)	
<i>Financial requirements</i>		
(Excl. foreign exchange transactions)	-5,394	-8,500
<i>Foreign exchange transactions</i>		
Unmatured debt outstanding — payable in foreign currency (increase +)/decrease-	-2	850
Other	1,124	320
Total	1,122	1,170
Total financial requirements	-4,272	-7,330
Unmatured debt transactions (increase +)/decrease-)		
Marketable bonds	2,270	3,443
Treasury bills	1,760	3,040
Canada Savings Bonds	787	1,747
Total	4,817	8,230
Change in cash balance	545	900
Cash balance at end of period	3,597	4,497