The Budget-Appendix

The "Replacement of materiel" account established by section 11 of the National Defence Act is credited with amounts realized from the sale of materiel that has not been declared surplus to requirements but has been authorized by the Governor in Council to be sold to other countries. The account is debited with disbursements representing amounts paid for the procurement of replacement materiel. During 1958-59 disbursements exceeded credits to the account by \$6 million.

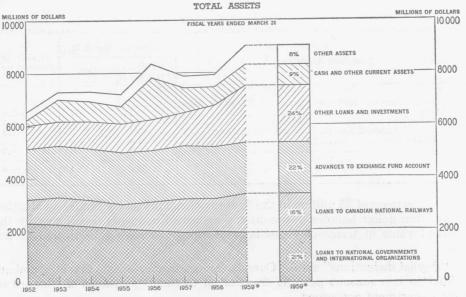
Unmatured debt

The unmatured debt of Canada at the close of 1958-59 amounted to \$15,558 million compared with \$14,245 million at the close of the previous fiscal year. Debt payable in Canada increased by \$1,463 million partly offset by a decrease of \$150 million in debt payable in New York. There was no change in debt payable in London.

In the year under review, unmatured debt obligations payable in foreign currencies have been stated in Canadian dollars converted at the rate of \$2.80 for the pound sterling and par for the U.S. dollar.

B. Changes In Principal Asset Classifications During 1958-59

The total of assets increased during 1958-59 by \$1,161 million. The principal changes were increases of \$735 million in loans to Crown corporations, \$326 million in the unamortized portion of the actuarial deficiency in the permanent services pension account, \$159 million in current assets, \$72 million in deferred charges, \$19 million in other loans and investments and \$20 million in advances to the exchange fund, and decreases of \$129 million in sinking fund and other investments held for retirement of unmatured debt and \$39 million in loans to national governments.



*Estimated